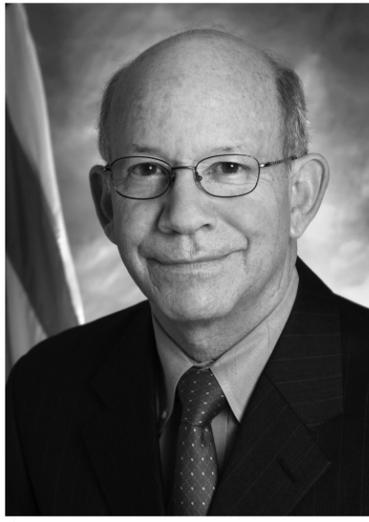


SENIOR REPORT FROM PETER DEFAZIO



Congress of the United States
House of Representatives
Washington DC, 20515
Official Business



M.C.
Presorted Standard

4TH CONGRESSIONAL DISTRICT, OREGON

On the Web: www.defazio.house.gov

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House of Representatives
Washington, DC 20515
November 2009

A Note From Rep. Peter DeFazio to Those in or Near Retirement

In these tough times, it is difficult for many seniors to make ends meet. In this newsletter, I will explain what I am doing to relieve some of the pressure on older Oregonians.

- The health care bill recently passed by the House will **expand Medicare coverage and increase Medicare payments to Oregon providers**. The cuts to Medicare you have been hearing about in the media are not to your benefits. Instead, the bill cuts subsidies to pharmaceutical companies and private insurance companies. This legislation will **improve your Medicare benefits and your access to doctors**. See page one for details.
- Unless action is taken soon, Social Security beneficiaries will not receive a cost-of living adjustment (COLA) in 2010. That is why I have introduced the Emergency Senior Citizens Relief Act. You can read about it on page two.

As always, my staff and I are ready to help if you are having a problem with a federal agency or federal benefits or have a question. Please call 1-800-944-9603.

Sincerely,

Peter DeFazio

Your Representative

Health Reform Strengthens Seniors

Opponents of reform have lied to nervous seniors about cuts to Medicare benefits. I want to give you the facts about the Affordable Health care for America Act (H.R. 3962) that passed the House.

First, **the bill does not cut benefits for seniors**. This legislation improves Medicare. That is why it is endorsed by the American Association of Retired Persons (AARP), the National Committee to Preserve Social Security and Medicare (NCPSSM), and the American Medical Association (AMA), the largest organization of physicians in the country.

Higher Payments and Expanded Benefits

Many Oregon doctor's and health care providers will not take new Medicare patients because reimbursements are too low. The reimbursement formula is outdated and unfair. It discriminates against Oregon and 16 other states and favors big East Coast cities. **The House bill fixed the formula**. Reimbursements to Oregon doctors and health care providers will go up and overpayments in those big cities will be cut.

The bill also eliminates all co-pays for preventative services such as screenings for diabetes, cancer and osteoporosis; and provides increased payments to primary care doctors and doctors who practice in rural areas.

Protecting Medicare for the Future

The House bill makes Medicare stronger and more fiscally sound for the future. It eliminates massive overpayments to Medicare Advantage plans in Florida, New York, and a host of other states and **increases incentive payments to "high quality" Medicare Advantage plans like the ones in Oregon**.

The House bill cuts subsidies to pharmaceutical companies and negotiates lowers drug prices for Part D Medicare plans. The savings from these changes will be used to shore up the Medicare Trust Fund. Without these reforms, the Trust Fund will suffer annual shortfalls as soon as 2017.

Eliminate the donut hole

Every year, seniors are forced into the Medicare Part D donut hole created in 2004 by the then Republican majority. That means seniors with annual prescription drug costs between \$2700 and \$6154 do not receive help from Medicare.

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The House bill requires a phase out of the donut hole that begins next year. In my district alone, over 14,000 seniors will get additional Medicare help with their prescription drug costs. During the phase out, the bill provides seniors with a 50 percent reduction in the price of brand name drugs.

Lowers Cost of Prescription Drugs

The House bill reins in the exploding costs of prescription drugs by authorizing Medicare to negotiate lower prices for Part D beneficiaries. The Veterans Administration has been negotiating lower prescription drug costs for years and achieved huge savings.

Under the Bush drug plan, negotiating lower drug prices was banned, hurting seniors and creating huge windfall profits for pharmaceutical companies. The House bill will significantly lower drug costs, end the windfall, and save billions for the Medicare Trust Fund.

Lowers the Deficit

Opponents of health care reform claim it is too expensive and/or will add to the deficit. **According to the non-partisan Congressional Budget Office, the House bill reduces the deficit by \$104 billion over the first ten years (2010 -2019),** and it will continue to reduce the deficit over the second ten year period (2020-2029).

The House bill pays for expanded coverage with cuts in the subsidies to pharmaceutical and insurance companies and a surtax on families with incomes over \$1 million a year. They will still pay only half the rate millionaires paid under the Eisenhower administration

Strengthens Insurance Reforms

The House bill includes my proposal to stop price fixing and collusion by the insurance industry. This provision ends the insurance industry's unfair exemption from federal anti-trust law and oversight by the Federal Trade Commission.

The bill includes key provisions to help people aged 50-65 get affordable and comprehensive health insurance. **The House bill prohibits insurance companies from denying coverage or refusing to renew a policy for a 'preexisting condition,' such as diabetes, high blood pressure, or family history. Insurance companies also have to stop canceling coverage or denying renewal when a person gets sick.**



Congressman DeFazio holds a press conference to introduce Social Security COLA legislation

Photo Courtesy of the National Committee to Preserve Social Security and Medicare

Fight for Social Security Benefits

Social Security recipients are not scheduled to receive a cost-of-living adjustment (COLA) in 2010, for the first time since 1975. Many seniors rely on the annual COLA to help them keep up with the rising cost of prescription drugs, housing, food, and utilities. Nearly 70 percent of beneficiaries depend on Social Security for at least half of their income, Social Security is the sole source of income for 15 percent of recipients.

I have introduced H.R. 3597, "The Emergency Senior Citizens Relief Act," to help. **This legislation will allow a one-time payment of \$250 in 2010 to all Social Security recipients and adults receiving veterans benefits. This is about a 2 percent increase for the average beneficiary.**

President Obama supports my one-time payment in 2010 in lieu of a COLA increase, but he proposes borrowing the money. The federal deficit and debt are already too high. My proposal pays for the one-time payment and does not draw on the Social Security Trust Fund. To cover the cost of the one-time payment, my bill will place a payroll tax (FICA) on income over \$1 million a year. These earnings are currently exempt.

In addition to President Obama, AARP, NCPSSM and other senior groups recently announced support for the one-time payment. **This gives me hope that seniors will receive a modest payment of \$250 next year to help pay their bills.**

Rebuilding Our Economy

Growing unemployment is the number one issue for many seniors still working, looking for work, or worried about jobs for their kids and grandkids. **I opposed the Wall Street bailout because it took the focus off Main Street communities and the small businesses that are critical to the health of local economies.** After the bailout passed, I introduced legislation to make Wall Street pay for its own mess. I haven't given up.

I have proposed legislation to reinstate a miniscule tax on Wall Street financial transactions. The tax could generate over \$100 billion a year to spend on reducing the deficit and creating jobs. **There are a wide variety of federal investments that could generate jobs.** As chair of the Subcommittee on Highways and Transit, I have written legislation to rebuild our nation's crumbling infrastructure and create six million jobs. Many of the small cities in my congressional district need help rebuilding sewer and water systems. Oregon forests need thinning and fuel reduction efforts, which would bring jobs to rural communities. We also need to expand youth employment programs, such as Youth Build, the Young Adult Conservation Corps, and Americorps. We were forced to bail out Wall Street. Now it is time to help rebuild Main Street.

Congress must reregulate Wall Street. It was the repeal of critical laws like Glass-Steagall -- which separated banks from investments banks and insurance companies -- that led to the wild speculation and the ultimate collapse of the economy. **I opposed the deregulation of Wall Street Banks and I support strong, new regulations to prevent another speculative bubble and collapse.**