

# PETER DeFAZIO

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## SENIOR REPORT



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A handwritten signature of Peter DeFazio in black ink.

M.C.  
Presorted Standard

U.S. REPRESENTATIVE · 4TH DISTRICT · OREGON

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Congress of the United States  
House of Representatives  
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## Protecting and Preserving Medicare

Before Medicare was created, the poverty rate for seniors was twice what it is today. Many seniors were uninsured because health insurance was unaffordable. Back then, seniors were charged sky high premiums for private health insurance because of their age and pre-existing conditions. In 1965, Congress created Medicare and made a commitment to provide certainty for our seniors as they grow older.

In 2011, House Republicans passed a budget that would end Medicare as we know it. Their plan would push those who reach Medicare age into the private insurance market and it would triple their health care costs according to the Congressional Budget Office. I opposed this effort and it died in the Senate.

But this attack on Medicare hasn't ended. This year, under the guise of deficit reduction, the majority passed a plan that would again balance the budget on the backs of seniors. Their 2012 plan would allow seniors to "shop" on a health care exchange that offers them the "choice" of sticking with Medicare or a government approved private plan.

*That sounds great, but the details are disastrous.*

### The Ryan Plan

**Younger, healthier seniors would be offered plans with voucher support that would cover only part of their health premiums. But these plans would not cover chronic, long term, or debilitating conditions or expenses. The older, sicker seniors would be left in a Medicare program that would have diminishing benefits, and skyrocketing premiums and out-of-pocket costs.**

The vouchers wouldn't keep pace with private premium increases, forcing seniors to pay more out of pocket as they get older. **Their plan would restore the expensive "donut hole gap" in prescription coverage** and would undo reforms to end the worst insurance abuses, leaving seniors at the mercy of the insurance industry. Private insurers would once again be allowed to discriminate based on or due to pre-existing conditions, age, and sex; and they would once again be allowed to cancel your policy if you get sick.

**Older Americans cannot afford additional financial burdens in retirement no matter how prudent they have been with their savings and investments. Dismantling Medicare will not bring down the real cost of health care; it will just shift those costs onto seniors.**

### Bringing Health Care Costs Down

I supported reforms adopted in 2010 to give seniors access to free preventative care such as vital health screenings and annual physicals. These reforms will also explore better ways to pay doctors. Today's billing system encourages doctors to rush through as many patient visits as they can and order a high volume of expensive tests and procedures. **We can reduce health care costs by paying doctors to successfully treat patients rather than paying them for unnecessary medical tests, invasive procedures, and hospital admissions.**

### Closing the Medicare Part D Donut Hole

Seniors shouldn't have to ration their pills or limit their dosage because they can't afford to pay for prescriptions each month. I am a cosponsor of the Prescription Drug Savings and Choice Act, which would significantly lower drug prices for seniors. **It closes the expensive Medicare Part D donut hole, which currently forces seniors to pay out of pocket all drug costs between \$2,930 and \$6,657.** It also allows the federal government to negotiate bulk prices with drug companies. This bill will save taxpayers over \$20 billion and provide seniors with lower cost premiums and copays for prescriptions.

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## Taking Away Insurance Anti-trust Exemption

It is hard to address health care costs when insurance companies don't play by the same rules as virtually every other industry in the United States. The health insurance industry is exempt from anti-trust law giving them the power to collude, drive up prices, and discriminate against people for a host of conditions to protect their bottom line. Over the last 10 years, health insurance premiums for people who buy health insurance have doubled in Oregon, an increase mirrored around the country.

In 2010, the House voted nearly unanimously to pass a bill I spearheaded that would take away the insurance industry's special exemption from anti-trust law. Unfortunately, the effort died in the Senate. I will continue to fight for anti-trust coverage of the insurance industry until this unwarranted loophole is closed.

## Strengthening Social Security

Starting in 2033, Social Security will only be able to pay 75 percent of promised benefits according to the latest report from the Social Security Actuary. **We need concrete proposals that protect and preserve the security of our seniors. I have proposed legislation that will do just that.**

### Closing Tax Loopholes for the Wealthiest Americans

Today, 94 percent of Americans pay Social Security tax on all of their income. But the wealthiest 6 percent are exempt from doing the same. I have introduced H.R. 797, which preserves the Social Security Trust Fund by closing this loophole. It subjects all income over \$250,000 to the same 6.2 percent Social Security tax rate that middle class wage earners must pay. My bill guarantees the Social Security Trust Fund will be solvent and pay full benefits for at least 75 years.

We have a choice: we can tell future retirees that they will have to work until age 70 and that their Social Security benefits will be cut in order to maintain a tax loophole for the wealthiest six percent of the population, or we can close this loophole and guarantee full benefits for future generations.

### Safeguard Social Security from "raids"

I have also introduced H.R. 796, the Social Security Protection and Truth in Budgeting Act, which would safeguard Social Security from ever being "raided."

Social Security was created in the 1930s to ensure all Americans could retire with dignity. It wasn't designed to hide federal deficits and serve as a credit card for the Treasury. Nevertheless, over the past 30 years the Treasury has borrowed \$2.5 trillion from the Social Security Trust Fund. My legislation would prohibit any non-Social Security use of the Trust Fund.

### A Fair Annual COLA For Social Security

The Social Security COLA is calculated using a faulty formula based on the cost of consumer products like laptop computers and iPods, as opposed to consumer goods most often purchased by seniors like prescription drugs, housing, food, and other basics. Health care costs are going up at twice the rate of inflation and seniors suffer from those increased costs more than younger Americans. This means that even in years that seniors do get a COLA, it likely isn't keeping pace with the increased cost of everyday necessities. To make sure that seniors get an accurate COLA, I have introduced H.R. 798, the Consumer Price Index for Elderly Consumers Act. My bill would finally change the COLA formula to reflect the cost of goods that seniors buy.

## FACT CHECK: H.R. 4646

An internet rumor claims Senator Tom Harkin and I introduced H.R. 4646, a bill that would levy a 1 percent tax on every financial transaction including credit card transactions, bank deposits, and social security deposits. **This email is FALSE.** Rep. Chaka Fattah from Pennsylvania introduced H.R. 4646. I do not and have never supported this legislation. *The non-partisan political fact checking site Politifact rated the DeFazio-H.R. 4646 myth "Pants on Fire Lie."*

**To read more or for additional information and non-partisan fact checking articles that have debunked the myth, go to [www.defazio.house.gov](http://www.defazio.house.gov) and click "The Truth About H.R. 4646."**

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