



# FRIDAY ALERT

Alliance *for* Retired Americans

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## Headlines:

**President Trump Abandons Prescription Drug Negotiation Campaign Pledge;  
GOP Finding ACA Replacement Difficult;  
Sen. Corker Calls on Republican Colleagues to Show “Moral Fortitude” and  
Cut Social Security, Medicare and Medicaid;  
Executive Order Will Allow Wall Street to Increase Profits at Clients’ Expense;  
Republicans Continue Right-To-Work Push, This Time on a National Level;  
Republicans Change the Rules to Advance Controversial Nominees**

## **President Trump Abandons Prescription Drug Negotiation Campaign Pledge**

On the campaign trail and as recently as three weeks ago, **Donald Trump** repeatedly promised to allow Medicare to negotiate bulk discounts for prescription drugs, reducing their price substantially. However, after just one [meeting](#) with pharmaceutical corporation executives and lobbyists this week, the President has apparently abandoned his pledge, saying his new plan is to provide these wealthy corporations more tax cuts and deregulation.

“Candidate Trump pledged that he would address sky-high drug costs by giving Medicare the power to negotiate lower prices,” said **Robert Roach, Jr.**, President of the Alliance. “We must oppose actions that will drive those prices even higher.”

Rep. **Tom Price**, President Trump's nominee to be Secretary of Health and Human Services (HHS), has also opposed giving Medicare the power to negotiate better prices.

"It took just one meeting with global pharmaceutical corporation executives and his promise to older Americans is out the window," said **Richard Fiesta**, Executive Director of the Alliance. "Welcome to the chameleon presidency."

"We are outraged but not surprised," Mr. Fiesta added. "We challenge him to meet with retirees who struggle daily to pay for medicine that too many times they can't afford – and not just listen to multi-millionaire drug corporation executives. The Trump Administration will not be able to use its 'alternative facts' to spin its way out of this betrayal."

### **GOP Finding ACA Replacement Difficult**

Republican leaders appear to be moving to [replace](#) the Affordable Care Act (ACA) in a piecemeal fashion rather than with one broad bill. And the early proposals indicate that Republicans will force older Americans to pay dramatically more for health care as they go forward. One of the proposed changes would allow insurance companies to charge older Americans up to five times rather than three times the amount that younger people pay for health plans.

"This move would result in 400,000 older adults losing coverage because the premiums would be unaffordable," said President Roach. "The only thing Republicans are accomplishing is taking away the 'affordable' part of the Affordable Care Act."

Retirees should also be concerned about changes relating to pre-existing conditions. Representative **Greg Walden** (R-OR) is working on a bill which he says will protect patients with pre-existing conditions, but it may not apply to people who have a lapse in coverage. The Alliance is concerned that insurers would be allowed

to charge much higher premiums for individuals who lose coverage for a period of time.

### **Sen. Corker Calls on Republican Colleagues to Show “Moral Fortitude” and Cut Social Security, Medicare and Medicaid**

The White House has signaled a desire to increase defense spending and Republican members of Congress are looking for how to pay for it. Senate Foreign Relations Committee Chair **Bob Corker** stated that Republicans must have “moral fortitude and courage” in dealing with cuts to Social Security, Medicare, and Medicaid.

Corker’s remarks were part of a secret recording of several private sessions held at the retreat and later sent to *The Washington Post* and several other news outlets from an anonymous email address.



Sen. Corker

“Saying an attack on programs seniors and the disabled have paid into and relied on for decades takes ‘moral fortitude’ is a whole new spin on sending people into bankruptcy,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the Alliance.

### **Executive Order Will Allow Wall Street to Increase Profits at Clients’ Expense**

Trump will sign two [executive orders](#) on Friday, one to stop a Labor Department rule designed to curb conflicts among brokers who give retirement advice, and another to review the Dodd-Frank Wall Street reforms.

The Labor Department's retirement advice rule was issued by the **Obama** administration in 2016 and is set to take effect in April. It prevents financial advisors from giving advice that allows them to profit at the expense of seniors and working families by requiring that they be held to a “fiduciary standard,” putting the best interests of their clients before all else. Without any changes due to Trump's new order, the Obama Administration’s rule will put \$17 billion back into consumers' pockets, according to a [report](#) compiled by the staff of Sen. **Elizabeth Warren** (D-MA).

While many financial advisors place their clients’ best interests first, some have taken backdoor payments for recommending that clients invest money in certain funds, even if those funds produce a lower yield than others. Trump's memo will ask the Labor Department to determine whether the rule should be revised or scrapped altogether.

“The Obama Administration's rules were written so we could be more certain that the savings we have put away for retirement are being invested with our best interests in mind,” said Secretary-Treasurer Peters. “Trump's executive order is a way for Wall Street to make more money at their clients' expense.”

The other executive order being issued today is a step toward dismantling the 2010 Dodd-Frank law, which was passed in the wake of the 2007-2009 financial crisis.

### **Republicans Continue Right-To-Work Push, This Time on a National Level**

Representatives **Steven King** (R-IA) and **Joe Wilson** (R-SC) introduced [legislation](#) this week to make the anti-labor right-to-work policy the law of the land nationally. Right-to-work legislation has created lower wages for both union and non-union jobs and [lower pension payments](#) in the states that have adopted the principle, in addition to other harmful effects. In discussing the effects of similar legislation in Michigan, legal scholar **Richard Kahlenberg** characterized right-to-work as a misnomer, saying that its real intention is to reduce union power by allowing workers the right to be free riders – “to benefit from collective bargaining without paying for it.”

At Friday's White House press briefing, press secretary **Sean Spicer** said that President Trump also supports “Right to Work.”

President Roach criticized the legislation and right-to-work in general as “disrupting retirement before it even begins. The Alliance will be standing with our union brothers and sisters to ensure that the ill effects of right-to-work do not extend beyond its current borders.”

### **Republicans Change the Rules to Advance Controversial Nominees**

Democratic members of the Senate Finance Committee felt that further questioning was necessary before voting on confirming Rep. Price and **Steve Mnuchin**, tapped to lead HHS and the Treasury Department, respectively. Sen. **Ron Wyden** (D-OR) noted that Price had “misled Congress and he had misled the American people” in reference to the continuously evolving story related to accusations of insider trading, while Mnuchin has been criticized for failing to properly disclose foreclosure practices at OneWest Bank.

Democrats chose to boycott their Tuesday hearing, preventing a vote. The long standing committee rules require at least one member of each party be present to conduct a vote, and the unanimous action seemed to prevent these nominations from moving forward. However, rather than allow for an additional hearing to address concerns, Chairman **Orrin Hatch** (R-UT) chose to change the rules on Wednesday, eliminating the bipartisan requirement for committee work.

“The issues raised by Senate Democrats and the Alliance will not go away just because Senator Hatch wants to ignore them,” [said](#) Mr. Fiesta. “We will continue to fight against nominees who will harm retirees.”

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