MONDAY ALERT

New York State Alliance for Retired Americans

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July 21, 2025

NYSARA Biennial Election Convention

Date: September 4, 2025 10:30 am to 3:00 pm:

Place: NYSUT Headquarters 800 Troy Schenectady Rd. Latham, NY

Purpose: To Elect NYSARA Officers 2025 -2027, Get Information on Issues both nationally and Statewide that have impact on Seniors and Actions to take that have impact. Hearing from people who impact Seniors.

Keynote Speakers: Robert Roach, President National ARA (CONFIRMED), **Ravi Reddi, Senior Staff for US Senator Kirsten Gillibrand** (CONFIRMED), **Thomas DiNapoli, NYS Comptroller** (REQUESTED) and **NYS Senator Patricia Fahy** (REQUESTED)

Click to get Registration Form Due by 8/25/2025

Fiscal Impacts of the "Big Ugly Bill" to State Budget:

Governor Hochul and Congressman Pat Ryan discuss the impacts of the federal budget on the State - you can listen to the conversation and read the release here. See this report and accompanying slides from the Fiscal Policy Institute on the impacts of the Reconciliation bill in New York State. See this resource from the Greater New York Hospital Association on the impacts to hospitals. We are hearing that

the legislators will not be returning this summer to work on the budget, especially given the Governor's broad authority to make budgetary changes.

Part D Benefit Restructuring Reduces Out-Of-Pocket Exposure, Changes Risk to Prescription Coverage Access and Choice

By Casey Schwartz and our Friends at Medicare Rights

Prescription drug coverage in Medicare, provided via private health insurance plans under Part D, covers more than 53 million Americans. The Part D benefit—first available in 2006—has undergone significant policy changes in its nearly 20-year history. As initially designed, Part D left beneficiaries with substantial out-of-pocket cost obligations; they were responsible for the full cost of their drugs during a deductible period, faced cost sharing in the form of co-pays or coinsurance during the initial coverage period, were responsible for the full cost of their drugs during the coverage gap or "donut hole," and had reduced, but uncapped, coinsurance if they reached the catastrophic phase of coverage. Changes over time have reduced the risk of extremely high drug costs for Part D enrollees. This includes the Affordable Care Act's (ACA) reduction of the beneficiary's share of cost during the donut hole and the implementation of a $2,000 out of pocket cap under the Inflation Reduction Act (IRA). Other challenges, however, remain.

Plans Shift Costs Pre-Cap

A recent paper published by the Leonard D. Shaeffer Institute for Public Policy and Government Service examines trends in Part D plan design among stand alone Part D plans (PDPs) as well as Part D plans that are combined with a Medicare Advantage Plan (MA-PDs). Coverage rules, including the ACA and IRA policy changes described above, apply to both types of plans, but there are some financing and operational differences.

Namely, MA-PDs can use savings (or overpayments) realized in the administration of Part A and Part B services to offset Part D expenses, while PDPs cannot.
The paper examines how both types of plans are responding to the shifting landscape under the IRA. The authors note the cost cap "provides important insurance protection for beneficiaries, but other Inflation Reduction Act changes incentivized plans to increase beneficiary exposure to cost sharing prior to reaching the cap."

They found that both types of plans are doing so by shifting costs to enrollees in the form of higher deductibles and increased use of coinsurance, rather than copays. Coinsurance is tied to the list price of the drug; a copay is a set amount for a month's supply of all drugs on a particular tier. These shifts have been seen since 2020, but increasingly in more recent years.

These findings suggest that beneficiaries with moderate prescription drug expenses—those who do not reach the annual out-of-pocket limit of $2,000—may see out-of-pocket costs increase due to plan decisions to raise cost sharing. The researchers note, however, that they did not examine changes in premium amounts or take into account the reductions in cost-sharing obligations for people who are enrolled in the Low-Income Subsidy (LIS), also called Extra Help, factors which may lower beneficiary obligations.
They also note that the implementation, starting in 2026, of CMS negotiated prices for certain medications will "likely decrease" beneficiary cost sharing. This is because "the prices set by CMS are notably lower than the drugs' list prices," which will decrease beneficiary costs even if a plan uses coinsurance.

Although the paper draws attention to important trends, the risk of increased out-of-pocket costs is not unavoidable. Indeed, in light of changing benefit design, it is even more important for beneficiaries to

carefully consider their current enrollment and plan options for 2026 during the Fall Open Enrollment period.

The Future of Part D Plan Premiums

Choosing one's PDP or MA-PD enrollment carefully can help avoid significant costs and barriers to care. This which makes the concerns raised by a recent report from KFF about the future availability and costs of PDPs especially important. That article asks two big questions about Part D: "Will the Trump administration continue Medicare's Part D premium stabilization demonstration for a second year, and what will the PDP market look like in 2026 and in subsequent years?"
The article explains that stability in the PDP market, particularly in plans that are available with no premium to people enrolled in LIS, is both at risk and vitally important to preserving Medicare and access to Medicare covered services. This is especially true in rural areas because "rural Medicare beneficiaries are more likely to be enrolled in traditional Medicare and rely more on drug coverage from stand-alone PDPs than Medicare Advantage plans," and because Medicare Advantage's tradeoffs, including more limited provider networks, can be more difficult for those in rural areas to navigate.

Changes to the Part D benefit structure were made with the intention to protect enrollees from high drug costs—not simply to move those costs into premium payments. In implementing the IRA, CMS has an obligation to ensure that plans, manufacturers and pharmacy benefit managers do not improperly shift their burdens to beneficiaries.

Number of Medicaid Recipients in Each Congressional District Whose Representative Voted for President Trump's "Big Ugly Bill"

Congressional District 1 (Nick Lalota/R) - 165,128

Congressional District 2 (Andrew Garbarino/R -absent) - 205,740
Congressional District 11 (Nicole Maliotakis/R) - 308,117
Congressional District 19 (Mike Lawler/R) - 277,547
Congressional District 21 (Elise Stefanik/R) - 251,353
Congressional District 23 (Nick Langworthy/R) - 254,964
Congressional District 24 (Claudia Tenney/R) - 266,017

There are a total of 6,911,404 people on Medicaid in New York including 63% of Nursing Home and Assisted Living Seniors

Since the $1.1 trillion cut to Medicaid will impact Medicaid recipients, rural hospitals and nursing homes and will mean a $5.5 billion reduction in NYS funding over 10 years it means many of NY recipients will lose coverage, get kicked out of nursing homes that are closing and perhaps will have trouble accessing hospital services if a number of rural hospitals close.

As the Older Americans Act Turns 60, Future of Programs Seniors Rely On Are Under Siege

Last week marked the 60th anniversary of the Older Americans Act (OAA). On July 14, 1965, President Lyndon B. Johnson signed it into law. Now, at a time when 10,000 Americans turn 65 each day, the Administration has proposed a budget that significantly slashes programs funded by the Act.

The OAA funds services for seniors such as family caregiver support, transportation assistance, meal delivery, and protections against elder abuse. A major reason for the law's success is that it gives states flexibility in deciding where and how to use funds, but as a result many Americans aren't even aware that the program they rely on is funded by the federal government.

OAA programs fund thousands of senior centers, Meals on Wheels, transportation to medical appointments, as well as the Medicare State Health Insurance Programs (SHIPs), Aging and Disability Resource Centers (ADRCs), the National Center on Elder Abuse (NCEA), and the National Caregiver Family Support Program (NFCSP).

Workers who administer OAA programs were already reeling from layoffs at the Department of Health and Human Services (HHS) in April that slashed 40 percent of staff from the Administration for Community Living (ACL), which coordinates federal aging and disability policy. The Administration's FY2026 budget will further compound their struggle to provide services by cutting $5 million from elder rights programs and completely eliminating funding for health promotion, disease prevention, and Aging and Disability Resource Centers.

"The Older Americans Act has served seniors well for sixty years," said **Robert Roach, Jr.**, President of the Alliance. "Lawmakers should be working to safeguard these programs with more funding instead of trying to cut them. As we fight to protect Social Security, we are also ready to mobilize our members to fight back against this proposal and defend the OAA."

Study Debunks Pharmaceutical Industry's Claims That Medicare Drug Price Negotiation Would Harm R&D

A new study by Bentley University debunks the pharmaceutical industry's claims that the Medicare drug price negotiation law would harm innovation and research. Drug research and development (R&D) spending actually increased after it passed despite these assertions, according to the analysis.

The study evaluated spending at 134 corporations and found that R&D spending surged from $211 billion to more than $247 billion after the law passed in 2022, surpassing record levels.

Other data indicates that equity investments decreased in 2021, but then stabilized and even grew after 2022. Additionally, drug mergers and acquisitions were not negatively impacted, with pharmaceutical corporations engaging in more acquisitions of valuable firms between 2022 and 2025.

Pharmaceutical lobbyists have used similar rhetoric when defending their monopoly pricing power, most recently when working to pass the so-called ORPHAN Cures Act, which exempts more drugs from Medicare price negotiation and gives drugmakers a massive $5 billion windfall.

"This research confirms that pharmaceutical corporations exaggerated the potential negative impacts of the Inflation Reduction Act so they could continue to exploit patients and maintain the industry's drug pricing monopoly," said **Richard Fiesta**, Executive Director of the Alliance. "Since R&D is clearly thriving at these companies, we must make sure they negotiate in good faith, protect Medicare drug price negotiation, and work to expand the number of eligible prescription drugs."

Social Security Administration Struggles to Provide Customer Service Amid Fallout from DOGE Cuts

Months after Elon Musk's Department of Government Efficiency (DOGE) fired thousands of experienced, hardworking Social Security Administration (SSA) workers, the agency is having trouble keeping up with calls to its 1-800 number, according to a report from the *Washington Post*. SSA pulled about 1,000 field office employees to answer the phones instead of working on claims.

"Social Security Commissioner **Frank Bisignano** seems to think he can make it look like customer service numbers are improving by shifting workers who process claims to answering the phone. But that's only going to make the length of time to process a claim take longer," said **Joseph**

Peters, Jr., Secretary-Treasurer of the Alliance. "Congress clearly needs to pass legislation to force this Administration to keep these offices open and functioning."

Fortunately, Rep. **John Larson** (CT) has introduced a bill (H.R. 1876) that will keep field offices open to ensure that beneficiaries can still get in-person help if they need to.

Action Needed: ***Please send a message to your representative demanding that they support the Keeping Our Field Offices Open Act (H.R. 1876).***

Left: Field Manager Tommy McLaughlin speaks at the SC Alliance convention; Right: SC Alliance members at the convention

KFF Health News: How To Find the Right Medical Rehab Services
By Jordan Rau

Rehabilitation therapy can be a godsend after hospitalization for a stroke, a fall, an accident, a joint replacement, a severe burn, or a spinal cord injury, among other conditions. Physical, occupational, and speech therapy are offered in a variety of settings, including at hospitals, nursing homes, clinics, and at home. It's crucial to identify a high-quality, safe option with professionals experienced in treating your condition.