

DEFEND AND EXPAND THE SOCIAL SAFETY NET

A CALL TO ACTION



PROFESSIONAL STAFF CONGRESS/CUNY
SOCIAL SAFETY NET WORKING GROUP
PRESERVING AND EXTENDING BENEFITS FOR ALL GENERATIONS

SOCIAL SAFETY NET WORKING GROUP

Joel Berger, *Ret.*, *College of Staten Island*

Francine Brewer, *Ret.*, *LaGuardia Community College*

Bill Friedheim, *Ret.*, *Borough of Manhattan Community College*

Joan Greenbaum, *Ret.*, *LaGuardia Community College & The Graduate Center*

John Hyland, *Ret.*, *LaGuardia Community College*

Dave Kotelchuck, *Ret.*, *Hunter College*

Brent Kramer, *In-service*, *John Jay College*

Steve Leberstein, *Ret.*, *City College*

Marva Lilly, *Ret.*, *John Jay College*

Cecelia McCall, *Ret.*, *Baruch College*

Lolly McIver, *Ret.*, *Borough of Manhattan Community College*

Eileen Moran, *Ret.*, *Queens College*

Jim Perlstein, *Ret.*, *Borough of Manhattan Community College*

Elliott Podwill, *Ret.*, *Borough of Manhattan Community College*

Evie Rich, *Ret.*, *Hunter College*

This project was made possible in part by a grant from NYSUT's Local Action Project. We are grateful for the support and look forward to working together to promote the dignity and well-being of all workers.

Editors: Lolly McIver and Fran Clark

Design: Margarita Aguilar

Fall 2015

A CALL TO ACTION

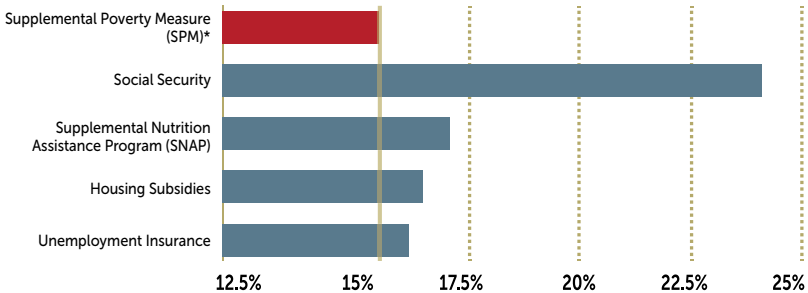
Defend and Expand the Safety Net

Attacks on the safety net have been fierce, lavishly funded, and sustained over the past 75 years, and have intensified since the Reagan era, 35 years ago. All of us – retired and active, old and young – must fight with a new urgency to keep and expand the benefits that we have earned.

The safety net is a set of federal, state and local programs, legislated and contractual, intended to provide protection against economic calamity. Without it, people facing old age, infirmity, unemployment, underemployment, disability, the death of a wage earner, below-poverty wages or contingent work – all run the risk of being unable to fend for themselves.

GOVERNMENT PROGRAMS REDUCE POVERTY

ESTIMATING HOW POVERTY IN THE U.S. WOULD HAVE INCREASED WITHOUT SPECIFIC SAFETY-NET PROGRAMS (2013)



Note: The red bar shows the actual SPM poverty rate for 2013. Blue bars show what the SPM poverty rate would have been in the absence of specific safety-net programs.

Source: Economic Policy Institute analysis of "The Supplemental Poverty Measure: 2013," by Kathleen Short for the U.S. Census Bureau, 2014.

*An alternative measure of poverty developed by Census Bureau and Bureau of Labor Statistics, which creates a more accurate statistical picture of poverty. SPM includes federal benefits (e.g. SNAP, Housing Subsidies, Tax Credits) as part of a family's income and accounts for payroll taxes, child care, certain work expenses, out-of-pocket medical expenses and other costs as part of a family's basic expenses. The Official Poverty Measure, which uses only gross income compared to thresholds based on a minimum family food budget, tends to undercount the number of people living in poverty. The Official Poverty Measure is still used for resource allocation and program eligibility.

The safety net was born of struggle...

Safety-net legislation and victories spiked in two periods of intensive grassroots organizing: the labor, social, and political movements of the 1930s, and the civil rights, women's, and other movements of the 1960s. Social Security, Unemployment Insurance and other programs from the New Deal date from the thirties; Medicare, Medicaid, and other Great Society programs came out of the sixties. Every presidential administration, Democratic and Republican, from Roosevelt to Nixon, expanded the safety net.

...and the struggle continues

Every president in the last 35 years, Republican and Democratic, from Reagan through Obama, has eroded the safety net. President Obama presided over the only notable advance in this period: the expansion of health care under the Affordable Care Act (Obamacare). But he has also proposed big cuts to Social Security.

Employers strategize to evade labor and employment laws...

Corporate and conservative interest groups have worked steadily and effectively to erode the safety net. One notable tactic recently used by employers is to hire more and more workers under a variety of arrangements known as "contingent work." Contingent workers can be independent contractors, temporary workers, and/or part-timers. As such, they are less likely to benefit from the protections of labor and employment laws. The public bears the social cost of these precarious arrangements in loss of tax revenue and mounting demand for food stamps, temporary assistance, shelter, and uninsured health care.

...and workers lead precarious lives

Many workers in both the public and private sector live on the edge, without pensions and health coverage. The Affordable Care Act is an improvement, but an imperfect substitute for universal single-payer health insurance.

The solution to these devastating problems is to extend pension and other safety-net benefits to all workers. The good news is that we have the millennials (18- to 29-year-olds) backing us up: 74% of millennials, according to a recent Reason-Rupe poll, want the government to guarantee food and housing to all Americans.

SECTIONS

Retirement Insecurity: Pensions & Social Security

Pensions and Social Security are under siege; retirement security is vanishing for many Americans.

Health Care: Medicare & Medicaid

Opponents of universal health care hope to chip away at these programs until they disappear. Any progress has been hard-won and arduous. It has often been one step forward, two steps back.

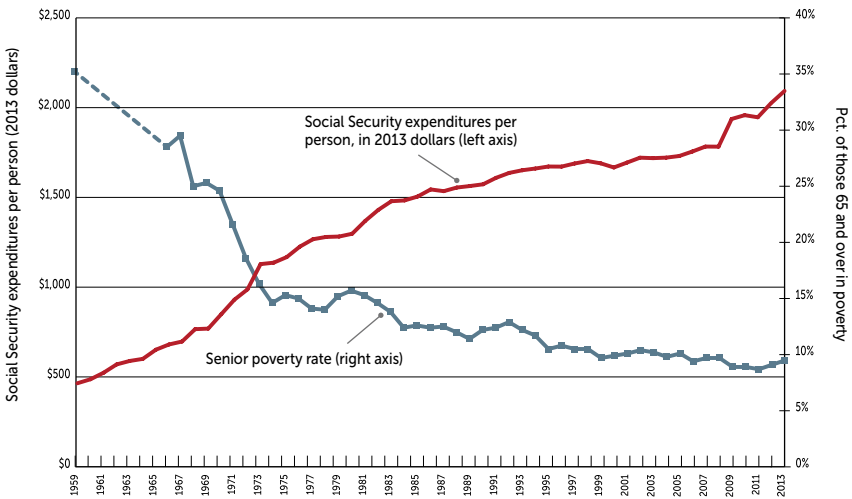
Food On The Table: Unemployment Insurance & Food Stamps

Unemployment Insurance (UI) and the Supplemental Nutrition Assistance Program (SNAP) should help workers through disastrous times. Sometimes they do; many times they don't.

RETIREMENT INSECURITY

Pensions and Social Security are under siege and retirement security is vanishing for many. The number of retirees with any retirement savings is declining, and more and more rely on Social Security. Attacks on Social Security claim that benefits must be cut back to maintain the solvency of the Social Security Trust Fund. These attacks are misleading at best, outright falsehoods at worst, and they undermine the progress we've made as a society reducing elder poverty.

AS SOCIAL SECURITY PAYMENTS HAVE RISEN FROM 1959 TO PRESENT, ELDERLY POVERTY HAS DECLINED DRAMATICALLY



Total benefit payments from Social Security Administration, historical tables, at www.socialsecurity.gov/OACT/STATS/table4a4.html. U.S. population from Census Bureau. Payments per person inflated using CPI-U, from Bureau of Labor Statistics. Senior poverty rate from Census Bureau historical tables, at www.census.gov/hhes/www/poverty/data/historical/people.html. No official poverty rate between 1960 and 1965; the dotted line is an interpolation.

Pensions

Retirement assets are harder and harder to come by

In a 2010 survey by the Federal Reserve Bank, more than 38 million working-age households (45%) did not own any retirement assets, whether in an employer-sponsored 401K or personal IRA. In a climate of stagnating wages, contingency, and part-time work, it's not surprising that only the wealthiest households save the recommended 10% of their annual income for retirement.

Fewer still manage to save the 15% of annual income that financial advisers now recommend in the aftermath of the 2007-2008 economic meltdown.

Retirement security has declined dramatically in the private sector

In 1980, 60% of private-sector employees in the U.S. had a “traditional” defined-benefit pension. In an effort to reduce labor costs, private employers began moving away from these traditional plans in the early 1980s, with many employers substituting 401K defined-contribution plans, to which they may or may not contribute. By 2011, only 17% had these traditional defined-benefit plans. Furthermore, by 2011 fully 48% of all full-time, private-sector employees had no access to any employer-sponsored retirement savings.

Employees with 401Ks bear all the risk for their retirement benefits

401K savings were never intended to replace defined-benefit pensions; they were to supplement traditional pensions and Social Security. Stock and bond prices fluctuate wildly, so retirees with 401Ks can't depend on steady retirement incomes. On top of that, workers have decreasing capacity to save after decades of stagnating salaries. For these reasons most elderly Americans must rely exclusively or heavily on Social Security.

Retirement insecurity has been imposed on public-sector employees too

Employer-based interest groups are now going after public employees' benefits, having significantly reduced wages, benefits and financial security for the average private-sector employee. They characterize the pension guarantees and other benefits of public employees as unaffordable and unfair to private-sector workers, whom they have already deprived of such benefits.

- *Attacks on public pensions demonize public-sector workers.*

Public workers have been cast as privileged and undeserving moochers on responsible, hard-working taxpayers. They became the scapegoats as Wall Street and the banks were bailed out with federal tax dollars.

- *Candidates and elected officials jumped on the austerity bandwagon.*

After the 2007-2008 economic meltdown caused by the hubris and malfeasance of the financial industry, states and localities faced significant losses in revenue and a steep rise in pension contributions as their pension funds experienced heavy, albeit temporary, losses. Conservative interests created and stoked the fear of growing federal and state debt to further their agenda. Candidates and elected officials proposed and enacted austerity budgets with severe cuts imposed on government services and employees.

- *The attempt to undo pension benefits stands out starkly.*

All public pension plans suffered from the collapse of the financial markets in 2007-2008. Some are indeed in crisis, notably those in California and New Jersey where huge “unfunded liabilities” occurred because public officials

decided not to meet their obligations to make adequate contributions into the plans. Also, some trustees of public pensions decreased pension fund assets further by making risky investments that failed to produce the investment returns they had hoped for.

● *Even well-funded public pension systems are under attack.*

Both the New York City and New York State Comptrollers, responsible for supervising the public pension plans, have repeatedly challenged claims that New York's pension plans were unsustainable. Both Comptrollers saw the pension funds' losses following the 2007-2008 meltdown as temporary; this has been borne out by the healthier plan balance sheets of 2011, 2012, and 2013.

Nevertheless, Mayor Bloomberg and Governor Paterson succeeded in using recession deficits to legislate pension reductions for new employees in 2009, even though this action had no effect on the deficits. These smaller pensions are known as Tier 5. Soon after, Governor Cuomo and the legislature passed an even more meager Tier 6, effective April 1, 2012.

Public employees in Tier 6 will work longer and pay much more into their pension plans, but receive considerably less than their colleagues in Tiers 1 to 4. It will also take twice as long to vest under Tier 6 (10 years for full-time employees, 20 years for part-time workers), which puts the opportunity to earn retirement benefits out of reach for some full-time and many part-time public employees.

Ways to strengthen retirement security:

- Push private employers to pay adequate wages and benefits, including retirement benefits, so that their full- and part-time employees depend less on public subsidies.
- Pressure public officials to honor public pension obligations, and elect legislators who will support fairer taxation, and not privilege the 1%.
- Resist big-business and conservative attacks on Social Security and public pensions.



Advocacy organizations for retirement security:

- Pension Rights Center – pensionrights.org
- Retirement USA – retirement-USA.org

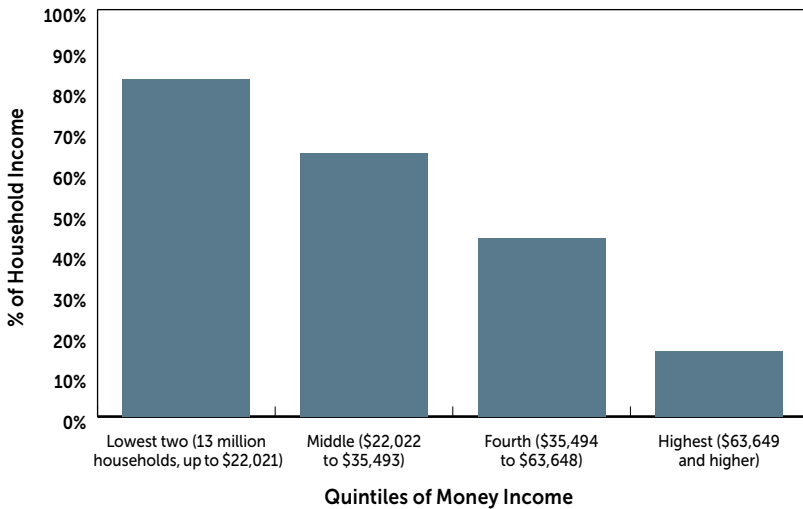
SOCIAL SECURITY

Social Security is the most important part of the U.S. safety net

Social Security benefits are essential to the wellbeing of the elderly. Indeed, most elderly Americans rely heavily, or even exclusively, on Social Security benefits for their income. Also, in 2013, 17 million disabled workers, dependents and survivors received benefits.

SOCIAL SECURITY IS THE PRIMARY SOURCE OF INCOME FOR MOST OLDER HOUSEHOLDS

SOCIAL SECURITY SHARE OF HOUSEHOLD INCOME, AGES 65+, 2012 DATA



Source: Social Security Administration, Income of the Population 55 or Older, 2012, Table 10.5
http://www.socialsecurity.gov/policy/docs/statcomps/income_pop55/2012/

The balance of income includes all other sources, including private pensions and cash public assistance. There are 6.5 million households in each quintile.

Current attacks on Social Security deny the facts:

- *Payment of Social Security benefits does not contribute to the federal deficit.*

Social Security is and always has been a self-sustaining program that does not use general tax revenues to pay for benefits. For over three-quarters of a century, the Social Security system has been healthy and working well. Employers and workers pay Social Security taxes into trust funds, which are accounts in the U.S. Treasury. Social Security revenue is NOT part of the federal budget and cannot by law be used for other purposes.

- *The Social Security system is not about to run out of money.*

The Social Security Trust Fund has always been solvent, and at the end of

2013 totaled \$2.7 trillion dollars. The Board of Trustees of the Social Security Trust Fund projects that if no changes are made to Social Security revenue or benefits, the system will be able to pay all its obligations until 2033, after which it will be able to pay three-quarters of its obligations. There are relatively easy fixes to the predicted shortfall.

Two changes could reduce the coming shortfall and make Social Security more equitable:

- *End the tax cap on high earners.*

All employees should pay the same percentage of their wages and salaries to Social Security. In 2015, if a person's salary or wages exceeded a cap of \$118,500, they paid no Social Security taxes on any income earned above the cap. The tax cap discriminates against low-wage earners by forcing them to pay a larger share of their earnings to Social Security than those earning much, much more.

- *Adopt new forms of taxation to generate income to fund Social Security.*

One idea is a tax on financial transactions, which makes sense because the great inequality in U.S. income is exacerbated by these transactions. The European Union has recommended this type of a tax and 11 of its member countries have requested to participate, which undermines arguments that financial firms would abandon the U.S. if they were so taxed.

These attacks on Social Security threaten the whole program:

- *Raising the retirement age to 69 years would cut benefits by 13%; raising it to 70 years would cut benefits by 20%.*

That is on top of the cut of 13% from the ongoing rise in retirement age to 67. Also, raising the retirement age discriminates against workers in physically demanding jobs, older and low-income workers, and especially African Americans, who are disproportionately represented among low-wage workers and the unemployed. Contrary to popular belief, life expectancy has hardly increased for low-income men over the last 25 years, and for women with low incomes it has declined.

- *Reducing the annual Cost of Living Adjustment (COLA) would erode benefits.*

Social Security's automatic, annual COLAs have averaged about 3% per year over the last 25 years, and have protected beneficiaries from erosion of their benefits due to inflation (but not from erosion due to health care cost increases). Many Republicans and some Democrats, including President Obama, want to switch to a new COLA formula called the Chained Consumer Price Index (Chained CPI), which would lead to smaller annual COLAs. According to the Congressional Budget Office, switching to Chained CPI would lower outlays (i.e., cut benefits) by \$108 billion over 10 years.

Our union and many other groups support use of the CPI-E (“E” for elderly), an index which better reflects the consumer purchases of the elderly, with their increased health care costs. In May 2014, a majority of all Democratic members of Congress supported use of CPI-E to determine the annual COLA.

● *Initiating means testing would stigmatize Social Security.*

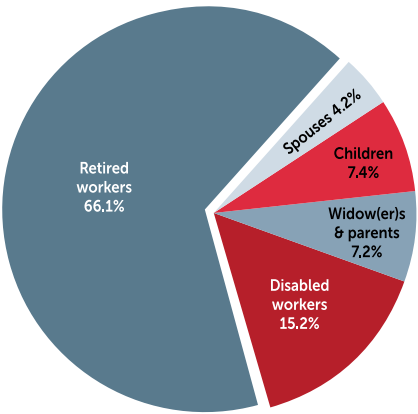
Means testing would not produce significant savings for the Social Security Trust Fund, but would change the nature of Social Security and threaten its future. Means testing – determining if one has few enough assets to qualify for Social Security – would exclude higher-income individuals from receiving benefits, and thus threaten universal public support for Social Security. It would stigmatize Social Security as a “poor person’s program.” Social Security is an earned and paid-for right for all workers.

● *Privatizing Social Security would bring stock-market risk to all of our retirements.*

In 2005, President George W. Bush proposed allowing new retirees to opt out of Social Security and invest their savings in the stock market. Those opting out would immediately stop paying Social Security taxes, causing a sudden drop in income to the Social Security Trust Fund and threatening payments to those already retired.

SOCIAL SECURITY PROTECTS THE ENTIRE FAMILY

BENEFICIARIES AS OF DECEMBER 31, 2014



Source: Social Security Administration

President Bush's initiative was defeated after opposition even from members of his own party, but it sent a discouraging message to young people: You might not get Social Security benefits when you retire. By 2008, the real consequences of privatization became clear as the stock market fell and banks tottered. Retiring wage earners who might have invested their retirement money in stocks and bonds under President Bush's privatization scheme would have been devastated. The existing Social Security system, whatever its limitations, is protected by the full faith and credit of the U.S. government.

Social Security should be expanded to cover all U.S. residents

As powerful as Social Security is, it is not universal. We must work to make it universal and equitable.

- *All state and city public employees should be included.*

State and local public employees weren't included in Social Security when the program was established. Over the years, the law changed and most public workers became eligible, but there are still many state and local public workers who aren't covered. Some or all public workers are not covered in 13 states, including Arkansas, California, Connecticut, Maine, Maryland, Rhode Island, Ohio, and Texas.

- *Undocumented immigrants should be eligible to receive benefits.*

They pay Social Security taxes, but are not entitled to benefits.

- *Low-wage workers should receive benefits even if their incomes fall below current minimum requirements.*

If covered workers such as domestic servants or migrant farm workers work for a sufficient number of quarters, but don't make enough money to qualify for Social Security benefits, they should still receive some minimum level of Social Security benefits.

- *Inequalities in pay should be addressed.*

Full-time working women in the U.S. still earn 77 cents for every dollar earned by full-time working men. Over a lifetime, women earn less pay than men, and therefore receive lower Social Security benefits.

- *Social Security should credit workers who take time out of the workforce or reduce their hours to serve as caregivers.*

- *Survivor benefits should be increased.*

Ways to strengthen and broaden Social Security:

- Eliminate the tax cap so that all employees pay the same percentage of their wages and salaries to Social Security.
- Adopt CPI-E (Elderly) as the cost of living adjustment for Social Security, reflecting seniors' higher health care costs.
- Extend Social Security coverage to all who contribute to the system.
- Increase the annuity amounts for those getting the lowest payments, as proposed in several measures in Congress.
- Provide Social Security credits for workers who take time out of the workforce or reduce their hours to serve as caregivers.
- Increase survivor benefits.



Advocacy organizations for Social Security:

- National Committee to Preserve Social Security and Medicare – ncpssm.org
- Strengthen Social Security/Social Security Works – strengthen socialecurity.org

HEALTH CARE

Access to health care is a right, not a privilege, but we have had to fight every step of the way. Medicare has lessened the problems of poverty and health insurance for seniors. Medicaid helps with health care for those with low income, as well as those needing help paying nursing home costs. The Affordable Care Act allows a significantly larger portion of Americans to have health insurance. But we still do not have universal coverage.

MEDICARE

Seniors have more protection from poverty and illness because of Medicare

In 1965, when Medicare began, only half of the aged had health insurance. Now, all seniors 65 and older are eligible for Medicare, and people with disabilities can receive Medicare benefits after five years of legal residence in the U.S. In 2014, Medicare covered 53.8 million people: 83% were 65 or older and 17% had disabilities.

Despite a slowdown, rising health care costs still threaten Medicare

Revenue from the Hospital Insurance payroll tax for Medicare Part A does not cover what Medicare spends. In 2013, Medicare expenditures were \$582.9 billion, and revenue was \$575.8 billion – a shortfall of \$7.1 billion. Even though Medicare expenditures are expected to increase at a somewhat faster pace than aggregate workers' earnings or the economy overall, the Medicare Trustees reported recently that slowing health cost inflation in 2013 means the Medicare Trust Fund will be solvent until 2030.

Lack of significant controls on prices has contributed to rising health care costs

The fees that Medicare sets and pays to doctors and health care providers in Original Medicare act as a brake on rising costs, but providers have found inventive ways to increase their prices and provide more billable services, some of them unnecessary. Meanwhile, Medicare Part C, a privatized, for-profit version of Medicare (run by so-called Medicare Advantage Plans), has overpaid these Plans and their affiliated health insurance companies. For example, private health insurers are reimbursed \$375 billion more to administer their plans than Original Medicare, even though these private plans cover half as many people. Taxpayers and all other Medicare beneficiaries pay the added costs.

Opponents are using Medicare's shortfall as an excuse to take it apart

Here are a few misguided proposals to "fix" the financial problems of Medicare:

● *Raising the Medicare eligibility age from 65 to 67 would penalize poor workers.*

Poor workers, who tend to have shorter lifespans than other workers, would be disproportionately hurt by this proposal. And delaying access to Medicare coverage would not save money; it would increase Medicare costs because older patients tend to be sicker when they seek care.

● *Converting Medicare into a voucher system would make it unaffordable for many seniors.*

Future Medicare beneficiaries would have the option of choosing between traditional Medicare or a private health plan under this proposal. If they chose a private plan, they would receive a voucher (a “premium support”) to help pay the premium. Seniors who are 55 or younger would be forced into this system.

Medicare, starved of funding under a voucher system, would likely enter a death spiral. Federal funding would be cut dramatically, and private insurers rushing after federal voucher money would recruit healthier seniors. Older, sicker and poorer seniors would be unable to afford the higher premiums that private insurers would charge them, even with vouchers. They would be forced to rely on the underfunded Medicare program, paying out of pocket for diminished health coverage.

● *Initiating means testing would erode support for Medicare.*

Higher income beneficiaries would pay more for Medicare Part B (physician visits) and Part D (prescription drugs) if means testing is established. That may sound like a good idea, but it isn't. It sets up different classes of people within Medicare and erodes political support for the program because it would no longer be universal. The ultimate goal of means testing is not to raise revenue, but to create a welfare program, with all the associated stigma, for beneficiaries with the greatest need and fewest resources.

We must champion Medicare by addressing the high cost of health care:

- Push for universal single-payer coverage, “Medicare for All.”
 - Costs could be monitored and controlled and decisions made to curtail inequities and excesses in the system as a whole.
 - Risk would be shared over the entire population, reducing upward pressure on prices.
 - Medicare would have greater leverage to negotiate for better prices with providers because almost everyone would be included in the program.
 - Administrative costs would be reduced through efficiencies of scale and elimination of for-profit waste.
- Enact laws that allow Medicare to use its bargaining power to lower the costs of drugs, which Medicare is currently prohibited from doing.



Advocacy organizations for Medicare:

- National Committee to Preserve Social Security & Medicare – ncpssm.org
- Center for Medicare Advocacy – medicareadvocacy.org
- Medicare Rights Center – medicarerights.org

MEDICAID

Medicaid serves low-income and disabled Americans and many needing long-term care

Funded by the federal government and states, Medicaid covers about one-fifth of the U.S. population (62 million people). The annual cost of the program grew from a \$1.5 billion in 1966 to \$414 billion in 2010. It comprises 16% of national spending on health care.

Since 1997, children in households with incomes up to 200% of the federal poverty level, which do not qualify for Medicaid, can be covered under a state Children's Health Insurance Program (CHIP), for which the federal government provides separate matching funds. Today every state has a CHIP program. New York's is Child Health Plus.

Stigmatized as "welfare medicine," Medicaid is an easy target for politicians

Programs like Medicaid that are indexed to income are always vulnerable. When states run into budget difficulties, they cut Medicaid. From 2001 to 2004 and beginning again in 2008 with the fiscal crisis, the majority of states slashed provider fees or froze them. Slashing payments to providers for services has caused many physicians to opt out of the program, depriving Medicaid recipients of needed health care services. Thus, Medicaid has been starved into a second-rate medical system, composed of under-funded, poorly equipped public hospitals and clinics, and inferior private practices, under which low-income Americans too often receive poor quality care.

The 2010 Affordable Care Act (ACA) expanded Medicaid significantly

The effort was part of a broader plan to cover millions of uninsured Americans. The ACA sought to decrease disparities among states by mandating that by 2014, state programs cover persons with incomes below a minimum threshold of 138% of the Federal Poverty Level (FPL). The federal government would fund the vast majority of this expansion, matching 100% of the cost to insure newly eligible adults for three years, and phasing down federal support gradually to 90% in 2020 and beyond. Under the law, states have to provide newly eligible enrollees with "benchmark equivalent" benefits, which would include the same essential benefits that private plans must include in order to be sold in the ACA's new insurance exchanges. The ACA also expanded Medicaid coverage to childless low-income adults up to the age of 64, pregnant women, children ages 1 to 18, parents and other caretaker individuals (all with incomes up to a 138% of the FPL).

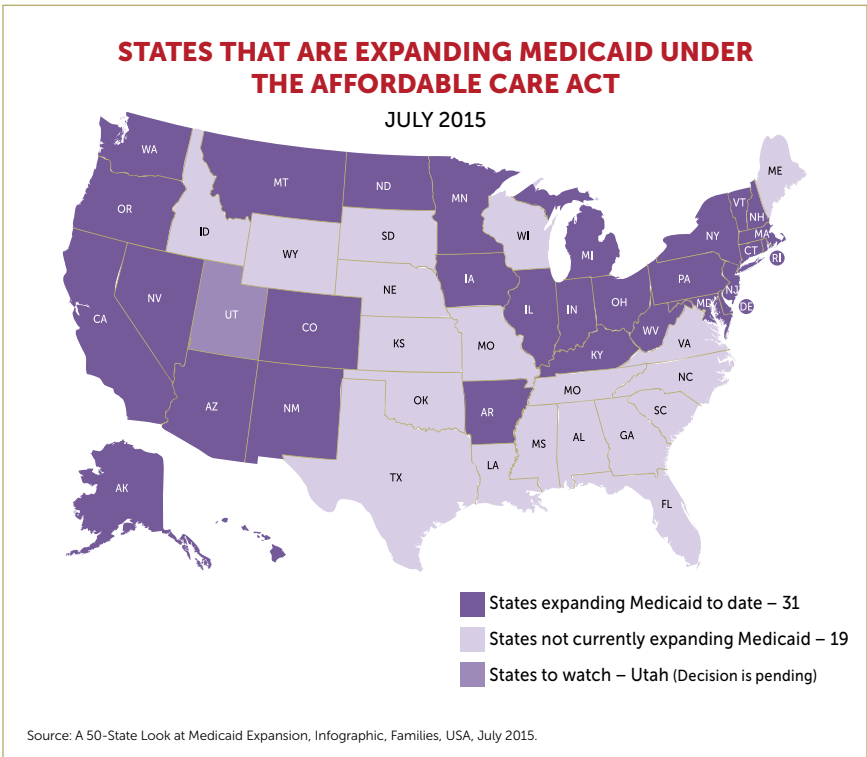
The ACA is not a wonder drug

The ACA affords private health insurance coverage to a significantly larger portion of Americans, and it makes it illegal for insurers to refuse to cover previously existing conditions. But it still leaves millions uncovered, fails to restrain the dominant power of the insurance and drug companies, and

maintains Medicaid's excessively costly fee-for-service system. Under the ACA, medical-cost inflation continues to exceed the general inflation rate.

In fact, to quote Dr. David Himmelstein, professor in the CUNY School of Public Health at Hunter College and co-founder of Physicians for a National Health Program, "Between 2014 and 2022, the ACA will add \$273.6 billion in new administrative costs over and above what would have been expected had the law not been enacted." The ACA is not a substitute for a single-payer system.

The Supreme Court ruled that states cannot be required to expand coverage
And today only 31 states have opted for Medicaid expansion. Where one lives matters more than ever. All states that have chosen not to expand Medicaid coverage have Republican governors.



Rising costs have pushed states to use managed care for Medicaid benefits
States have traditionally provided Medicaid benefits using a fee-for-service system. But as costs have risen, states have moved to a managed care delivery system for Medicaid benefits, where the state pays a fixed premium. In a managed care delivery system, people get their Medicaid services from a privately owned Managed Care Organization (MCO) under contract with the state.

New York State, a state with one of the costliest Medicaid systems in the country, is shifting to a system of managed long-term care that requires new beneficiaries in need of long-term placement to join a Medicaid Management Care Plan (MMCP) or a Managed Long-Term Care Plan (LTCP).

Managed care organizations must be regulated to ensure quality care

Most elderly and/or disabled people prefer to receive care in their homes, and MCOs are rushing to meet that need. But in that rush lies a danger. Without regulation, companies that provide in-home, long-term care may enrich themselves at the expense of the clients they are meant to serve.

MCOs are competing aggressively to enroll clients for whom they will receive a fixed premium. Unless each state monitors and evaluates the quality of their services, efforts to improve services and save money might devolve into what the *New York Times* recently characterized as a “gold rush and money grab.” Without regulations and aggressive oversight, some agencies have become “Medicaid mills” that engage in questionable or outright fraudulent practices to sign up patients who require minimal care, intimidate others to accept services they don’t need, and shed high-needs cases.

Right now, there is no independent assessment of whether MCO enrollees need services. Each company performs its own patient assessment, the criterion being “need for 120 days of long-term care services.” The states should ensure that MCOs and other providers of long-term care spend funds on clients who need services.

Ways to strengthen Medicaid and make it more equitable:

- Create straightforward, nationwide qualifying enrollment criteria that serve America’s most needy in all fifty states.
- Institute regulations that stop Medicaid mills, managed care organizations and the nursing home industry from profiting excessively at the expense of patients and clients.
- Use the government’s purchasing power to contain costs.



Advocacy organizations for Medicaid:

- Medicaid Matters NY – medicaidmattersny.org

FOOD ON THE TABLE

Food Stamps and Unemployment Insurance help people across the country endure trying times. The Unemployment Insurance system was created to stabilize the economy and alleviate personal hardship stemming from involuntary job loss. The Supplemental Nutritional Assistance Program (SNAP), which enables people to buy food, is a proven way to stimulate the economy in an economic downturn. These programs are under attack.

UNEMPLOYMENT INSURANCE

Payouts and coverage vary dramatically from state to state

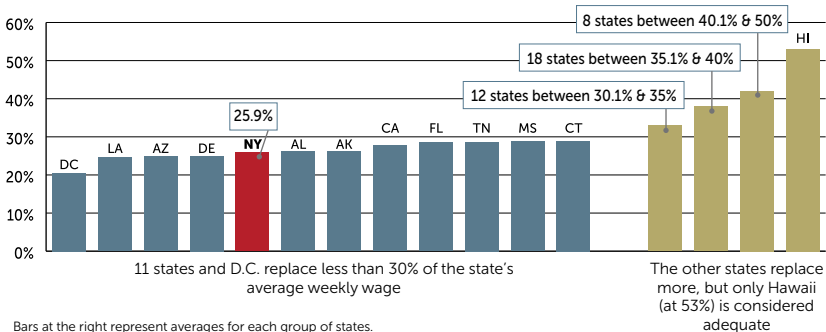
The Social Security Act of 1935 and related federal legislation constructed a framework of national guidelines for Unemployment Insurance funded through federal and state taxes levied on employers. Unemployment payouts vary, according to previous earnings and by state. States administer the programs, determine eligibility and decide the amount of benefits, and provide most funding for the basic Unemployment Insurance program.

If you lose your job, try to do it in Massachusetts

In 2015, maximum weekly benefits ranged from \$235 in Mississippi to \$698 in Massachusetts (plus \$25 per child). New York's maximum weekly benefit is \$420. Several states, like Massachusetts, factor in dependents when calculating

NEW YORK'S UNEMPLOYMENT PAYMENTS ARE AMONG THE LOWEST IN THE NATION

MAXIMUM WEEKLY PAYMENTS AS A SHARE OF THE STATE'S AVERAGE WEEKLY WAGE



Bars at the right represent averages for each group of states.

Source: <http://scorecard.assetsandopportunity.org/2014/measure/unemployment-benefits>

benefits; many others do not. Except for periods of exceptional economic stress, most states provide a maximum of 26 weeks of benefits. Yet, because of uneven work histories and earnings, many people do not qualify for the full 26 weeks. Generally, Unemployment Insurance replaces a little less than half of one's weekly wage, up to a state-set cap. In the first quarter of 2014, the percentage of average weekly wages covered by Unemployment Insurance ranged from 20.3% in the District of Columbia to 53% in Hawaii.

Congress enacted the Emergency Unemployment Compensation program...

In response to the long-term high unemployment that followed the financial crisis of 2007-2008, Congress enacted the Emergency Unemployment Compensation (EUC) program. At its peak, EUC provided up to 34 weeks of emergency federally-funded unemployment insurance benefits in all states and up to 53 weeks of benefits in states with unemployment rates of 8.5% or higher.

...but then failed to renew it when it expired on December 28, 2013

This lack of action in effect punished the unemployed at a time when 4.1 million Americans had been out of work for more than six months and when there was only a single job for every 2.9 job seekers. Continuing unemployment benefits would be a lifeline for the long-term unemployed still feeling the effects of the Great Recession. Lawrence Mishel of the Economic Policy Institute calculated that by extending the Emergency Unemployment Compensation Act through 2014, Congress could have generated enough additional consumer spending and economic stimulus to create 310,000 new jobs.

Today, most workers are covered, but only on paper

Employers' Unemployment Insurance premiums (the tax rates they pay that fund the program) are determined in part by the number of claims filed against them. They avoid paying out by finding loopholes to deny workers unemployment benefits. Part-time, contingent, and seasonal workers are victims of this strategy. They lead precarious lives and are unable to count on having even basic necessities.

Ways to improve Unemployment Insurance:

- Push for a simple system of federally financed and administered Unemployment Insurance.
- Make it protect the full spectrum of American labor.
- Mandate benefit increases to keep up with inflation and state median wages.



Advocacy groups for the unemployed:

- Workers Defense League – workersdefenseleague.org
- Unemployed Action Center – uac-ny.org
- Unemployment Project of Legal Services, NYC – legalservicesnyc.org
- Vols Unemployment Insurance Advocacy Project – volsprobono.org

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM OR SNAP (formerly The Food Stamp Program)

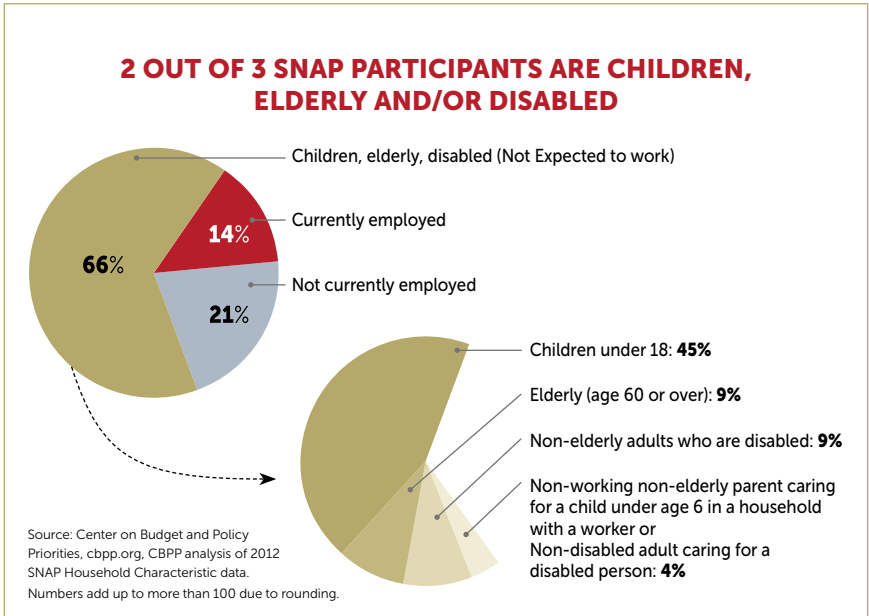
SNAP is a federal aid program administered by the U. S. Dept. of Agriculture Its budget is included in the U.S. Farm Bill. Participating states decide the benefits within federal guidelines, and distribute them through social services agencies. In New York State, the administrative agencies are the county Departments of Social Services, except in New York City where the program is administered by the city's Human Resources Administration.

SNAP serves tens of millions of low-income Americans annually. The SNAP caseload increased substantially in recent years due to the economic crisis and rising food prices, but it has begun to decline. In 2014, SNAP benefits cost \$74.1 billion and supplied 46.5 million Americans with an average of \$125.35 per month in food assistance. In 2013, the program cost \$76.4 billion and provided 47.6 million Americans with an average benefit of \$133.08.

Why do so many people need food stamps in the world's wealthiest nation?

We are a nation with millionaires and billionaires, from Wall Street to Silicon Valley, yet we still need food stamps, a reflection of systemic scarcity. American

working people need food stamps because our economic system works well for a very few and poorly for many.



We have been in a 40-year period of stagnant wages, with a shrinking “middle” class, and extraordinary, growing concentrations of wealth in the top 1%. And our wage-labor system entails unemployment and layers of underemployment, with low-wage workers in increasingly precarious positions – on an economic roller coaster of boom-bubble-bust.

SNAP benefits boost growth & jobs...

An increase in SNAP benefits was rated by the Congressional Budget Office as one of the most cost-effective of all spending and tax options for boosting growth and jobs in a weak economy. Other studies have indicated similar positive macroeconomic and local-economy results, in terms of a multiplier effect and increased jobs. The Food Research and Action Center claims that “putting more resources quickly into the hands of the people most likely to turn around and spend it can both boost the economy and cushion the hardships on vulnerable people who face a constant struggle against hunger.” Research shows that every dollar spent on SNAP results in \$1.73 of economic activity.

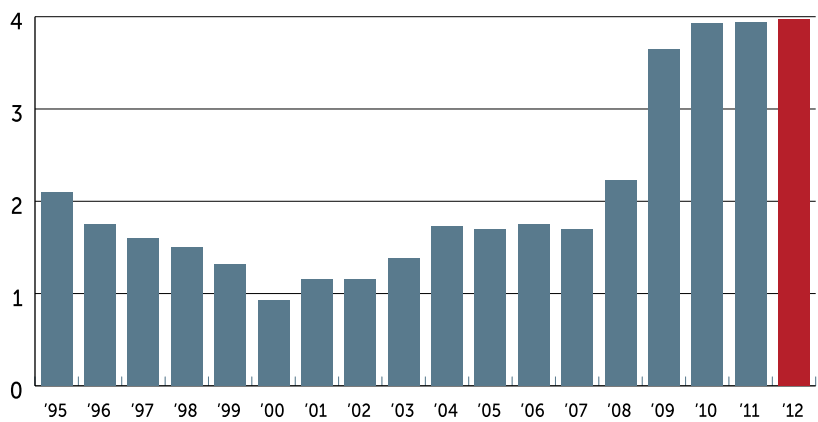
...yet Congress allowed increased SNAP benefits to expire in 2013

The American Recovery and Reinvestment Act of 2009 increased SNAP benefits as part of a stimulus package in the midst of a deep recession. But Congress

let those increases expire in 2013 when the economy was still very weak, even though SNAP benefits boost growth and jobs.

FOOD STAMPS PAY OFF

WHEN COUNTED AS INCOME, SNAP LIFTED A RECORD 4 MILLION PEOPLE OUT OF POVERTY IN 2012.



Source: *Mother Jones*, motherjones.com, "Charts: The Hidden Benefits of Food Stamps," Oct 25, 2013.

Ways to defend and improve SNAP:

- Press Congress to restore and increase SNAP funds in its next budget and, on an emergency basis, restore such funds in the midst of the fiscal year in which it enacts the restoration and increase.
- Create straightforward, nationwide criteria for SNAP benefits that will serve America's most needy in all 50 states.



Advocacy organizations for SNAP benefits:

- Food Research and Action Center (FRAC) – frac.org
- Hunger Action Network of NYS (HANNYS) – hungeractionnys.org
- LiveOn NY– liveon-ny.org

HELP US PROTECT AND EXPAND THE SOCIAL SAFETY NET

The organized efforts of working people demanding economic security led to the creation of the social safety net. Special interests, including employers, have relentlessly and effectively acted to reduce or eliminate safety net programs, often under the guise of reforms to make them more efficient or last longer.

Most Americans depend on the social safety net. The reduction in elderly poverty over the last 50 years in this country would not have happened without Social Security, Medicare, and Medicaid. The precariousness of our current economy – with stalled wages, growing retirement insecurity, and many without health insurance – requires an even more robust social safety net.

Our adversaries remain wealthy and tenacious. To preserve and expand the economic security provided by the social safety net, we must be vigilant, organized and active.

Are you ready to join these efforts?

Online Resources

Research and Information

Center for Economic and Policy Research – cepr.net

Economic Policy Institute – epi.org

Fiscal Policy Institute – fiscalspolicy.org

National Academy of Social Insurance – nasi.org

New York City Comptroller – comptroller.nyc.gov

New York State Comptroller – osc.state.ny.us

Social Security Administration – ssa.gov

Teachers' Retirement System (TRS) of the City of New York – trsnyc.org

TIAA-CREF – tiaa-cref.org

Advocacy

American Association of University Professors (AAUP) – aaup.org

American Federation of Teachers – aft.org

Alliance for Retired Americans – retiredamericans.org

Center for Popular Democracy – populardemocracy.org

Congressional Progressive Caucus – cpc.grijalva.house.gov/better-off-budget

Make the Road New York – maketheroad.org

National Committee to Preserve Social Security and Medicare – ncpssm.org

National Education Association – nea.org

National Employment Law Project – nelp.org

New York Communities for Change – nycommunities.org

New York State United Teachers – nysut.org

Professional Staff Congress/CUNY – psc-cuny.org

Strengthen Social Security/Social Security Works – strengthensocialsecurity.org

THE SOCIAL SAFETY NET WORKING GROUP OF THE PROFESSIONAL STAFF CONGRESS

Don't let attacks on Social Security, Medicare, Medicaid, pensions, unemployment insurance, food stamps and the wider social safety net go unopposed!

With the help of a solidarity grant from the New York State United Teachers (NYSUT), the PSC Safety Net Working Group is hosting workshops across NY State for trade unionists, educators, community groups, seniors and social justice advocates.

The workshops will help sort fact from fiction, provide tools for defending and expanding the safety net, and help local activists widen their advocacy and build alliances in their own communities.

Contact us if you would like more information or to set up a workshop for your local, organization or group. Email us at:

safetynet@pscmail.org

psc-cuny.org/social-safety-net

PROFESSIONAL STAFF CONGRESS/CUNY

BARBARA BOWEN, PRESIDENT

MICHAEL FABRICANT, FIRST VICE PRESIDENT

NIVEDITA MAJUMDAR, SECRETARY

SHARON PERSINGER, TREASURER

DEBORAH E. BELL, EXECUTIVE DIRECTOR



61 BROADWAY, 15TH FLOOR, NEW YORK, NY 10006 | 212-354-1252
PSC-CUNY.ORG | FACEBOOK.COM/PSC.CUNY | @PSC_CUNY