



# PERSPECTIVE

Volume XVII

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April 2010

## *From Bach to Brubeck: A Birthday Bash Benefit*

**For the League of Women Voters of the Flint Area**

*Celebrating milestone birthdays of great musicians and the  
League's 90<sup>th</sup> birthday*

featuring:

Larry MacDonald & Pat Cronley, pianists  
Larry Adkins, cellist Carlot Dorve, trumpet  
and special guests Nancy Anne Dahle, soprano  
Don Chambers, tenor

**Sunday, April 25, 2010 6:00 p.m.**  
**Woodside Church 1509 E. Court St.**

Reception to follow

Adult Admission \$15 Students \$10

Tickets from any Board member or at the door. For further information  
contact Ann Kraft 767-2771 or go to our website – [www.lwvflintarea.org](http://www.lwvflintarea.org)

## **STUDENT LOAN CHANGES**

In the health care reform legislation is a change in the student loan program – Pell Grants. Previously, financial institutions provided college loans which were subsidized by the federal government. Under the Health Care and Education Reconciliation Act of 2010, banks will no longer be involved as “middlemen” in the federal student loan system. All colleges will have until July 1, 2010 to switch to the federal direct lending program. Many colleges have already done so. Banks currently servicing federally-backed student loans will be allowed to continue servicing those loans. July 1, 2014, low-income students who qualify for student loans will have their maximum monthly loan payments capped at no more than 10% of their monthly post-graduate discretionary income. Currently that figure is 15%. Discretionary income is income left after payments for housing, food, clothing and other essential needs. There will be faster loan forgiveness. The current grant of \$5,550 award will be increased to \$5,975 between 2013 & 2017. The U.S. Dept. of Ed. estimates that by 2020 an additional 820,000 Pell Grants will be awarded. Savings will go the Pell program, to deficit reduction and to offset expenses in health care legislation. In reconciliation, a provision to allow state owned Bank of North Dakota to continue making federally financed state loans was dropped.

## **HEALTH CARE REFORM – “KIDS COVERAGE”**

Insurance companies had stated that if an insurance company sold insurance it would have to cover preexisting conditions for children covered by the policies, but it would not have to sell to someone with a preexisting condition and could raise rates to cover additional costs.

The fine print of the legislation was unclear on whether or not kids with health problems were guaranteed coverage starting this year. Some parents might have had to wait until 2014. Narrowly read, it could mean that if an insurance company accepted a particular child it could not write a policy for a child that excluded coverage for a given condition, but a company could still turn down a child altogether. It could be interpreted that the legislation stopped short of an iron clad guarantee. House leaders and President Obama stated that the intent was to mandate the preexisting clause.

In a letter to HHS Secretary Kathleen Sebelius, the insurance company chief lobbyist has said that the insurance companies will fully comply and accept the new regulations starting in 6 months.

## **SAVE THIS DATE**

League Annual Meeting – May 17<sup>th</sup>

## **LOCAL PROGRAM**

Recommendations for a new study must be received by the Board by April 28<sup>th</sup>. Any recommendation must include names of committee members who have committed to serve and projected costs of the study. A proposed study may be considered for a 1 or 2 year time table. If the Board recommends that the study proceed, it will be voted upon at the Annual Meeting. A majority of voting members present & voting are required for a recommended study. A non-recommended item requires a three fifths vote. A League member proposing a new study will be notified by the Board of Directors regarding its decision prior to the Annual Meeting.

## HEALTH CARE REFORM - INFORMATION

Legislation is estimated to cover 32 million currently uninsured. CBO estimated cost: \$940 billion over 10 years. Deficit reduction \$143 billion over 1<sup>st</sup> ten years. \$1.2 trillion in 2<sup>nd</sup> 10 years. Costs of premiums to go down.

### Taxes:

1. Medicare tax on investment income beginning in 2010. 38% tax on investment income for families making more than \$250,000 a year. For individuals making more than \$200,000.
2. Excise tax: Beginning in 2018 a 40% excise tax on plans worth over \$27,500 for families, \$10,200 for an individual. Dental, vision plans are exempt and not counted in the total cost.
3. 10% tax on indoor tanning services.
4. (Drug manufacturers, health insurance companies and manufacturers of medical devices will be subject to new restrictions.)

### Forced to buy?

If you already have employer provided insurance, you can keep it. If not you may have to buy a plan by 2014 or pay a \$750 fine or 2% of your income, whichever is greater. There are exemptions for hardship cases using the federal poverty level.

### New plans:

These will be regulated by the government so that there will be a minimum level of benefits but not a maximum. There will be a consumer protection portion and an appeal process. There cannot be eligibility rules for coverage that would discriminate in favor of higher wage employees. This would begin in 6 months.

Current plans are exempt from changes at least for awhile.

### Exchanges:

Each state would have an insurance exchange option which anyone could buy into. These would have to meet federal regulations & provide minimum benefits. You could not purchase one if you already have coverage. There would be funding to states to establish exchanges starting a year from now and going to 2015. There could be no discrimination based on preexisting conditions. Insurance companies would be required to spend 80% of premiums on actual care. There would be a temporary re-insurance program until the exchanges are available to help offset costs of expensive health claims for employers who provided insurance for retirees aged 55-64. These would be available in 90 days. Undocumented immigrants could not purchase even if they used their own money.

### Medicare:

A Board would be set up to propose solutions to reduce costs. There could be nothing that would ration care for the elderly. By 2011 no co-payments for preventive care. \$500 billion in cuts over the next decade. Focus on reducing waste & fraud.

### Credits:

If you make between 100-400% of the federal poverty level you could receive a credit to purchase insurance. For the poorest this could mean the entire cost.

### Abortion:

Retains current law. President Obama issued an Executive Order to insure this.

### Recissions:

Insurance companies could not drop coverage to a subscriber who gets sick. Go into effect in 6 months.

Medicaid:

An expansion for all under 65 who make less than 135% of the poverty level – currently \$18,000 for a family of 3.

Community Health Centers & Primary Care Programs:

Increases funding to these.

Long Term Care:

Participation by voluntary payroll deduction beginning in 2011.

Immediate Effect:

1. Ban canceling policies for people who get sick.
2. Ban denying policies to children with preexisting conditions.
3. Ban on lifetime coverage limits plus restrictions on new plans.
4. \$250 rebate for seniors in a Prescription Drug Plan. (Plans are to close this “Donut Hole” by 2020. By 2011 a 50% discount on brand name drugs.)

(Information from CBS.)

## ***Benefit Concert –***

**The Birthday Bash Concert honors the League’s 90<sup>th</sup> Birthday as well as milestone birthdays of great musicians. League Board member Larry MacDonald is spearheading this event. Please come with your friends on April 25<sup>th</sup>, 6:00 p.m. at Woodside Church, 1509 E. Court St. Adult tickets \$15. Students \$10. Tickets are available from any League Board member or at the door. For more information contact Ann Kraft at 767-2771 or e-mail her at [aukraft@earthlink.net](mailto:aukraft@earthlink.net). Also check out the League website at [www.lwvflintarea.org](http://www.lwvflintarea.org). Payment when purchased or sent to LWVFA, P.O. Box 230, Flint, MI 48501.**

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Board: Rhina Griffel, Larry MacDonald, Kristal Jackson, Ann Kraft, Marian Wright, Edith Prunty-Spencer, Andrea Ananich, Ernestine Tune, Jeanette Hall, Toni Promenchenkel, John Helsom