Health & Retirement Services of Illinois
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OUR NEWS LETTER

What No Social Security COLA Could Mean for You

By Maryalene LaPonsie

For only the third time in 40 years, Social Security recipients won't be getting a bump in their monthly benefits.

Actually, David Leland, a managing director with Merrill Lynch in Boston, says the last eight years have been rough for Social Security beneficiaries. Since 2008, the total of all cost-of-living adjustments, known as COLA, has been 14.3 percent. Those years include all three times when there was no increase in monthly payments.

For comparison, from 1975 to 1982, the first eight years COLAs were offered, Social Security recipients received increases totaling 69.6 percent.

Social Security COLAs are tied to the Consumer Price Index, which dropped 0.2 percent in September. In theory, that means the cost-of-living for Americans should be going down slightly as well. However, the price of gasoline weighs heavily into the index calculation, a cost that doesn't affect retirees as much as medical costs which is expected to trend upward by 6.5 percent in 2016, according to PwC's Health Research Institute.

Leland says it's a perfect storm that has potential to seriously impact people living on a fixed income. "Think of the senior citizen on a tight budget," he says. "They're getting a 0 percent COLA, nearly 0 percent interest on savings and health care expenses are taking off."

Regardless of whether you have a tight budget, here are three ways the loss of a Social Security COLA might affect you next year.

1. Your Social Security benefits will remain flat for 2016.

The most obvious impact of having no COLA is that Social Security benefits for 2016 will remain the same as the benefits in 2015.

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Willie Schuette, a national Social Security advisor and financial coach with the JL Smith Group in Avon, Ohio, tries to put a positive spin on the situation: "Recipients of Social Security don't have a benefit loss, even though the [Consumer Price Index] has dropped."

Still, it isn't welcome news for those who may have been planning to use a cost-of-living increase to offset rising medical bills or other expenses. Sharon Miller, a managing director for Merrill Edge, says retirees may be tempted to pull additional money from their other retirement accounts to compensate, but they should exercise caution. "Make sure, as a very general rule, you're not drawing down more than 4 percent of your assets every year," she says.

Taking too much out of retirement accounts could mean you don't have enough cash to last through your later years.

2. Your Medicare premiums could go up.

The loss of the Social Security COLA also means some Medicare beneficiaries could see their Part B premiums increase 52 percent next year.

Normally, all Medicare beneficiaries see their premiums increase each year. However, a provision of the law states if there is no Social Security COLA, then premiums cannot be increased for those who have them deducted from their Social Security benefits. That means about 70 percent of Medicare beneficiaries will see their Part B premiums remain at $105 per month next year.

However, someone has to pay for increasing Medicare costs, and that means the remaining 30 percent of beneficiaries -- those who are not yet receiving Social Security benefits or who pay their Medicare premiums out-of-pocket -- need to cover the expense. "New recipients into Medicare [next year] are going to bear the brunt of that increase," Schuette says. Their premiums will be $159 per month in 2016.

You could avoid the increase by applying for Social Security now before the premium increase goes into effect, but financial planners say don't be hasty. "It looks like a one-year event, not a five- or 10-year event," Leland says. "Don't confuse a short-term Medicare decision with a long-term Social Security decision."

In other words, the Social Security COLA could return in a year, and that will level the playing field for Medicare premiums. In that case, the 70 percent who had flat premiums in 2016 will see their premiums increase in 2017, while the remaining 30 percent could see their premiums drop.

However, by applying for Social Security now, you could lock in a lower rate of monthly benefits than you would otherwise get. "We're telling people to be very careful," Leland says. "If you change your Social Security election now, it's possible you could cost yourself tens of thousands of dollars later."

3. Your other retirement funds could be affected.

Finally, the loss of a Social Security COLA could impact your other retirement accounts as well. Some pensions may tie their cost-of-living adjustments to the one approved for Social Security.

Miller says it's not just retirees who should be paying attention to this issue either. "This doesn't only impact people going into retirement," she says. There is speculation the lack of a COLA means the IRS will keep

contribution caps on 401(k)s and IRAs the same as this year, limiting workers' ability to save more in tax-advantaged retirement plans.

While it's possible Congress could step in and find money for a COLA, Schuette says it'd be best to not hold your breath. "Congress can do whatever they want," he says, "but they've never come in and added to it [in the past]."

Unfortunately, the only thing for some retirees to do may be to stay close to home in 2016 and cut expenses wherever they can.

Seniors Who Don't Consider Switching Drug Plans May Face Steep Price Rise

By **Michelle Andrews** October 20, 2015

When Mildred Fine received the annual notice informing her about changes to her Medicare prescription drug plan for 2016, she was shocked. If she stayed with the same plan, her monthly premium would more than triple, from $33.90 to $121.10, and her annual deductible would rise from $320 to $360.

The increase didn't make sense to Fine, 84, whose prescriptions haven't changed and whose drugs are generally inexpensive. She takes two generic blood pressure drugs and a generic antidepressant, as well as Estrace, an estrogen cream. This year, she didn't meet her deductible until September.

Working with a counselor from her local State Health Insurance Assistance Program, Fine logged on to Medicare's plan finder to compare the roughly 20 plans available near her home in Burns, Ore.

She found a plan with no deductible and a monthly premium of $33.50, less than what she pays now. Fine estimates she'll save nearly $1,500 next year in out-of-pocket costs compared with what she would have paid if she'd stuck with her current plan.

"People just have to check their plans every year to see what's going on," Fine says.

But most Medicare beneficiaries don't do that, studies show.

The open enrollment season for the private plans offered to Medicare beneficiaries started Oct. 15 and continues until Dec. 7. This is the yearly opportunity for beneficiaries to switch prescription drug plans or Medicare Advantage managed care medical plans. They can also shift between traditional fee-for-service Medicare and Medicare Advantage.

The vast majority of seniors don't switch their plans even if by doing so they could get better, cheaper coverage. Nine out of 10 Medicare drug plan enrollees stay in the same plan.

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This year, premiums are increasing an average 13 percent from $36.68 to $41.46 so checking out the alternatives may help save money, according to an analysis by researchers at Georgetown University's Health Policy Institute and the Kaiser Family Foundation. Meanwhile, 53 percent of drug plans will charge the maximum deductible of $360, the largest share to do so since the program began. (KHN is an editorially independent program of the foundation.)

In an earlier study, the foundation also reported that less than 5 percent of Medicare beneficiaries switched between traditional Medicare and Medicare Advantage on average between 2006 and 2011.

The Kaiser foundation conducted focus groups last year to ask seniors how they choose and change plans.

"Overall, seniors said they found the process of choosing a plan frustrating, confusing and overwhelming," says Gretchen Jacobson, associate director at the Program on Medicare Policy at the foundation. Having done their homework when they first enrolled, they didn't want to do it again.

As one focus group participant cited in the study put it, "There are days when I look at a plan, or look at my plan, and I think about possibly making a change, depending upon what's out there for me … I've reached the age of 78 and I'm saying to myself, 'I'm too … tired to investigate this.'"

This year, it could be especially important to run the numbers, says Jack Hoadley, research professor at Georgetown University's Health Policy Institute and a co-author of the drug plan analysis.

"Premiums for the first time in a number of years are moving upward, and while the premium is never the whole story for consumers, it's certainly a signal there are potentially higher costs," Hoadley says.

Monthly premiums for Medicare Advantage managed care plans will remain essentially flat for 2016, dipping 31 cents to $32.60, according to the Centers for Medicare & Medicaid Services (CMS).

There will be roughly 2,000 plans available, a slight increase, according to the Kaiser Family Foundation. Beneficiaries will have 19 plans to choose from in 2016, on average, compared with 18 this year.

Enrollment in Medicare Advantage plans continues to increase. Roughly 17 million Medicare beneficiaries are in the managed care plans, representing about a third of all Medicare enrollees.

In 2016, 81 percent of beneficiaries will have access to a Medicare Advantage plan that does not charge a premium for the prescription drug benefit, up from 78 percent this year, according to an analysis by the consulting firm Avalere Health. At the same time, out-of-pocket costs may increase for some beneficiaries, as the number of Advantage plans that have no deductible will decline to 55 percent next year from 63 percent in 2015.

Comparing plans to get the best deal isn't just good for beneficiaries, it's good for the Medicare program as well, says Sean Cavanaugh, deputy CMS administrator and director of the Center for Medicare. Why? Plans compete against one another on benefits, premiums and quality. "I think the level of quality and service would increase if beneficiaries were willing to move more frequently," Cavanaugh says.

Blue Cross, UnitedHealthcare return to Illinois Obamacare exchange

By Kristen Schorsch October 20, 2015

Aetna is returning to sell plans on the Illinois health insurance exchange after taking a year off.

Also returning are giants Blue Cross & Blue Shield of Illinois, the dominant insurer in the state; UnitedHealthcare, which is affiliated with Minnetonka, Minn.-based UnitedHealth Group, and Chicago-based Land of Lincoln Health.

Mostly familiar faces are returning to the exchange for enrollment that begins Nov. 1, according to the Illinois Department of Insurance. Other companies that received federal approval to sell plans include:

—Health Alliance, based in downstate Urbana.
—Celtic Insurance, which is part of St. Louis-based Centene Corp.
—Coventry Health, part of Hartford, Conn.-based Aetna.
—Harken Health, of which UnitedHealth Group is an investor.
—Humana, based in Louisville, Ky.

Assurant Health, whose parent company is leaving the health insurance business, is not coming back after selling plans last year.

Each company is approved to sell health plans to consumers, but only Health Alliance, Blue Cross and Land of Lincoln are selling to small businesses. Land of Lincoln, though, is drastically limiting enrollment this year to survive. Small businesses in particular will be impacted.

It's still unknown how many plans and what type federal officials approved to be sold to Illinois consumers and businesses. Eight companies offered more than 400 plans on the Obamacare exchange for the enrollment period that ended in February.

Born out of the Affordable Care Act, the exchanges launched nationwide in 2013 to stir competition in the health insurance industry and give consumers and small businesses a place to shop online for health plans.

Illinois routes people through its exchange, Get Covered Illinois, to HealthCare.gov, where those who fall below certain income levels can use federal subsidies to buy health plans. Illinois is among 37 states that send people to the federal exchange to buy plans. Other states have created their own online marketplaces.

UP 60 PERCENT

Nearly 350,000 Illinois consumers enrolled in an Obamacare plan for the enrollment period that ended in February, climbing about 60 percent from the first year of the exchange.

Get Covered Illinois has undergone dramatic changes in recent months. Federal grant dollars that helped states grow and promote the exchanges is running out. Get Covered laid off the bulk of its staff and moved from the governor's office into the Illinois Department of Insurance in August. Karin Zosel, who led the exchange, left her role after just five months on the job.

Heading into the new enrollment period, Get Covered aims to rely heavily on brokers, health care providers and nonprofits to help find new enrollees and maintain current ones.

No health coverage? That's about to get more expensive

ThisWeek COMMUNITY NEWS

By Ben Sutherly *The Columbus Dispatch* • Tuesday October 20, 2015

Not every Ohioan who lacks coverage faces a penalty. Ohio has about 419,000 people whose income is low enough to exempt them from filing a tax return — and from paying a penalty for being uninsured.

Whether your resistance to signing up for health coverage has been rooted in principle or financial necessity, know this: Going without that coverage is about to get a lot more expensive.

Hundreds of thousands of uninsured Ohioans risk triggering a much larger penalty for not having coverage in 2016 than they faced for going without it this year.

The penalty for being uninsured for all of 2016 will be $695 per adult and $347.50 per child (up to $2,085 for a family), or 2.5 percent of a family's income above $10,000, whichever is higher.

That's up from this year's penalty of $325 per adult and up to $975 per family, or 2 percent of family income. The penalty is capped at $2,484 this year; a cap has not been announced for 2016.

Officials charged with educating uninsured Ohioans about their options plan to hammer home the stiffer penalties in the months ahead.

In past years, "We didn't really emphasize it" in favor of a more positive message, said Trey Daley, the Ohio state director of Enroll America, which is working to enroll the uninsured in marketplace coverage or Medicaid coverage.

"We're planning to emphasize (the penalty) more this year," he said.

The Affordable Care Act's individual mandate that people have health insurance or pay a penalty has resonated not only with immigrants who wish to stay compliant with the law, but also with younger people who want to avoid the penalty's financial hit, Daley said.

Many uninsured Ohioans still think they're not eligible for Medicaid when, in fact, they are, thanks to its expansion. Others remain unaware that they could qualify for tax credits that could help make private health coverage more affordable through Ohio's federally run health-insurance marketplace.

A Kaiser Family Foundation report issued last week estimated that 834,000 Ohioans were uninsured throughout 2014. Nearly half — 404,000 — were eligible for Medicaid, and another 165,000 would have qualified for tax credits, according to the report.

So-called navigators who educate people about their health-coverage options will stress to uninsured Ohioans that the penalties are going up, said Zach Reat, director of work-support initiatives at the Ohio Association of

Foodbanks. The association recently received a $2 million federal grant to use in conjunction with a network of partners to educate people about affordable health-care options.

In addition to encouraging people to weigh the costs of coverage — or lack thereof — versus the benefits, navigators will emphasize to consumers that signing up for health coverage would give them access to free preventative services, up to three well visits per year, and significant coverage for major illnesses.

The penalty for going without coverage already has been more significant than anticipated in its first year.

The Internal Revenue Service disclosed preliminary numbers this past summer showing that about 7.5 million U.S. taxpayers paid about $1.5 billion for going without health coverage for all or part of 2014, the first year that people were required to have health insurance. The number of affected people was significantly higher than the Treasury's estimate of 2 million to 4 million.

Not every Ohioan who lacks coverage faces a penalty. Ohio has about 419,000 people whose income is low enough to exempt them from filing a tax return — and from paying a penalty for being uninsured. And an estimated 40,000 Amish residents are exempt from the requirement on religious grounds.

Also, people for whom health coverage is deemed unaffordable — costing them at least 8 percent of their household income — are exempt from the penalty, said Cynthia Cox, associate director of health reform and private insurance with the Kaiser Family Foundation.

We might finally see Obamacare plans for sale this weekend

By Kristen Schorsch October 22, 2015

The hotly anticipated glimpse into which **Obamacare** plans are for sale come Nov. 1 could begin as soon as Oct. 25.

For Illinois consumers and small businesses, they'll find some big changes, notably more so-called narrow-network plans that limit which doctors and hospitals they can choose in return for paying less than for a broad PPO plan with more choices.

Humana is the latest insurer to drop its only PPO plan on the **Get Covered Illinois** exchange, confirmed Cathryn Donaldson, a spokeswoman for the Louisville, Ky.-based insurer.

“Our goal—both on- and off-exchange—is to provide quality, affordable health care and coverage,” Donaldson said in an email. “We consistently assess our current product offerings and make changes in order to maintain sustainable and affordable health plans for our members.”

She added that Humana plans to expand its reach downstate.

The company sold some of the most expensive plans, in terms of both monthly premiums and deductibles, during the 2015 enrollment period that ended in February, according to a Crain's analysis. For example, the premium for a 27-year-old in the Rockford area who bought a Humana Platinum HMO plan was about $385 a month. The deductible, or the amount consumers pay before insurers start to pick up some of the tab of their medical bills, was $1,000 for the year.

But if consumers have a lot of medical bills, such as those with chronic diseases that require constant medication and supplies, a more expensive plan **can be a better bargain.** In a platinum plan, for example, the insurer picks up a higher share of a consumer's medical costs than in a bronze plan.

Humana isn't the only insurer to join the national trend of dropping broad plans in favor of limited ones on the exchange this year. **Blue Cross & Blue Shield of Illinois,** the largest insurer in the state, has created a **narrow-network plan** with **Advocate Health Care,** the biggest hospital network in Illinois.

Advocate, which has 12 hospitals and more than 4,000 doctors, also is **creating one** with Hartford, Conn.-based **Aetna.** Both Blue Cross and Aetna say their plans are priced competitively; in Aetna's case its deal with Advocate was so attractive it lured the national insurer back to the Illinois exchange after taking a year off.

Experts say insurers are responding to consumers who are shopping based on price. Narrow-network plans can be cheaper for consumers, but they're a win for insurers, too, since they can exclude pricy hospitals.

Enrollment for the third year of the Obamacare exchange begins in less than two weeks. Window shopping, when prospective buyers can see which plans will be available, could begin as soon as Oct. 25, those familiar with the matter say.

A spokeswoman for the federal **Centers for Medicare & Medicaid Services,** which operates the federal exchange HealthCare.gov, would confirm only that window shopping “will be made live prior to the start of open enrollment.”

In Illinois, consumers and small businesses are routed through Get Covered Illinois to HealthCare.gov, where they can use federal subsidies to buy plans. Illinois is one of 37 states that use the federal exchange platform.

Study: ObamaCare premiums rising 4.4 percent in 14 cities

By **Peter Sullivan** - 10/02/15

Premiums on ObamaCare plans in 14 major cities are set to increase by an average of 4.4 percent in 2016, according to a new analysis.

The analysis from the nonpartisan Kaiser Family Foundation looks at 14 cities where complete data on rates from all insurers on ObamaCare's marketplaces is available, and will be updated as more states release data.

While the average increase is relatively modest, some cities are seeing much larger spikes. It is also clear that premiums are increasing more than they did last year, when premiums in these 14 cities on average actually fell by 1.3 percent.

On Thursday, Minnesota announced that its premium rates would increase by as much as 49 percent, news that was seized on by Republicans.

Minnesota Commerce Commissioner Mike Rothman said the state approved the higher rates because the insured population ended up being sicker and more costly than insurers expected.

President Obama has pointed to the "rate review" process, where states can reject insurers' proposed increases if they are deemed unreasonable, as a way of controlling rates, but Rothman said the insured population was sick enough that insurers were paying out more than they took in.

"In this market environment, the rate review process alone is limited in what it can do to restrain rate increases," he said.

Still, Minnesota said its rates would remain some of the lowest in the country.

Insurers also got bad news on Thursday night, when the Obama administration announced that they will receive only 12.6 percent of the funds they requested under an ObamaCare program meant to cushion them from heavy losses.

The program in question is called "risk corridors" and intended to protect insurers on the health law's marketplaces from heavy losses or having to spike premiums due to uncertainty as the law gets under way. The program takes money from insurers faring better financially on the exchanges and gives it to insurers faring worse.

The administration announced Thursday that insurers requested $2.87 billion under the program for 2014, but there was only enough money received to pay out $362 million.

Almond Milk's Out – So Which Non-Dairy Alternatives Should We Be Drinking?

When news broke last week that almond milk is actually pretty nasty for the environment, we practically sobbed all over our keyboards. After all, almond milk is one of the UK's most popular cow's milk alternatives.

So if we shouldn't be drinking it, but can't or don't want to drink normal milk, then WTF should we be dousing our cornflakes in?

Fortunately, a whole industry has been developed around creating alternatives to cow's milk. Our choice of milk is no longer restricted to whether we buy the one with the green, red or blue lid but now includes many other alternatives to suit the growing number of lactose-intolerant Brits – or those people who are against the treatment of factory farmed cows.

Almond milk aside, we can chose from coconut, to rice to soya milk. And each one has its own nutritional benefits – and environmental impact.

So, to help you stop dithering over the non-dairy options in Sainsbury's, we've dug a little deeper and looked into the pros and cons of each substitute.

.Soya milk
Soya is probably the most well known milk alternative and boasts many benefits. "Soya is high in protein and naturally low in saturated fat, making it a popular food," says nutrition consultant Charlotte Stirling-Reed. "It also often comes with added nutrients such as vitamin B12 and vitamin D."

But mixed research makes its use controversial. "There are two camps – one that believe that because soya contains estrogen-like compounds it may increase the risk of breast cancer," says Stirling-Reed.

"The other camp suggests that soya could be decreasing our risk of breast cancer. However in the UK and USA soya milk is deemed safe and it has also been linked with other benefits such as a reduction of the bodies 'bad' cholesterol and also having a potential beneficial effect on the symptoms of menopause."

Sadly, soybean cultivation isn't doing the environment any favours. Today, industrial-scale soybean producers are speeding up destruction of Brazil's Amazon rainforest. It's estimated that between 2000 and 2005, Brazil lost more than 50,000 square miles of rainforest—a large portion of that for soybean farming.

.Coconut milk
This is the wonder milk that's taken the world by storm, but the bad news is it's naturally much lower in calcium and protein than milk. "Coconut milk has a more creamy, nutty flavor but can also be quite watery," says Stirling-Reed. "It's now more readily available in supermarkets and shops in the UK and can be fairly inexpensive. As a milk it's also fairly high in saturated fat – with more than is typically in whole milk."

But on the flipside, it appears to be the most environmentally friendly non-dairy alternative. It requires less energy and water and produces fewer greenhouse gases than almond or soya milk, plus coconut farming is fairly low impact – it requires only a small amount of fertiliser or pesticides and may help sequester carbon.

Rice Milk

Rice milk is very low in fat and calories and again is a useful, non-dairy alternative to dairy foods, but it's not exactly bursting with goodness.

"It's not a particularly nutrient rich food containing mainly carbohydrate and some calcium," says Stirling-Reed. "It's also not recommended for children under the age of five as it contains variable amounts of arsenic which, if consumed regularly or in large amounts can build up unfavorable in the body. It's also a good reason why adults shouldn't consume too much of it too."

There isn't a huge amount of research on the sustainability of rice milk, but it's believe that rice cultivation products up to 1.5 per cent of the world's greenhouse gas emissions – making it one of the largest manmade contributors to methane emissions.

Almond milk

Despite the bad rap that almond milk's had recently, we couldn't not mention it. If only to make giving it up easier. "Because it's based on nuts, almond milk has some of the beneficial vitamins and minerals we find in nuts such as the antioxidant vitamin E and magnesium," says Stirling-Reed. But don't be too saddened by the news that it's bad for the environment as it's far more beneficial for you to simply snack on whole nuts, Stirling-Reed explains.

So, which milk alternative do you choose?

Although ultimately dairy has a much higher carbon footprint than any of the substitutes, it's pretty depression to hear that they too aren't all that sustainable.

The best thing to remember is not to consume anything in excess. Try cutting back your intake of whichever milk you tend to drink and aim to be more conscious of where your milk comes from.

Perhaps black coffee is the new green?

Social Security Advocates Shrug At Budget Deal

Disability rights groups are finding things to like about the agreement.

Daniel Marans Arthur DelaneySenior Reporter

The Huffington Post Posted: 10/27/2015

WASHINGTON -- Advocates for senior citizens said they're neither happy nor unhappy with a congressional budget deal that makes changes to Social Security and Medicare.

The last-minute agreement spares 11 million Social Security disability beneficiaries from a 20 percent benefits cut by at the end of 2016 by transferring revenue from the more flush retirement and survivors insurance trust fund. It prevents Medicare Part B premiums from rising 52 percent for many beneficiaries. And it averts a government shutdown and lifts the debt ceiling until March 2017.

For major advocacy groups, those benefits were enough for them to reluctantly accept the deal, even though they weren't shy about criticizing it. The bill comes with a host of provisions that tweak disability insurance, and it eliminates a program that allowed 20 states to award disability benefits to some applicants without an independent medical evaluation.

“When hostage takers release their hostages, we are, of course, relieved that the hostages are no longer in harm’s way, but this is nothing to celebrate,” Nancy Altman, president of Social Security Works, said in a statement. “That the ransom isn’t steeper is also not something to celebrate.”

The Social Security provisions, which take up more than a third of the bill's text, save about $4 billion over 10 years, according to the Congressional Budget Office. (For some perspective, disability benefits are expected to cost the federal government roughly $144 billion this year.) Congressional aides said the estimated savings come from the medical evaluation requirement that slightly delays new benefits for some people.

"We're pleased we no longer have to worry about a big benefit cut at the end of next year," said Paul Van de Water, of the Center on Budget and Policy Priorities, an influential liberal think tank. "The package is a reasonable compromise given where everyone started out."

Adam Jentleson, a spokesman for Senate Minority Leader Harry Reid (D-Nev.), touted the Center on Budget's support for the agreement.

Earlier this year, Republicans railed against the possibility of reallocating payroll tax money from Social Security's flagship retirement insurance program, saying such a move would be a "raid" on Social Security. GOP representatives said they would only divert retirement funds in exchange for benefit cuts, but the changes unveiled this week are modest.

“Movement to prevent a default and avert a government shutdown is welcome news for all Americans, but the deal is not perfect,” Richard Fiesta, executive director of the Alliance for Retired Americans, said in a statement.

"While it appears a crisis has been averted, we have not improved retirement security for our nation's seniors by expanding their earned Social Security benefits."

The Autistic Self-Advocacy Network said it "tentatively" opposes a new measure requiring doctors to vet initial applications for Social Security disability benefits. The group said physician review is unnecessary and may be harmful to people with disabilities.

"Social Security officers right now reviewing the initial applications have training in how to evaluate them," Samantha Crane, director of public policy for Autistic Self-Advocacy Network, told The Huffington Post. "Having a doctor review those applications would not necessarily be much of a value add, since all of them have several doctors' opinions in the applications themselves. We worry that it would needlessly add to the wait period without improving the process."

Disability benefits applicants who appeal an initial rejection of their claims already wait, on average, 470 days for a hearing due to a shortage of administrative law judges.

But Crane said the group has no plans to fight the overall deal.

In fact, the Autistic Self-Advocacy Network said another apparent concession to Republicans in the deal may help beneficiaries. The agreement creates a demonstration program allowing Social Security disability beneficiaries to earn more income through work without risking losing Social Security or Medicare benefits.

Crane said the organization is waiting for details before it weighs in definitively, but "there's a real need for this kind of program. Too many people with disabilities are discouraged from working or are forced to limit their hours and forego pay raises because they are worried about losing their disability benefits and Medicare."

The pilot program, with voluntary participation, would reduce benefits by $1 for every $2 a person earns above the program's limit during a given month. Crane argued that the status quo harms people with disabilities whose incomes rise above the threshold temporarily due to part-time or seasonal work.

"People with disabilities are absolutely seeking work opportunities when they can, but fear of having a paycheck that is too high is very common," Crane said.

Resigned acceptance of the budget deal by advocates for seniors and disability rights organizations marks a difference in tone, given their vigilant disagreement with the Republican narrative about the 11-million-person Social Security program.

For months, disability rights advocates rarely passed up an opportunity to rebut Republican claims that an uptick in the number of Social Security Disability Insurance beneficiaries was due to people gaming the system. They noted that U.S. disability insurance system is one of the world's strictest and least-generous, and fraud is rare.

Growth in the program in recent years, the progressive Center on Budget and Policy Priorities has repeatedly shown, is the result of demographic changes, like the aging workforce.

Criticism of the new budget accord hasn't become outright opposition, however, because the deal ultimately spares beneficiaries the direct benefit cuts that Republicans threatened would be the price of transferring revenue to Social Security Disability Insurance.

Indeed, as HuffPost's Michael McAuliff and Laura Barron-Lopez reported, hard-line conservative Republican House members were furious about the agreement, arguing it made too many concessions to President Barack Obama. They also said it spares Rep. Paul Ryan (R-Wis.) from proving his conservative bona fides when he assumes the speakership in November.

"This essentially gives the president an open path all the way to the next president of the United States, and if I were Barack Obama, I would be giddy with glee," said Rep. Steve King (R-Iowa).

House Republicans also lamented that outgoing Speaker John Boehner (R-Ohio), who they effectively ousted out of anger with his closed decision-making process, ended up getting the better of them in the twilight of his reign.

In that sense, hard-line House Republicans have something in common with Social Security advocates, whose biggest concern may be that the new deal sets a precedent of changing the country's largest and most venerated social program in a backroom negotiation.

“Though some provisions are positive, Social Security legislation, as a matter of principle, should go through regular order, in the light of day,” Social Security Works' Altman said in a statement.

Medicare Premium Increases: Not as Bad as Predicted

MoneyTalksNews
20 Years of Personal Finance
By Krystal Steinmetz

The Obama administration and congressional leaders have finally reached a tentative budget agreement that will prevent a 52 percent spike in Medicare premiums for millions of Americans

Without the bipartisan budget deal about 17 million Medicare recipients would see their Medicare Part B premiums soar from $104.90 to about $160, USA Today reports. Instead, those same Medicare beneficiaries, who represent about 30 percent of older Americans covered by Medicare, will see a 14 percent premium increase to $120 per month next year, plus a monthly surcharge of $3.

According to The Washington Post, the 17 million Medicare beneficiaries affected by the premium increase do not have their insurance payment automatically deducted from a Social Security check.

“Among this group are people who do not collect Social Security, will be enrolling in Medicare’s Part B next year for the first time, have incomes great enough that they are charged higher premiums, or are poor enough that they also qualify for Medicaid,” the Post said.

A provision of federal law that links Medicare premiums to Social Security benefits, which won’t increase for the third year in a row because of low inflation, is shielding the other 70 percent of Medicare beneficiaries from increased premiums.

“The unprecedented spike in Part B rates for the rest would have come about in order to keep the Medicare system in actuarial balance,” the Post explained.

A loan from the U.S. Treasury to the Medicare trust fund will cover the cost of Medicare Part B in the new budget deal, according to USA Today. The loan will be paid back over the next five years with slight increases ($3 per month) in Medicare premiums.

“The approach to financing … will allow premiums to increase more gradually, while spreading the cost over a longer period of time, and across a broader group of beneficiaries,” Tricia Neuman, senior vice president at the Kaiser Family Foundation, told USA Today.

Medicare Part B covers most health care service outside hospitals.

Although the budget deal wards off a massive increase in Medicare Part B premiums, it does little to address the long-term financial stability of Medicare.

“While we have concerns about the way in which the Part B cost-sharing resolution is paid for, we are glad people who rely on Medicare can breathe a bit easier — knowing their premiums and deductible will not skyrocket next year,” Judith Stein, founder and executive director of the Center for Medicare Advocacy, told USA Today.

How to Track Your Medicare Claims

Paperwork is less complicated if you have a Medicare Advantage plan. If you're overwhelmed by the Medicare claims process, you can hire a claims specialist.

By Kimberly Lankford

Medicare makes the first step in the claims process easy: Providers usually submit the claims to Medicare, so you don't have to do it yourself. But it can be complicated to keep track of the paperwork and to make sure you don't pay more than you owe when you're coordinating several types of coverage.

If you're in traditional Medicare, you'll get statements from Medicare and your medigap or retiree health insurer. Keep the statements in a file

and organize them by the date of the procedure, but don't pay anything until you get an explanation of benefits, says Sikora. Medicare's EOB (called a "summary notice") shows the services providers billed to Medicare over the past three months, what Medicare paid and the

amount you owe the provider. "Once you get a bill, pull out the file and look at the EOB," says Sikora. Match this notice with any bills you receive to make sure that claims for all services have been processed.

If Medicare approves a payment, then medigap should kick in to pay remaining charges (retiree health plans can have different coverage rules; check your plan). Medicare usually sends the claim to your medigap or retiree insurance company directly, but first you have to alert

Medicare that you have additional coverage; otherwise, you may get the bill yourself. To get Medicare in the loop, fill out a form when you first sign up for Medicare. You can update the list at www.mymedicare.gov.

Also pay attention to any "advance beneficiary notice of noncoverage" a provider asks you to sign. This document warns that coverage will likely be denied. It's possible that the service isn't covered, but the warning may be the result of a coding mistake. For instance, a diagnostic test (which is covered) might have been coded as a screening (which isn't covered). Ask questions and identify coding issues up front.

The paperwork is less complicated if you have a Medicare Advantage

plan because you aren't coordinating several policies. But you may have issues if you go out of network or fail to get preauthorization for a procedure. Know the rules for your coverage, and keep notes of authorization, specialist referrals and other relevant information.

If you're overwhelmed by the claims process, hire a claims specialist by the hour or project to help with the paperwork, fix coding or other errors, and file appeals. To find one, go to www.claims.org. You can also get help—say, with a bill you think should be covered—from your local State Health Insurance Assistance Program. "SHIP counselors are given the direct line to the specialists at Medicare, and we're able to handle issues over the phone so a problem doesn't have to go to appeal," says Shaffer, of Florida SHINE. (You can find a local SHIP counselor at www.shiptacenter.org or by calling 800-633-4227.)

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