



AT&T Ameritech /SBC Retirees – We are AASBCR®

Proudly working on behalf of the Bell System and successor companies of the New AT&T, located throughout the World

Legislative Ledger

March 2016, NO 001

Reminder to AASBCR® retiree members - Bulletins and the website are paid for by AASBCR® members. Please do not share with non-members. Remember, there is more to AASBCR® than information. We work with AT&T HR and with the National Retiree legislative Network - NRLN and Congress in support of retirees. Our dues pay for all of this. Encourage retiree friends to join and support AASBCR® in our fight.

From the Desk of Larry Smith, VP – Legislation March 2016

At the NRLN 2016 Leadership Conference, February 8 - 11 in Washington DC, we had the opportunity to contact members of Congress and ask them to meet with us regarding senior issues. Often the elected official is unavailable, so then we meet with the Congressman's subject matter expert and Legislative Aide who generally are better versed on the Bills and issues and are in fact often the source of the Congressman's position. I actually prefer meeting with these people because their knowledge on the issues as well as insight into what is going on in Congress often leads to some very candid and direct sharing of views.

The issues we advocated to our Representatives on Capitol Hill included:

- Pass the **Safe and Affordable Drugs from Canada Act**
(S.122 and H.R. 2228).
- Pass the **Medicare Prescription Drug Price Negotiations Act**
(S. 31 and H.R. 3061).
- Provide Pension Plan Protection through:
Legislation for pension plan mergers, and
Legislation and/or regulatory rules for more disclosures in pension plan Annual Funding Notices (AFNs).

There is a remarkable amount of detail in the issues listed above and a limited amount of time with the staff so I tend to focus on one or two issues. This trip I provided issue papers and a brief overview of the pension issues and focused on the prescription drug issues since there are Bills already in committees in both the House of Representatives and the Senate that we support. They are **the Safe and Affordable Drugs from Canada Act, S.122 and H.R. 2228**. (Whenever you see Bills like these, the "S" in front means it is from the Senate and the "H.R." means it is from the House of Representatives.)



AT&T Ameritech /SBC Retirees – We are AASBCR®

Proudly working on behalf of the Bell System and successor companies of the New AT&T, located throughout the World

At the highest level it is our goal to reduce what we believe is nothing short of abusive pharmaceutical drug prices. We now have multi-national, like for like, drug comparisons that demonstrate pricing in Norway, England, Ontario Canada and the United States pricing through Medicare. Of the 54 frequently used drugs in the study, US pricing ranked broadly between 30% and 300% more expensive than the same exact drug delivered and sold in every other country. There was no case where any drug cheaper in the US was than any other country, even though most are manufactured here.

While you may already be personally aware of the increasingly high cost of pharmaceuticals, here is some background you may find of interest:

- 1) Healthcare costs in the United States exceeded \$3 trillion in 2014. Costs went up 5.3% in a year when there was essentially no inflation and the Affordable Care Plan was supposed to turn the cost curve down.
- 2) Drugs, which account for 10% of all healthcare spending, rose by more than 12%, the largest increase in over a decade.
- 3) Though pharmaceuticals and the FDA continue to tell us importation of foreign drugs is not safe, over 90% of the active ingredients used in antibiotics, diabetes and numerous other prescription brand and generic drugs are manufactured in China and India. 85% of the generic drugs sold in the US are manufactured offshore, millions by U.S. pharmaceutical companies.
- 4) *Truveris*, a healthcare data company that tracks drug prices, found that during 2015, the price of branded drugs (those still on patent) rose 14.77%. Specialty drugs, which are often used to treat complex or rare conditions and tend to carry high price tags rose 9.21%. Even generic drugs, which historically have tended to get cheaper over time, rose by 2.93%

Clearly something is broken here. The abusive pricing of drugs isn't just rhetoric and we believe it's an issue that touches every one of our lives every day so this issue is a priority for all of us. 90% of seniors during any month take a prescription drug. Medicare is an example of how broken our prescription drug system is. Medicare is the country's largest single payer for prescription drugs. Yet, by law it is prohibited from negotiating prices for drugs and therefore unable to bundle its massive purchases for quantity discounts. When Medicare is hit with higher prices for drugs, taxpayers



AT&T Ameritech /SBC Retirees – We are AASBCR®

*Proudly working on behalf of the Bell System and successor
companies of the New AT&T, located throughout the World*

pay for the higher cost. I would suggest to you that it is in fact a hidden tax without representation for the taxpayers. This is where you come in.

While AASBCR® and the NRLN can place a dozen informed senior representatives in front of Congressional leaders and their subject matter experts with excellent information, the big pharmaceutical companies can place 20 times that number in the same offices.

You can make the difference. Pharma cannot produce the hundreds and thousands of senior advocates if we can just get you to call and/or write your Congressmen and tell them this is wrong and you want it fixed. Until I began this role I was frankly a little in awe of our senior elected officials. I'm not disrespectful, but I am also no longer in awe. We collectively need to understand these people were elected to represent us and our interests, but if you don't express those interests I can assure you there are hundreds if not thousands of people in Washington D.C. who are expressing theirs. Often their interests are in conflicts with yours.

We need you to call and/or write your Senators and Representatives. It's not hard to do. We will help you with a letter and facts and figures or prep you for a call. I guarantee that no matter what you have been told, these calls and letters do matter. I've been in a dozen Congressional offices and watched and listened to these calls being answered. While you're talking, they are taking notes and completing a report on every one of those calls. Those summaries go to the elected representative for next steps. Now you may get a form letter back, but your letter or call becomes part of the process that we can use to move these issues out of committees to the House and Senate floor.

As always, if you have questions or concerns or would like some help with a letter or call you can reach me through our website or give me a call at 815-498-3508.

Larry Smith - VP Legislation & Regulation

PO Box 7477 Buffalo Grove IL 60089-7477 Phone/FAX (312) 962-2770 <http://aasbcr.org/>

This communication is Private and Confidential. It is intended only for viewing by AASBCR® Members. Copying or forwarding of this communication is not authorized by AASBCR®.



AT&T Ameritech /SBC Retirees – We are AASBCR®

*Proudly working on behalf of the Bell System and successor
companies of the New AT&T, located throughout the World*



PO Box 7477 Buffalo Grove IL 60089-7477 Phone/FAX (312) 962-2770 <http://aasbcr.org/>

**This communication is Private and Confidential. It is intended only for viewing by AASBCR®
Members. Copying or forwarding of this communication is not authorized by AASBCR®.**