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OUR NEWS LETTER HRSI

More Americans Say They Are Skipping Medical Care to Save Money

By Pat Wechsler - *Sep 27, 2011 5:00 AM CT Tue Sep 27 10:00:00 GMT 2011*

More Americans Say Skipping Medical Care to Save Money

Karen Bleier/AFP/Getty Images

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One in six American households and one in four with incomes less than $50,000 told Yonkers, New York-based Consumer Reports that they felt stress over how much they must spend on medical care. Photographer: Karen Bleier/AFP/Getty Images

More people in the U.S. ignored their doctor's advice and skipped prescription drugs or medical procedures to save money in 2011 than a year earlier, a Consumer Reports survey showed.

Almost half of the 1,226 consumers taking at least one medication said they didn't fill prescriptions, took less medicine than a prescribed dose or failed to undergo a medical test advised by their physician, according to the survey.

In Our Newsletter

That’s 9 percentage points higher than the 39 percent reported in 2010 by the annual survey.

Even with the U.S. recession ending more than two years ago, one in six American households and one in four with incomes less than $50,000 told Yonkers, New York-based Consumer Reports that they felt stress over how much they must spend on medical care. The pressure is prompting consumers to pursue potentially dangerous strategies for coping, said John Santa, director of Consumer Reports’ Health Ratings Center.

“The rising percentage of people putting off health care makes us wonder if we are really done with the recession,” Santa, a physician, said in a telephone interview. “This is one of the most sensitive barometers of how people are coping with the financial pressures.”

Doctors need to ask patients whether they are having trouble paying for drugs or medical care, and patients -- if doctors fail to ask -- should tell them when they are financially stressed, Santa said. Only 5 percent of the survey said they found out about the cost of a drug at the doctor’s office; 64 percent were told by their pharmacists.

Doctors Don’t Know

“In some cases, doctors don’t have these conversations with their patients because they just don’t know how much a drug or procedure costs,” Santa said.

The survey found the use of generic drugs increased to 75 percent of the prescriptions filled compared with 73 percent in 2010. Even so, 39 percent of respondents didn’t know that generics must meet the same federal standards on safety and efficacy and contain the same active ingredient as their brand- name counterpart. Forty-one percent said their doctors only sometimes or never recommended a generic.

Patients said their choice of medication was influenced by advertising. Eighteen percent of those surveyed said they asked their doctor to prescribe a drug they saw advertised and 70 percent of those who asked said their doctors wrote the prescription.

“If patients are given a choice they are more likely to fill the prescriptions for pain relievers or drugs that treat specific symptoms they are experiencing,” Santa said. “Unfortunately, they don’t always fill the prescriptions for drugs that treat conditions like diabetes or high blood pressure which may not be causing them trouble now but will if they don’t take the medication.”

The national telephone survey of those older than age 18 was conducted June 2 through June 6 and has a margin of error of plus or minus 2.9 percentage points. The survey began in 2008.

Consumer Reports is published by Consumers Union, a nonprofit research and advocacy organization.

Medicare to Pay Doctors $20 Bonuses for Longer Office Visits

By Jeffrey Young - Sep 28, 2011 10:42 AM CT Wed Sep 28 15:42:29 GMT 2011

Medicare, the federal health program for the elderly and disabled, will pay primary-care doctors $20 on average for each patient monthly to extend office visits and promote preventative care under a plan announced today.

The plan is similar to programs already offered by Indianapolis-based WellPoint Inc. (WLP) and the North American division of Cie Generale des Etablissements Michelin. (ML) Medicare officials announced the plan in a conference call with reporters.

The Most and Least Taxing States to Live and Retire In

by Joel Stonington
Thursday, October 6, 2011

provided by
Bloomberg

States facing shrinking revenues approved $23.9 billion in new taxes and fees in 2010. They imposed a further $6.2 billion in taxes in 2011 and proposed $13.8 billion in new taxes for 2012, according to the National Association of State Budget Officers. "Many jurisdictions, many states, many counties, are broke," said Carol Kokinis-Graves, senior writer analyst at Riverwoods (Ill.)-based tax and accounting firm CCH, a Wolters Kluwer business. Along with cutting services, states are getting creative in finding additional revenues. (Think: taxes on yoga classes and lots more "sin" taxes.)

The Tax Foundation annually releases state-local tax burdens for the residents of each state. The burdens are effective tax rates calculated by totaling state-local level taxes paid by taxpayers in each state, then dividing by their income. The burdens also reflect the economic incidence of taxes that are commonly shifted to out-of-state taxpayers.

Does your state lead the pack in levying taxes on income, property, consumption, inheritance, and whatever else it can dream up? Read on to see which states make you pay the most — and the least.

5 Highest State Tax Burdens

1. Connecticut

Income tax: 5%

Sales tax: 6.35%

Property tax per capita: $2,381

Inheritance tax: 7.2% to 16% with $2 million exemption

High taxes in Connecticut are paired with the nation's highest income per capita--$56,001 per person in 2010, according to the Bureau of Economic Analysis. A sales tax increase took effect in July, raising the rate, from 6 percent to 6.35 percent, and adding a further 3 percentage-point levy on luxury goods such as expensive cars and boats. The state collects the third-highest property taxes per capita and is one of 14 states to tax Social Security income, according to CCH.

2. New Jersey

Income tax: 6.37%

Sales tax: 7%

Property tax per capita: $2,625

Inheritance tax: See note*

Regularly listed as a state with one of the highest tax burdens, New Jersey is cited by the Tax Foundation as having the country's highest property tax per capita. It is also one of 14 states to tax Social Security income, according to CCH.

* Transfer to a spouse, lineal descendant, or charitable organization is tax-free; transfer to children-in-law is taxed at 11 percent to 16 percent; all other transfers are taxed at 15 percent to 16 percent.

3. New York

Income tax: 7.85% (8.97% on income over $500,001)

Sales tax: 4%

Property tax per capita: $2,009

Inheritance tax: Estate taxes range from 0.8% to 16%

The high taxes paid by New Yorkers aren't helping to offset a big decline in revenue amid recession. An oft-suggested, ever-controversial stock transfer tax seems to be off the table. A smoke break to think about how much New York would make whenever a share changes hands is not recommended because the state has the country's highest cigarette tax, at $4.35 a pack.

4. Massachusetts

Income tax: 5.3% (flat tax rate)

Sales tax: 6.25%

Property tax per capita: $1,789

Inheritance tax: Estate taxes range from 0.8% to 16%

Even though Massachusetts residents are saddled with the highest amount of debt per person in the U.S.--$11,357 apiece in 2009, according to the Tax Foundation--it seems likely that the state income tax rate will be reduced this year. Voters moved to reduce it to 5 percent years ago but the change has been blocked by lawmakers. With a $2 billion increase in tax revenue due to a strengthening economy--$723 million over the projected take--the tax rate will likely go from 5.3 percent to 5.25 percent, according to MassLive.

5. Maryland

Income tax: 5.5%

Sales tax: 6%

Property tax per capita: $1,171

Inheritance tax: See note*

Sales tax increases are in the cards for Maryland residents. In 2010, income tax brought in $6.2 billion, compared to $3.8 billion in sales tax. With a budget deficit of more than $1 billion looming, lawmakers are looking at tax increases on gasoline, medicine, online shopping, and snacks. A proposed increase in the sales tax on alcohol, from 6 percent to 9 percent, is expected to add $84.8 million to Maryland's 2012 revenue.

* Spouse and linear-descendant and sibling transfer is tax-free; all other transfers are taxed at 10 percent.

5 Lowest State Tax Burdens

1. Mississippi

Income tax: 5%

Sales tax: 7%

Property tax per capita: $785

Inheritance tax: None

Savers will be gratified to find that recent rule changes in Mississippi exempt all IRAs from income tax. The change makes Mississippi one of four states to allow citizens to contribute to retirement accounts without paying state income tax on the money. Mississippi has no inheritance or estate tax.

2. South Carolina

Income tax: 7%

Sales tax: 6%

Property tax per capita: $963

Inheritance tax: None

South Carolina had the least tax collections per person in 2009 (the most recent year available), according to the Tax Foundation. including corporate taxes. If you are looking to get married, the state has a $50 tax credit for prior counseling.

3. Tennessee

Income tax: None

Sales tax: 7%

Property tax per capita: $752

Inheritance tax: See note*

Tennessee does not tax income, apart from a 6 percent levy on interest and dividends. Capital gains are exempt. Still, investors should be aware that the state inheritance tax allows tax-free transfer only to a spouse.

* Transfer to a spouse is tax-free; all other transfers are taxed at 5.5 percent to 9.5 percent.

4. Alabama

Income tax: 5%*

Sales tax: 4%*

Property tax per capita: $495**

Inheritance tax: None*

With low state debt, Alabama ranks among the states with the lowest taxes collected per capita--$1,770 per person in 2009, according to U.S. Census data and the Tax Foundation. It also has the lowest state and local property tax collections per person. At least one obsolete tax law remains on the books--Alabama's tax for the neediest Confederate veterans from the Civil War. The tax now supports the 102-acre Confederate Memorial Park, built on the site of the Old Soldiers Home for Confederate Veterans and complete with a museum (left), according to an article by the Associated Press.

* Income (highest bracket available), sales, and inheritance tax information were provided by CCH, a Wolters Kluwer business.

** Property tax statistics are derived from a Tax Foundation analysis of 2008 U.S. Census Bureau data.

5. Alaska

Income tax: None

Sales tax: None

Property tax per capita: $1,559

Inheritance tax: None

Alaska gets significant income from corporate taxes, mostly from the oil-and-gas industry. The state collects high revenue per person--$7,145 in 2009, according to the Tax Foundation--without collecting income, sales, or inheritance tax. Local investors don't pay state tax on capital gains because there is no income tax. However, at $1,559 per person, property taxes are relatively high.

Sandy Harris and Phyllis Shelton

GET UPDATES FROM Sandy Harris

GET UPDATES FROM Phyllis Shelton

So, How *You* Doin'? How Y'all Doin'?

Posted: 10/7/11 04:02 PM ET

There was a time when Americans were able to save a few pennies and do great things with those pennies. They bought homes, went on vacation, sent their kids to college, married off daughters, and, oddly enough, were able to put some of those pennies away for retirement. Unfortunately, those were the people that lived through the Great Depression of the 30s. And, just like the pyramids, we don't seem to know how to do that anymore.

It's no secret that trillions of dollars have been lost in retirement savings in the last few years. Because of the high deficit and the current Congress's refusal to raise taxes or eliminate corporate tax breaks and those to the wealthy, the natural target to shore up the Federal coffers is what's left -- the Boomers' 401k retirement plans. Certain congressional representatives think it would be better to eliminate the $80 billion in annual tax breaks for 401(k)s and force everyone to contribute a percentage of their earnings into a guaranteed retirement account administered by the Social Security Administration. This money would be invested in special government bonds. This has the familiar ring of the individual health insurance mandate, doesn't it?

It's not the American dream we envisioned. Not only have our 401k's atrophied, now we have to pay tax on what's left.

However, a recent AARP survey of workers age 50+ reported that the concern about not having enough money to pay for an extended period of home care or nursing home care outranked the worry of not having a retirement income that keeps up with inflation.

Not having enough money to live on in retirement can happen to the best of planners in two ways:

1. Major downturn in investments as they approach retirement age with not enough time to recover; and
2. Needing care for a chronic condition for an extended period of time.

Baby boomers are confronting that second reason head on now as according to a June 2011 MetLife survey, the percentage of adult children providing personal care and/or financial assistance to a parent has more than tripled in the past 15 years and currently represents a quarter of adult children!

These adult kids see the stark reality of being responsible for someone else 24/7 and don't want that oppressive weight on their own kids' shoulders. Thanks to rampant ignorance about this issue, most don't know how to prevent that from happening.

Not that long ago, an ABC special for Alzheimer's hosted by Christiane Amanpour featured guests Maria Shriver and Ann O'Leary (Berkeley Center for Health, Economic, and Family Security). As they were highlighting the immense problems of funding caregivers for Alzheimer's patients, Ms O'Leary estimated "that families were spending $56,000 per year paying out of pocket and we don't have any insurance for this." Christiane Amanpour voiced the opinion that the United States is the only developed country without a national strategy.

Fortunately, Ms. O'Leary was 100% incorrect. There is insurance for this and for other conditions that require long-term care, and it's one of the best kept secrets in America because less than eight million Americans have it.

It's not enough to focus on investments for retirement.

Here's the problem: no matter how much money you have, no matter if you are a doctor, lawyer, actor, or just everyday folk, one event that would require an extended period of time for recovery, can wipe out your funds, or at least make a serious dent in those funds. It would very well mean the end of your lifestyle as you know it and it can happen to anyone at any time. Health insurance and Medicare do not cover this.

Are there ways for Americans to keep from losing their 401k retirement funds? In many cases, the answer is "YES!" Can some people qualify for a tax-free retirement? In most cases, the answer is "YES!"

But the most important thing we do is preserve the LIFESTYLE of American families. Yes, there is a type of insurance that can insure your lifestyle if you have to become a caregiver and the lifestyle of your kids so they aren't saddled with your care.

In many cases, this LIFESTYLE insurance can be free!

Don't leave yourself open to the whim of others. No matter who you are, you have the right to protect yourself from having your life turned upside down.

Sandy Harris is the President of The Harris Group, a national insurance services company, specializing in Long-Term Care insurance retirement planning. Sandy has been helping individuals and employers with these and other insurance services for more than 25 years.

Phyllis Shelton is the President of LTC Consultants, a 20 year old Nashville-based consulting company specializing in long-term care insurance consumer education and agent training. She is the author of The ABC's of Long-Term Care Insurance and her website is www.GotLTCi.com.

Vitamins May Increase Women's Risk of Dying, Research Finds

By *Joseph Brownstein* | *LiveScience.com* – 16 hrs ago

Popping vitamins may do more harm than good, according to a new study that adds to a growing body of evidence suggesting some supplements may have health risks.

Researchers from the University of Minnesota examined data from more than 38,000 women taking part in the Iowa Women's Health Study, an ongoing study with women who were around age 62 at its start in 1986. The researchers collected data on the women's supplement use in 1986, 1997 and 2004.

Women who took supplements had, on average, a 2.4 percent increased risk of dying over the course of the 19-year study, compared with women who didn't take supplements, after the researchers adjusted for factors including the women's age and calorie intake.

"Our study, as well as other similar studies, have provided very little evidence that commonly used dietary supplements would help to prevent chronic diseases," said study author Jaakko Mursu, an epidemiologist at the University of Minnesota School of Public Health.

"We would advise people to reconsider whether they need to use supplements, and put more emphasis on a healthy diet instead," Mursu said.

A toxic combination?

The new study linked a number of individual vitamins and minerals to the slight mortality risk, including multivitamins, vitamin B6, folic acid, iron, magnesium, zinc and copper.

For example, of the 12,769 women in the study who took a daily multivitamin, 40.8 percent had died by the end of 2008, whereas 39.8 percent of the 10,161 women who hadn't taken a daily multivitamin had died.

Mursu said that the design of the study did not allow the researchers to determine if there was a specific cause for the increased mortality.

"However, we do know that most compounds are toxic in high amounts, and long-term use might predispose [a person] to detrimental outcomes," he told MyHealthNewsDaily.

The increased chance of dying" could be related to generally high concentration of compounds that these supplements contain. Most supplements contain higher amounts of nutrients than would be derived from food, and it is known that several compounds can be toxic in higher amounts, especially when consumed for a long time, as some of these accumulate to body," Mursu said.

Taking calcium supplements, on the other hand, actually seemed to lower the women's death risk slightly, by 3.8 percent, although the researchers noted that there was not a relationship between consuming increasingly higher amounts of calcium and a continuing decrease in mortality rate.

Less is more

While vitamins and minerals are necessary for proper nutrition, excess intake has not shown further benefit, and recent studies have cast some doubt on the idea that vitamin supplements provide a "safety net" for people not getting enough of a given nutrient. Instead, too much may be a problem.

The study, published today (Oct. 10) in the journal Archives of Internal Medicine, is part of a series examining interventions in medicine that may be unnecessary.

"Until recently, the available data regarding the adverse effects of dietary supplements has been limited and grossly underreported. We think the paradigm "the more, the better" is wrong," wrote Dr. Goran Bjelakovic and Dr. Christian Gluud, of the Center for Clinical Intervention Research at Copenhagen University Hospital in Denmark in an accompanying commentary.

"We believe that for all micronutrients, risks are associated with insufficient and too-large intake. Low levels of intake increase the risk of deficiency. High levels of intake increase the risk of toxic effects and disease," they wrote.

"Therefore, we believe that politicians and regulatory authorities should wake up to their responsibility to allow only safe products on the market," they wrote.

Pharmacists Inject New Vigor Into Flu Shot Market

By Jenny Gold
KHN Staff Writer
Oct 10, 2011

This story was produced in collaboration with npr

Drugstore and supermarket pharmacies across the country have launched a marketing blitz to attract flu shot customers, touting the convenience of stopping at a local drugstore and often offering drop-in vaccinations anytime the pharmacy is open -- sometimes even 24 hours a day.

Walgreens Pharmacist Scott Gershman gives a Band-Aid to Drew Troff in Springfield, Va., after injecting him with a flu shot. (Francis Ying/KHN)

"If you decided at 4 o'clock in the morning you wanted to go out and had nothing better to do than get a flu shot, you could walk right in and you could get a flu shot," says Scott Gershman, pharmacy manager at a Walgreens drugstore in Springfield, Va. The wall outside his store is plastered with a giant sign reading "Walgreens flu shots. Walk in anytime."

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Listen to this story on NPR:

- Pharmacies Inject Convenience Into Flu Shot Market

Just after the weather turned cold in late September, Shelley Troff and her 13-year-old son dropped by Gershman's pharmacy one afternoon to get their annual shots. Troff says she didn't even consider going to her doctor's office. "To be frankly honest, Walgreens is easier," she explains. "Since this is one mile from my house and the clinic is 20 minutes from my house, this is where I come."

Pharmacies usually charge between $25 and $32, while a shot at the doctor's office usually costs at least $48, according to Matthew Davis, a pediatrician and associate professor at the University of Michigan in Ann Arbor. But for most people with insurance, cost is not the issue—convenience is. That's because the shots are generally paid for by insurance.

Shelly Troff gets a flu shot from Walgreens pharmacist Scott Gershman in Springfield, Va. (Francis Ying/KHN)

For the Troffs, there was no out-of-pocket expense. The pharmacy billed their insurance. That is true for many consumers because under the Affordable Care Act enacted in 2010, most insurers can no longer charge copays for preventive care, including flu shots. Some plans are exempt from that because they were grandfathered under the law.

The majority of Americans still get their flu shot at the doctor's office, but an increasing number, like the Troffs, are going to their local pharmacy instead. In 2010, 18.4 percent of adults who were immunized received the flu vaccine at a supermarket or drugstore, just edging out workplace vaccinations for the second most popular venue, according the Centers for Disease Control and Prevention.

The H1N1 epidemic in 2009, which showcased a particulary deadly strain of flu, helped propel the trend; the panic sent customers running to drugstores, which often had vaccines available after physicians' offices had run out. "It became clear to the government and Americans that pharmacies can provide easy access to vaccines," says Edith Rosato, senior vice president of the National Association of Chain Drug Stores.

But while more people are going to the pharmacy, the number of Americans who get the flu vaccine each year has remained fairly constant at about 40 percent of all adults.

Drugstores and supermarket pharmacies are eager to stake out a bigger piece of that market. Gershman spent his first seven years at the Walgreens behind the pharmacy counter, filling prescriptions and dispensing advice. Three years ago, he entered a training program on delivering vaccines. Now, he spends a good part of his fall and winter workdays vaccinating customers. He says "being able to step out behind the counter and talk one-on-one with patients" is among the most rewarding parts of his job.

Walgreens Pharmacists Adel Jaber and Scott Gershman stand at their registers in Springfield, Va. The pair give flu shots regularly to customers. (Francis Ying/KHN)

Nationwide, the number of pharmacists trained to deliver vaccines has nearly quadrupled since 2007, from 40,000 to 150,000.

The stores hope to market their growing vaccine business, even offering incentives to customers. At Safeway, the flu shot brings a 10 percent discount on groceries. CVS offers a $5 gift card. Rite Aid gives away a coupon book worth $100 in potential savings.

Nonetheless, it is not clear how profitable the flu shot is to pharmacies, and experts' views differ. Revenue figures are proprietary, but Katherine Harris, a senior economist at the Rand Group who studies the vaccine market, says flu shots are not usually a big money-maker. They often involve taking time away from other duties to educate patients and bill insurers, she explains. Other analysts believe drugstores earn profits of 30 to 50 percent on the procedures, according to The Wall Street Journal.

Rosato explains that flu shots are an important public service as well as an effective way to gain customer business. "Everyone is trying to drive customers into the store to get their flu vaccine and then hopefully build customer loyalty" so they will buy other products as well, she says.

Vaccine campaigns are part of a broader effort to expand the role of pharmacists in health care delivery, says Rosato. "With the shortage of primary care and other professionals in the future," she explains, pharmacists see an opportunity to work closely with doctors and nurses to advise patients with chronic illnesses, offering blood pressure and diabetes screenings and medication management. "Immunization is just one piece of it."

Thus far, doctors have not pushed back against the efforts. Vince Hartzell, who with his father owns a pharmacy in Catasauqua, Pa., says 10 of the local physician practices actually refer their patients to his pharmacy, grateful to give up a service that is not particularly lucrative.

But some experts warn that getting the flu vaccine at a pharmacy is not right for everyone, particularly patients with chronic illnesses or those who are uninsured.

"If you're uninsured, go shopping," says Davis. He says the uninsured can often find a cheaper option at their local health department, where the vaccine may even be free.

Davis recommends that anyone with a chronic illness stick with their primary care doctor for the flu vaccine as part of an effort to "track vaccinations and manage effort to vaccinate high risk population in more efficient way."

He adds that while it's good for private retailers to join the vaccination army, he also worries that some patients might skip the annual doctor's visit altogether. "The main concern about pharmacy-based vaccination is that it might somehow discourage patients from otherwise following up with their doctors."

OIG to study physicians who leave Medicare

Federal officials express concern about whether specific areas of the country are seeing higher numbers of doctors opting out.

By Charles Fiegl, amednews staff. *Posted Oct. 13, 2011.*

Washington -- The Dept. of Health and Human Services is reviewing the impact of physicians opting out of the Medicare program to determine if it's hurting beneficiary access in parts of the country.

The HHS Office of Inspector General announced the study along with dozens of others in its 2012 work plan. The office has 1,800 professionals who conduct audits and investigations to ferret out fraud, which can lead to civil penalties or administrative actions. The office also has inquiries into Medicare, Medicaid and public health programs to evaluate system performance.

The inspector general will gauge the impact of physicians who leave Medicare and determine if specific areas of the country have higher rates of departures than others, the work plan states. The office also is evaluating whether doctors continue to submit claims to Medicare on their patient's behalf after opting out.

The office does not comment on the work plan beyond the summaries listed in the report, said spokesman Don White. But health industry professionals believe the inspector general is right to study the issue.

Physician acceptance of new Medicare patients has decreased to 92.9% in 2008 from 95.5% in 2005, according to an article in the June 27 *Archives of Internal Medicine* (archinte.ama-assn.org/cgi/content/extract/171/12/1117). An Oct. 6 survey by the Texas Medical Assn. found 3% of members have opted out of the program, but 61% said they would consider leaving Medicare if payments were reduced significantly from current levels.

Physicians opting out of Medicare often form concierge practices, said Paul Spencer, a compliance officer for Fi-Med Management based in Wauwatosa, Wis. A 2010 Government Accountability Office study found 756 physicians had retainer-based arrangements, but Spencer believes many more physicians have decided to run concierge practices with smaller patient bases.

"With a primary care shortage in the country, the OIG first recognizes this could pose a problem if too many physicians leave," he said.

Federal officials also plan to monitor evaluation and management service billing. In 2009, Medicare paid $32 billion for these office visits, which represented 19% of Part B payments.

"Medicare contractors have noted an increased frequency of medical records with identical documentation across services," the work plan said. Auditors will check EMR documentation to ensure that the content supports the level of service on the claim.

Auditors will analyze Medicare claims data looking for high volume and unusual billing patterns, said Betsy Nicoletti, a physician practice consultant in Springfield, Vt. The inspector general also will evaluate quality of care and safety for certain services, such as patients transferred to postacute care from facilities and care provided at ambulatory surgery centers.

The work plan can be viewed on the inspector general's website (oig.hhs.gov/reports-and-publications/workplan/).

Obama pulls plug on part of health overhaul law

By *RICARDO ALONSO-ZALDIVAR - Associated Press* | *AP* – Sat, Oct 15, 2011

WASHINGTON (AP) — The Obama administration's signature health overhaul law, under relentless assault by Republicans, has suffered its first major casualty — a long-term care insurance plan dogged from the beginning by doubts over its financial solvency.

The program became the first casualty in the political and policy wars over the health care law. It had been expected to launch in 2013.

Proponents, including many groups that fought to pass the health care law, have vowed a vigorous effort to rescue the program, insisting that Congress gave the administration broad authority to make changes. Long-term care includes not only nursing homes, but such services as home health aides for disabled people.

Wireless Users Will Get Alerts on Excess Use

The New York Times

EDWARD WYATT, On Monday October 17, 2011, 12:01 am EDT

WASHINGTON — Users of cellphones and other wireless devices who are nearing their monthly limit for voice, text or data services will receive alerts when they are in danger of being charged extra, under an agreement reached by carriers and the Federal Communications Commission.

The agreement, which is to be announced Monday, brings together an industry and a regulator that have fought bitterly this year over the F.C.C.'s attempts to police Internet service providers and over the commission's review of wireless company mergers. The agreement will begin within a year.

Wireless companies have generally opposed the commission's recent efforts to dictate how they communicate with customers. But the carriers have also been losing good will with people bitter about the sometimes exorbitant charges resulting from overuse of what has become a consumer staple — the cellphone.

Tens of millions of wireless phone users are hit with overage charges each year, the F.C.C. estimates, based on its own studies and work by the Government Accountability Office and private research firms. The new agreement binds all of the members of the industry's largest trade group, and therefore covers virtually all of the country's more than 300 million wireless accounts, according to the F.C.C. chairman, Julius Genachowski.

President Obama, Mr. Genachowski and Steve Largent, president of CTIA — the Wireless Association, the trade group that negotiated for the carriers, hailed the agreement. Mr. Largent, a former congressman and N.F.L. player, said the deal fulfilled a government pledge without imposing burdensome regulations.

President Obama, in a statement, said: "I appreciate the mobile phone companies' willingness to work with my administration and join us in our overall and ongoing efforts to protect American consumers by making sure financial transactions are fair, honest and transparent."

For 18 months, the F.C.C. has been investigating what it calls bill shock, what consumers experience when they receive their monthly wireless bill to find unexpected charges of hundreds or thousands of dollars for roaming or overuse of voice and data services. In October, it proposed a regulation that will now be delayed while the commission monitors the industry's voluntary compliance.

Most wireless contracts call for a customer to pay a flat monthly fee for a fixed number of minutes of talk time. Some plans include a set number of text messages, and others, most often for smartphones, tablets like the iPad, or laptop computer air cards, include a certain amount of data use each month.

A customer exceeding those limits will begin incurring charges that are often far more expensive on a per-unit basis than under the monthly allotments. While many carriers offer several ways for consumers to check their usage, those struck by large bills usually had not regularly done so.

Alerting consumers to data limits is particularly relevant with the explosive growth of the iPad and other tablets, which can consume immense amounts of data in downloading music and books, and streaming movies. The F.C.C. has said that the popularity of tablets and the accompanying growth in data use is contributing to overcrowding of the airwaves, with wireless companies finding that they may eventually not be able to accommodate the demand for downloading.

A 2010 study by the F.C.C. found that one in six mobile device users had experienced bill shock, with 23 percent of those users facing unexpected charges of $100 or more. A separate F.C.C. report noted that 20 percent of the bill shock complaints it received during the first half of 2010 were for $1,000 or more in overage charges. Expensive charges can also be incurred for roaming, when a user travels out of a company's defined area of coverage or, as often occurs, when traveling overseas.

Even so-called unlimited data plans often have a cap limiting downloads each month to a certain number of megabytes — a technical measure that, unlike a number of calls or minutes, cannot easily be tracked by the uninitiated. Last October, the F.C.C. highlighted the case of a 66-year-old retiree in Dover, Mass., who received an $18,000 bill after a promotional no-limit data plan expired without warning.

Alexander Cullison found out the hard way what can happen when a family member is unaware of usage limits and accounting. Mr. Cullison, a retired resident of Fairfax, Va., received a $400 bill one month recently after his son, whose plan had a monthly limit of 250 text messages, sent and received about 2,000 in one billing period. It was then that Mr. Cullison learned that his wireless company counted each message sent and received as separate items, causing them to build up at least twice as fast as expected.

"This is a good resolution," Mr. Cullison said, "as long as they advise you that you are going to go over your limit before it actually happens." Under the agreement, carriers will provide alerts when consumers approach and then exceed their limits on voice, data or texting. In addition, users will receive an alert when their phone links to a cellular system in a foreign country. Some carriers already provide similar alerts.

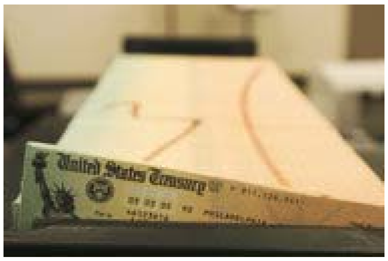
Companies have the option to deliver alerts by text or voice, but they must be free and automatic. Consumers can opt out of the service if they choose. At least two of the four types of alerts must be started by carriers within 12 months, and all alerts must begin within 18 months.

The companies also agreed to publicize tools for consumers to monitor their own usage. The F.C.C. has teamed with the nonprofit Consumers Union to track companies' compliance.

"Consumers have been telling us about 'bill shock' for a long time, and we've been pushing for reforms to crack down on the problem," said Parul P. Desai, policy counsel for Consumers Union. "Ultimately, this is about helping people protect their pocketbooks, so we applaud the F.C.C. and the industry for this effort to do right by consumers."

Social Security to hand out first raises since '09

Associated Press By *STEPHEN OHLEMACHER - Associated Press* | *AP* – 44 mins ago

- 

FILE - In this Feb. 11, 2005 file photo, trays of printed social security checks …

WASHINGTON (AP) — Social Security recipients will get a raise in January — their first increase in benefits since 2009. It's expected to be about 3.5 percent.

Some 55 million beneficiaries will find out for sure Wednesday when a government inflation measure that determines the annual cost-of-living adjustment is released.

Congress adopted the measure in the 1970s, and since then it has resulted in annual benefit increases averaging 4.2 percent. But there was no COLA in 2010 or 2011 because inflation was too low. That was small comfort to the millions of retirees and disabled people who have seen retirement accounts dwindle and home values drop during the period of economic weakness, said David Certner, legislative policy director for the AARP.

"People certainly feel like they are falling behind, and these are modest income folks to begin with, so every dollar counts," Certner said. "I think sometimes people forget what seniors' incomes are."

Some of the increase in January will be lost to higher Medicare premiums, which are deducted from Social Security payments. Medicare Part B premiums for 2012 are expected to be announced next week, and the trustees who oversee the program are projecting an increase.

Monthly Social Security payments average $1,082, or about $13,000 a year. A 3.5 percent increase would amount to an additional $38 a month, or about $455 a year.

Most retirees rely on Social Security for a majority of their income, according to the Social Security Administration. Many rely on it for more than 90 percent of their income.

Federal law requires the program to base annual payment increases on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). Officials compare inflation in the third quarter of each year — the months of July, August and September — with the same months in the previous year.

If consumer prices increases from year to year, Social Security recipients automatically get higher payments, starting the next January. If price changes are negative, the payments stay unchanged.

Only twice since 1975 — the past two years — has there been no COLA.

Wednesday's COLA announcement will come as a special joint committee of Congress weighs options to reduce the federal government's $1.3 trillion budget deficit. In talks this summer, President Barack Obama floated the idea of adopting a new measure of inflation to calculate the COLA, one that would reduce the annual increases.

Advocates for seniors mounted an aggressive campaign against the proposal, and it was scrapped. But it could resurface in the ongoing talks.

"We're very concerned about that," said Web Phillips of the National Committee to Preserve Social Security and Medicare. "I think that what this illustrates is the dangers of trying to make Social Security policy in the context of deficit reduction."

Social Security payments increased by 5.8 percent in 2009, the largest increase in 27 years, after energy prices spiked in 2008. But energy prices quickly dropped and home prices became soft in markets across the country, contributing to lower inflation the past two years.

For example, average gasoline prices topped $4 a gallon in the summer of 2008. But by January 2009, they had fallen below $2. Today, the national average is about $3.46 a gallon.

"A lot of that increase had to do with energy," Polina Vlasenko, an economist at the American Institute for Economic Research, based in Great Barrington, Mass., said of the 2009 change.

As a result, Social Security recipients got an increase that was far larger than actual overall inflation. However, they weren't to get another increase until consumer prices exceeded the levels measured in 2008.

So far this year, prices have been higher than that, Vlasenko said. Based on consumer prices in July and August, the COLA for 2012 would be about 3.5 percent. Vlasenko estimates the COLA will be from 3.5 percent to 3.7 percent.

Advocates for seniors say it's about time.

"If you've been at the grocery store lately and remember what you used to pay for things, see what you're paying for things today," Phillips said. "The cost-of-living adjustment makes sure that the Social Security benefit that you qualify for when you retire or you become disabled continues to stay current with prices so that the buying power of your benefit does not decline over time."

10 More Reasons to Exercise

By Andrea Metcalf, Tuesday at 1:22 pm

Many of us know that benefits of exercise include better health and burning off calories. But here are ten more reasons to exercise at any age:

Better flexibility. It's the old "use it or lose it" concept. If your muscles are strong and balanced you will have better flexibility and better control of movements. Good flexibility in the joints can help prevent injuries through all stages of life **(Center for Disease Control and Prevention, Physical Activity for Everyone, 2007)**

Better Balance. Exercise sharpens our balance and keeps muscles stronger, keeping you steadier on your feet **(Massachusetts Eye and Ear Infirmary, Balance Disorders)**

Better sleep. Lack of sleep is now linked to weight gain; exercise helps promote better rest and burning of calories **(American Thoracic Society, Sleeping Less Linked to Weight Gain, 2006 International Conference)**

Stronger Bones. Weight-bearing exercise helps stimulate muscles, which pull on the bones to make them more dense. These exercises, coupled with a diet rich in calcium and magnesium, can help build stronger bones as you age **(Virginia Cooperative Extension, Calcium: Build Strong Bones, Publication Number 348-019, Revised May 2003)**

Better Immune System. People who are physically active are less likely to catch colds, and a little bit of exercise may actually speed up your recovery. If you are running a temperature, rest is your best bet. Otherwise, get moving and walk. Deep breathing may boost your immune response and get you feeling better faster **(Cleveland Clinic, Diet, Exercise, Stress and the Immune System, The immune system and its role in chronic fatigue syndrome, 1995-2008)**

Better Mood. Exercise stimulates brain chemicals, which can make you feel happier and more relaxed. You could even look and feel better when you exercise regularly, showing more confidence and self-esteem **(Mayo Clinic, Exercise: 7 benefits of regular physical activity, July 2007)**

Better Brain function. Exercise is proven to make you smarter! In a study those students who worked out vigorously at least 20 minutes a day most days of the week fared better than those who didn't. I know I am more on my game after a brisk walk then after sitting on a plane for a few hours

Better blood pressure. Regular exercise is the first line of defense against hypertension and help can control blood pressure at a healthy level. Fagard, R.H. "Effects of exercise, diet and their combination on blood pressure". *Journal of Human Hypertension* (2005) 19, S20–S24..

Better chance of quitting smoking. Changes in brain activity from physical exercise can reduce cigarette cravings. Janse Van Rensburg et al. **Acute exercise modulates cigarette cravings and brain activation in response to smoking-related images: an fMRI study**. *Psychopharmacology*, 2008; DOI: 10.1007/s00213-008-1405-3

Better Energy. Believe it or not, after most exercise sessions the increase in blood flow makes you feel more, and the ability for the body to utilize oxygen makes you less fatigued **(MedicineNet, Exercise for Energy: Workouts That Work, 2008)**

15 Insurance Policies You Don't Need

by Lisa Smith
Monday, October 24, 2011

provided by
INVESTOPEDIA

Fear of the future sells insurance. Because we can't predict the future, we want to be ready to cover our financial needs if, or when, something bad happens. Insurance companies understand this fear and offer a variety of insurance policies designed to protect us from a host of calamities that range from disability to disease and everything in between. While none of us wants anything bad to happen, many of the potential catastrophes that happen in our lives are not worth insuring against. In this article, we'll take you through 15 policies that you're probably better off without.

1. Private Mortgage Insurance

The infamous private mortgage insurance (PMI) is well known to homeowners because it increases the amount of their monthly mortgage payments. PMI is an insurance policy that protects the lender against loss when lending to a higher-risk borrower. The borrower pays for this insurance but derives no benefit. Fortunately, there are several ways to avoid paying for this unnecessary policy. PMI is required if you purchase a home with a down payment of less than 20% of the home's value. The small down payment is viewed as putting you at risk of defaulting on the loan. Put down at least 20% and the PMI requirement goes away. Alternatively, you can put down 10% and take out two loans, one for 80% of the sale price of the property and one for 10%, although interests rates can prevent the economics of this maneuver from working out in the homeowner's favor.

2. Extended Warranties

Extended warranties are available on a host of appliances and electronics. From a consumer's perspective, they are rarely used, particularly on small items such as DVD players and radios. If you purchase a reputable, brand-name product, you can be fairly certain it will work as advertised and that the extended warranty is statistically likely to be unnecessary. If you spend $5,000 on a giant, flat-screen television, the policy is still unlikely to pay off, but might make you feel better. For everything else, forget it.

3. Automobile Collision

Collision insurance is designed to cover the cost of repairs to your vehicle if you are involved in an accident. If you have a loan out on the car, the loan issuer is likely to require that you have collision insurance. If your car is paid off, collision is optional; therefore, if you have enough money in the bank to cover the cost of a new car, collision insurance may be an unnecessary expense. This is particularly true if you are driving an old car, because cars depreciate so quickly that many vehicles are worth only a fraction of their purchase price by the time the loan is paid in full.

4. Rental Car Insurance

Most auto insurance policies offer additional coverage for the cost of car rentals, touting it as a useful feature if your car is ever involved in an accident and needs to spend some time in the repair shop. This may sound like a good idea, but in reality, most people rarely rent a car, and when they do, the cost is relatively low and hardly worth insuring against. Although rental car insurance is relatively inexpensive, amortized over the course of a lifetime you are still likely to spend far more than you will benefit.

5. Car Rental Damage Insurance

Many auto insurance policies already cover rentals, so there's no need to pay for this twice. Check your policy before you pay. Depending on where you rent the vehicle, you may also be able to pay a small fee for insurance on your rental when you pick it up at the rental center. If this fee is less than what you'd pay for a year in your old policy, choose the fee over the policy.

6. Flight Insurance

Flight insurance coverage is completely unnecessary. Despite media portrayal, airline accidents are relatively rare, and your life insurance policy should already provide coverage in the event of a catastrophe.

7. Water Line Coverage

Water companies have made an aggressive push to sell policies that cover the repair of the water line that runs from the street to your house. The odds are in your favor that you will never use this coverage, particularly if you live in a newer home. If you live an average suburban neighborhood and you do need to repair the water line, the distance to the street is short, the likelihood of a problem is low and repair costs are a few thousand dollars or less. The same goes for policies offered by other utility companies.

8. Life Insurance for Children

Life insurance is designed to provide a safety net for your heirs/dependents. Because children don't have heirs to worry about and, statistically speaking, most kids will grow up safe and healthy, most parents should not purchase life insurance for their kids. Instead, use the money that you would have spent on life insurance to fund an education plan or an individual retirement account (IRA).

9. Flood Insurance

Unless you live in a flood plain or an area with a history of water problems, don't even bother buying flood insurance. If none of the homes in the area has ever been flooded, yours is unlikely to be the first.

10. Credit Card Insurance

Purchasing coverage to pay your credit card bill in the event you cannot pay it is a waste of money. A far better idea is to avoid running up your credit cards in the first place, so you won't need to worry about the bills. Not only do you not save on the insurance premiums, you'll also save the interest on your debt.

11. Credit Card Loss Insurance

Federal law limits your liability if your credit card is stolen. Your out-of-pocket costs are limited to $50 per card and not a penny more. In fact, many credit card companies don't even try to collect the $50.

12. Mortgage Life Insurance

Mortgage life insurance pays off your house in the event of your death. Rather than add another policy - and another bill - to your list of insurance plans, it makes more sense to get a term-life policy instead. A good life insurance policy will provide enough money to pay off the mortgage and to cover other expenses as well. After all, the mortgage isn't the only bill your survivors will need to pay.

13. Unemployment Insurance

This coverage makes minimum payments on your bills if you are out of work, which sounds like an attractive proposition. A better plan is to save your money and build up an emergency fund instead. You won't have to cover the cost of the insurance policy and, if you are never out of work, you won't spend any money at all.

14. Disease Insurance

Policies are available to cover cancer, heart disease and other maladies. Instead of trying to identify every possible disease that you may encounter, get a good medical coverage policy instead. This way, your medical bills will be covered regardless of the problem you face.

15. Accidental-Death Insurance

Unless you are extraordinarily accident prone, an accident is unlikely. Major catastrophes such as car wrecks and fires are covered under other policies, as is any harm that comes to you while at work. Accidental-death policies are often fraught with stipulations that make them difficult to collect on, so skip the hassles and get life insurance instead.

When Choosing Insurance

There are so many policies to chose from, and they all cost money. While a certain amount of insurance coverage is necessary and prudent, you need to choose carefully. In general, broad policies that offer coverage for a multitude of potential events are a better choice than limited-scope policies that focus on specific diseases or potential incidents. Before you buy any policy, read it carefully to make sure that you understand the terms, coverage and costs. Don't sign on the dotted line until you are comfortable with the coverage and are sure that you need it.

7 Tips for Picking a 2012 Medicare Part D Plan

Consider switching into a plan with lower costs or better coverage next year

By Emily Brandon

You can switch into a new Medicare Part D plan for 2012 during the open enrollment period from October 15 to December 7. Premium prices, deductibles, and covered medications can change each year, so it's a good idea to reevaluate whether your current plan will still be a good fit for you in the coming year. "If you are enrolled in a plan now and happy with what you have, the best thing to do is call your plan or go online and see how the coverage that you have might be changing," says Juliette Cubanski, a policy analyst at the Kaiser Family Foundation. "What you have this year is not going to be exactly the same next year." Here's how to pick a prescription drug plan that best meets your medication needs in retirement:

Weigh your options. Medicare beneficiaries will have a choice between an average of 31 Medicare Part D plans in 2012, ranging from 25 plans in Alaska and Hawaii to 36 plans in Pennsylvania and West Virginia, according to a recent Kaiser Family Foundation analysis of 2012 plan offerings. Some 1,041 prescription drug plans will be offered nationwide in 2012, down from a peak of 1,875 plans in 2007. "Compare plans for the specific drugs you use and recheck every year," says Jack Hoadley, a health policy analyst at Georgetown University. "The plan that was the best deal a year ago or five years ago may not be the best deal today." You can find and compare plans using the Medicare Plan Finder tool.

Consider monthly premiums. The projected average monthly Part D premium will be $39.40 in 2012, assuming beneficiaries remain in their current plans, KFF found. That's up 4 percent from $37.96 in 2011, and a 52 percent increase from $25.93 in 2006. But there is a wide variation in annual premium changes. For example, the more than 4.6 million enrollees in UnitedHealth's

AARP Preferred MedicareRx prescription drug plan will see a 14 percent increase in their premium in 2012, to $39.70, if they remain in this plan. In contrast, Humana's low-premium Walmart-Preferred Rx Plan will increase premiums by 2 percent, to $15.10 in 2012.

KFF estimates that about 510,000 Medicare Part D beneficiaries will experience premium increases of at least $10 per month in 2012 unless they select a less expensive plan. The researchers expect premium prices to decline by at least $10 monthly for 370,000 retirees if they stick with their current Part D plan. Premium changes also vary considerably by region. Average premiums are expected to fall slightly in 2012 in Louisiana, Nevada, and southern New England, but KFF estimates they will rise by at least 10 percent in California, Maine, and New Hampshire. Retirees with annual incomes of at least $85,000 ($170,000 for couples) will also pay higher income-related Part D premiums in 2012.

Determine copayments and coinsurance. Premiums aren't the only cost you should pay attention to when selecting Part D coverage. Many Part D plans require participants to pay a percentage of the cost of their drugs or a set amount for each prescription filled. "It is the combination of copays and premiums and the deductible that impacts the total amount of costs that you have," says Hoadley. "If you simply pick the cheapest plan with the lowest monthly premiums, but the drugs you need are in tiers that have very high copays, then you will have to pay more under that plan." Find out how much you will need to pay out-of-pocket for medications you are likely to take next year.

Deduce the deductible. Over half of Part D plans (53 percent) will charge a deductible in 2012. Most plans with a deductible will charge the maximum possible amount of $320 in 2012. The proportion of plans with deductibles that charge less than the maximum possible deductible has declined from 24 percent in 2010 to 10 percent in 2012. Some 47 percent of Part D plans will charge no deductible next year.

Examine the formulary. Find out if the medications you need are covered by each plan you consider, and make sure that a pharmacy that is convenient for you is compatible with the plan. "Be careful if you sign up for a plan that requires you to fill all your prescriptions at specific pharmacies because if you don't, you could end up paying more," says Elizabeth Hargrave, a senior research scientist at the University of Chicago's National Opinion Research Center. Some plans require prior authorization before a prescription will be covered, set quantity limits on how much medication you can get at one time, and may require you to try similar, lower-cost drugs before covering a more expensive prescribed drug. Most Part D plans have multiple tiers of covered medications for which they charge different prices, says Cubanski. "Plans can make changes to the formulary placements of the drugs they do cover and that can impact how much people pay."

Don't delay signing up. If you don't join a Medicare drug plan when you are first eligible, typically at age 65, or go 63 days or more without prescription drug coverage after that you may have to pay a higher Part D premium. The cost of the late enrollment penalty varies based on how long you went without prescription drug coverage.

Mind the gap. Medicare Part D plans have a coverage gap that will gradually be closed by the health reform law. The coverage gap begins after an enrollee incurs $2,930 in prescription drug costs and ends after an enrollee reaches $6,658 in total drug costs and catastrophic drug coverage kicks in. Brand-name drugs purchased in the gap will be discounted by 50 percent and generic drugs by 14 percent in 2012, due to provisions of the Affordable Care Act of 2010. Most Part D plans (74 percent) offer no gap coverage beyond what is now required by law. Among the quarter of plans that offer some gap coverage, most only provide access to generic and not brand-name drugs, KFF found. Only 7 percent of Part D plans cover some brand-name drugs in the coverage gap and no plans offer full gap coverage for all drugs on their formulary in 2012. "Don't just assume that because a plan is covering some drugs in the gap, it's worth paying extra in premiums," says Hargrave. "It's really important to do that math."

Long-Term Care Costs Rise at Faster Pace, MetLife Says

By Maryellen Tighe - Oct 26, 2011 6:57 AM CT Wed Oct 26 11:57:49 GMT 2011

(Corrects to show Limra is based in Windsor, Connecticut, in fifth paragraph of story published Oct. 25.)

U.S. long-term health-care costs rose as much as 5.6 percent this year, led by assisted-living expenses, and are climbing at a steeper rate during a weak economy, MetLife Inc. said.

The average cost for assisted living rose 5.6 percent to $41,724 a year, compared with a 5.2 percent increase last year, New York-based MetLife, the largest U.S. life insurer, said today in a report. The rate for a private nursing-home room increased 4.4 percent to $87,235 a year and adult day services climbed 4.5 percent to $70 a day. Home health-aide service was unchanged at $21 an hour, MetLife said.

"This year's increases are greater than previous years," Sandra Timmermann, director of the MetLife Mature Market Institute, said in the statement. "The state of the economy, combined with rising health-care and energy costs, are having a significant impact on long-term care rates." The institute is a research arm of MetLife that focuses on aging.

MetLife stopped accepting applications for long-term care insurance in 2010, citing "financial challenges" in the industry. Guardian Life Insurance Co. of America said it would stop writing the policies by the end of this year. Allianz SE, based in Munich, has sold no new long-term policies since 2009.

Long-term care policies help pay for home-health aides and assisted-living facilities. Approximately 7 million adults own long-term care insurance, said Catherine Theroux, a spokeswoman for Windsor, Connecticut-based Limra, a life insurance and management consulting firm.

"Long-term care rates continue to outpace the medical inflation rate," Timmermann said.

Medicaid helps cover long-term medical services and support expenses for low-income Americans while Medicare covers only short-term nursing and home health services, according to the Henry J. Kaiser Family Foundation. The portion of the 2010 federal health-care overhaul designed to provide long-term care insurance was suspended earlier this month.