

*Dear New Yorker,*

*So far, the year in Albany has been interesting. For the first time in 21 years, the legislature and governor passed an on-time budget, of sorts. This was accomplished by taking the most important issues off the table for later negotiation, but even these issues were substantially resolved just a few weeks after the April 1st budget deadline.*

*I wasn't pleased about a number of items in the budget and voted against several of the budget bills because they failed to address the critical needs of our City, particularly in the areas of education and social service funding and because they failed to reform our state tax structure in a progressive fashion.*

*That said, I think this budget was as good as it would have been if we had stalled another three or four months as we have in past years. We preserved most benefits for Medicaid and Family Health Plus recipients—see the first article at right—and also achieved significant Medicaid cost savings for both state and local governments.*

*But as I write it's clear that the safety net for seniors is under greater threat at the federal level than at any time during my lifetime. The stability of Social Security is endangered by the President's privatization plan. Medicare beneficiaries, too, face uncertainty regarding the new prescription drug benefit that begins in 2006. And those needing long-term care face growing concerns about their ability to find and afford the services they need.*

*In this edition of my Albany Update there are details on these important issues, a variety of tips for seniors in accessing their benefits, and a report on the work of my Senior Advisory Board.*

*Liz Krueger*



I'm happy to report that the Senate and Assembly were able to remove a budget proposal by the Governor that would have forced seniors either to impoverish themselves to become eligible for Medicaid long-

term care or to seek divorce to protect the spouse who doesn't need Medicaid long-term care. It could also have forced individuals into nursing homes rather than allowing them to remain in their communities.

The legislature also rejected the governor's proposal to extend the "look-back period" for all types of transfers of money to 60 months (five years!) and to apply the "look-back period" rules to community-based care. Currently if an individual applies to Medicaid for nursing home care the state will look back 36 months to see if any funds were transferred to anyone else.

I'm delighted that my colleagues recognized the importance of these issues. But it begs the real issue: we need comprehensive health care reform, including universal coverage, which would eliminate the need for people of all incomes to deplete their assets in order to obtain essential health care.

There are additional options worth understanding when it comes to long-term care. For those who can afford it, long-term care insurance is available from private insurers. These policies are tax-deductible and allow people *continued on page 2*

## **Free Events For Seniors**

**If you'd like to be on my mailing list, free events for seniors, please call my office at (212)490-9535.**

to protect their assets. But they can be expensive and don't always cover care nationwide (i.e., if you move they might not continue to cover you). More information on policies offered in New York State can be found at the state's Health Insurance Information, Counseling and Assistance Program website: <http://hiicap.state.ny.us/ltc/nys.htm>. You may also call them at (212) 333-5511 to make an appointment with a trained counselor.

Another alternative is the N.Y. State Partnership for Long-Term Care, which combines private long-term care insurance *and* Medicaid to help New Yorkers prepare financially for the possibility of needing nursing home or home care. The program allows New Yorkers to protect assets while remaining eligible for Medicaid if their long-term care needs exceed the period covered by their private policy. Under the program you can use 3 years of nursing home care or 6 years of home care. If you need *additional* care after that, you may then apply for NYS Medicaid and still retain all your assets. You will, however, have to contribute your income to the cost of long-term care. This option may be attractive to many for it allows the insured person to retain his/her assets. To find out more, call the toll-free hotline: 1-888-NYS-PLTC (697-7582) or visit [www.nyspltc.org](http://www.nyspltc.org).



SOCIAL  
SECURITY  
"REFORMS"

I believe the Bush administration's plan to create private accounts is a dangerous threat to both the long-term and short-term stability of Social Security.

There is so much wrong with the proposal it's hard to know where to begin. Individual private accounts actually worsen Social Security's long-term financial health, draining revenues out of Social Security at the very time the large group of baby boomers begin to retire. Set-up costs are *estimated* at \$2 trillion and you know how often government estimates go wrong!

The combination of set-up and "drainage" means that most workers would have to pay *twice* to create the new system—once to keep our commitments to those current and near-term enrollees and again to fund the private accounts for those future enrollees. This double-whammy could even require *greater* benefit cuts or tax increases than would otherwise be necessary to keep the system solvent.

Solvency is a long-term issue—but it is only long term. The current structure can pay 100% of promised benefits until 2042. After that, without any changes, incoming revenues will be enough to pay more than 70% of benefits for decades beyond 2042. While we do need to address the benefit levels for retirees after 2042, relatively minor changes to Social Security now would go a long way toward addressing these long-term issues. Those simple fixes could include increasing the cap on taxable wages, currently set at \$90,000. Such a change would raise significant revenue over the long term, and would also make social security taxes more progressive.

But one thing we should *not* do is move away from the practice of investing our Social Security funds in a fiscally responsible—dare I say conservative—manner? The Social Security Trust Fund is currently invested in government bonds, which paid a very respectable 6.4% interest in 2002, and have the added value of a guaranteed return. Moving Social Security funds into more volatile investments like the stock market, or even non-government bonds, whether on an individual basis or for the program as a whole, would greatly increase risk, and likely decrease returns.



MEDICARE  
DRUG  
COVERAGE

The last 18 months have proven that the federal government was in no way prepared for its partial roll-out of Medicare Part D—the new Medicare drug discount card. Lack of information—and misinformation—led to widespread confusion among those few who would have actually benefited from the program and enrollment in the program fell way below expectations.

All evidence suggests that the feds, as well as the state and local agencies that will be interacting with them, are even *less* prepared for the roll out of the full benefit next year. More disturbing, the 2006 benefit—touted as "voluntary" during its development—actually includes a harsh penalty for those who are eligible and choose not to enroll immediately.

**Confused?**  
I'm sponsoring a  
**Drug Benefits Town  
Hall on June 10th** to  
provide you with the  
**latest information**  
from experts on  
**Medicare Part D  
implementation.**  
See the back mail  
panel of this news-  
letter for details.

Medicare Part D has been fraught with controversy, and the administration now estimates it will cost \$1.2 trillion in the coming decade—three times as much as originally promised when it was passed in 2003. While it does result in *some* benefits for *some* seniors, it leaves many seniors without the ability to pay for medications and will only worsen the already serious financial problems of Medicare overall. For example, the benefit requires that individuals pay 100% of the annual cost of drugs *over* \$2,251 and *under* \$5,100—a \$2,849 gap!

The drug benefit may save you money if you do not currently have drug coverage and your drug costs are over \$810 a year. Whether you will save money will depend upon three factors:

- ❶ Whether insurance companies in your area offer coverage at a reasonable premium;
- ❷ Whether the drug benefit from insurance will cover the drugs you need at the pharmacy you prefer;
- ❸ Whether you can get your drugs cheaper through a discount plan or from Canada.

Also, the company that you choose to provide your Medicare Part D coverage will affect your spending, because some drugs you need may *not* be included in their formularies—their list of drugs covered—which differs with each company. Furthermore, formularies can change at any time, but enrollees can only change policies once a year during a prescribed enrollment period.

If you *do* know your prescription drug costs, there is a benefits calculator accessible at the Kaiser Family Foundation website at [www.kff.org/medicare/rxdrugscalculator.cfm](http://www.kff.org/medicare/rxdrugscalculator.cfm). If you don't use the Internet, call my office at (212) 490-9535 and we can assist you in using the calculator.

In addition, if you currently have a Medigap Policy that covers drugs (Medicare Part H, I or J), you can retain that policy after January 2006, but no new policies will be issued after that date. *But* there is a penalty for enrolling *late* in Medicare Part D, so you should be sure you want to keep your existing Medigap coverage for the long term.

In the meantime, Medicare Prescription Drug Discount Cards have been available since June 2004 as a transition program. If you still want one, call 1-800-MEDICARE or go to the Medicare site at [www.medicare.gov/AssistancePrograms](http://www.medicare.gov/AssistancePrograms).



OTHER  
WAYS TO  
SAVE ON  
DRUG  
COSTS

There are a number of *non*-Medicare prescription drug cards, as well as U.S. and Canadian-based mail order pharmacies, that may provide you greater savings than the Medicare cards. For information on those options, visit the Medicare Rights Center at [www.medicarerights.org/rxframeset.html](http://www.medicarerights.org/rxframeset.html), or call my office and we'll send you a list.

If you are 65 years of age or older and need help paying for prescriptions drugs, **New York's Elderly Pharmaceutical Insurance Coverage (EPIC)** plan could help. To qualify, your income must be less than \$35,000 as an individual, or \$50,000 as a married couple. It's not yet known how EPIC will interact with the new Medicare Drug benefits, but I will work to ensure EPIC fill any gaps in Medicare's plan.

Please call my office to request an EPIC application or contact EPIC directly at 1-800-332-3742 or at [www.health.state.ny.us/nysdoh/epic/faq.htm](http://www.health.state.ny.us/nysdoh/epic/faq.htm).



SAVE ON  
MEDICARE  
PREMIUMS

If you're an individual with up to \$1,096 in monthly income or a couple with up to \$1,463 in income you may be eligible to have your Medicare Part B and Part D premiums paid by the federal government. My office can help you apply for these programs. If your income is a little above the limit, call anyway—you may be able to deduct additional health insurance premiums you pay in order to qualify for the benefits. Please call 212-490-9535 Tuesday – Thursday from 10 AM to 4 PM and ask for Cassandra. Have your income and asset information handy when you call.



VETERANS  
HEALTH  
SITE

The Veteran's Administration has launched **My Health Vet**, a web-based information "portal" for veterans with information about eligibility, participating clinics and hospitals, and downloadable forms. Visit [www1.va.gov/health\\_benefits](http://www1.va.gov/health_benefits).

Veterans should also be aware of the NYS Veteran's Property Tax Exemption for veterans who have served on active duty during specific conflict periods. Please call my office at 212-490-9535 and we'll send you an application.

>>Please join me and other East Side officials to learn more about drug benefits from experts in the field — including the Medicare Part “D” option.

**221 E. 71st St. between 2nd and 3rd.**

**DRUG BENEFITS TOWN HALL**  
Friday, June 10, 2-4 PM  
Marymount Manhattan College,

# Albany Update

State Senator Liz Krueger's



New York State Senate  
Albany, NY 12247

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New York Senate



**SENIOR INPUT:** *I met with my Senior Advisory Board in April to discuss many issues, including Albany reform and rent protections.*



My Senior Advisory Board (SAB) for the 26th District has developed substantially since its formation six months ago. The SAB was formed to provide me with timely information about issues of

importance to seniors in the community and to advise me on legislative and policy matters.

The SAB has more than 60 members, with more than thirty taking on leadership roles. The SAB has already formed four committees: one developing a resource guide for district seniors, and three more focusing on policy issues— housing, transportation, healthcare. Ten SAB members have become Community Outreach Volunteers who attend meetings and gather information on behalf of my office. If you are interested in joining, please call 212-490-9535 and leave word for Cassandra.



The disturbing actions by some in government and protest groups, inappropriately involving themselves in the recent tragic saga of Terri Schiavo and her family, should serve as a lesson

for us all to take the time to think carefully about our own wishes.

You can ensure that your health care wishes are respected by filling out a health care proxy and/or a living will. None of us wants to imagine the worst happening to ourselves or our loved ones. The Schiavo case is but the latest example of why it is so critical that we formalize our wishes in written form and make sure that our family members know what decisions we would have made for ourselves had we been able. No one should ever have to be put through a media-circus battle when trying to make decisions in the best interests of a terminally ill family member.

Using a health care proxy gives the person you choose as your agent the legal authority to make all health care decisions for you in the event that you are unable to communicate those decisions yourself. A living will is a legal document that sets forth your specific wishes and directions regarding medical treatment. For more information, or to obtain a copy of a living will or a health care proxy recognized under New York State law, call my office at (212) 490-9535.