



Senator Gordon Smith, Chairman

Aging Committee



<http://aging.senate.gov/public/>

Dear Friends:

Since I was elected Chairman of the Senate Special Committee on Aging in 2005, much has happened that directly impacts seniors' quality of life.

This year, the Medicare program began comprehensive prescription drug coverage for the first time. I am keeping a watchful eye on the new program to ensure that people benefit fully from recent improvements. I also have focused the Committee's attention on the financial security of retirees and those who may retire in the coming years. I believe we need to encourage savings so that people can maintain their quality of life in their golden years. But I also know that confidence in health care is just as important as financial security, and I have introduced legislation that will help Americans plan for their long-term care needs.

Inside, you will find a quick update on these and other issues that affect you and your family. I hope that you will contact me if you have any thoughts, questions, or suggestions about these topics or other issues important to you.

Warm regards,

Gordon H. Smith
United States Senator

Trouble with Medicare Drug Coverage? Help is Available

The prescription drug benefit is the biggest expansion of the Medicare program since its inception in 1965. Coverage began on January 1, 2006, and I know that a number of seniors faced difficulty enrolling in the program. The good news, however, is that over 400,000 Oregonians are now receiving benefits.

I understand that problems may remain for those enrolled in the program and for new retirees. A wide range of options is essential to seniors and disabled citizens, and help is available to find the best plan. Free personalized information can be found online at www.medicare.gov, or by calling **1-800-MEDICARE**. One-on-one counseling also is available through Oregon's Senior Health Insurance Benefits Assistance Program (SHIBA) and other community-based organizations. Oregon's SHIBA office can be reached at **1-800-722-4134**.

Seniors should not have to choose between buying medicine and buying food. I firmly believe that creation of the Medicare prescription drug program is a major step toward effectively addressing the health needs of older Americans. I will continue to monitor the progress of Part D implementation, and it is my hope that any problems experienced by beneficiaries will be handled quickly and effectively.



Senator Smith speaks to seniors about his efforts to protect federal health programs from budget cuts.

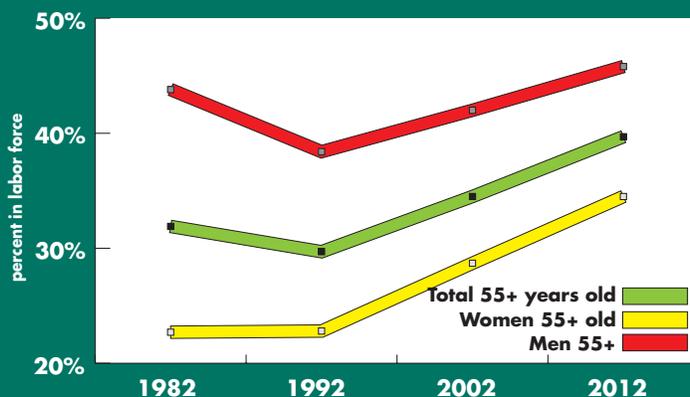
Many Retirees Want to Stay on the Job

More and more, older Americans want to continue working into their golden years. A 2004 AARP survey found that 79 percent of baby boomers plan to work in some capacity during their retirement years. Beyond financial reasons, people want to stay mentally and physically active. As Americans are living longer and healthier lives, many are just not ready to fully retire at the traditional age.

The traditional workplace needs to evolve to accommodate these changes. Many employers have begun to offer elder care benefits and flexible work arrangements. Another solution that some employers have explored is phased retirement. Instead of fully retiring at a particular age, an individual “phases” into retirement – or simply leaves the workforce gradually. For example, an employee may transition from a full-time to a part-time position.

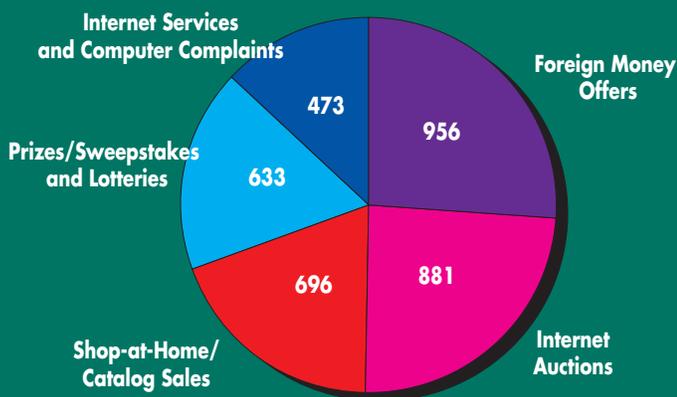
In response to my request that it study these changes, the U.S. Department of Labor formed a Task Force on the Aging of the American Workforce. This group will identify barriers to working longer and propose solutions for Congress to act upon. The task force met for the first time in early May and plans to finalize its findings and recommendations by early 2007.

Senior Labor Force Is Increasing



Shielding Your Nest Egg from Cons and Scams

5,938 Fraud Complaints from Oregon Consumers were Filed in 2005



Americans lose over \$40 billion per year to fraudulent telemarketing scams. Identity fraud costs an additional \$53 billion. According to the Federal Trade Commission, there were almost 9,000 complaints of fraud and identity theft in Oregon last year. These crimes cost Oregonians over \$20 million and we know many more go unreported. Reports indicate that older Americans are actually less likely to be victimized, but the effect of fraud can be more devastating to seniors because they cannot readily rejoin the workforce to recoup their losses.

I have made consumer protection a high priority for the Senate Committee on Aging and I am working to find ways for seniors to guard against those who would prey on them. These types of crimes run the gamut from bank to internet fraud and their variety makes them difficult to prevent and prosecute. Knowledge is often the first line of defense against fraud. To learn more, you can find information on the Internet at www.ftc.gov/ftc/consumer.htm. If you have been victimized, you can call the Oregon Department of Justice victim assistance line toll free at **1-800-503-7983**.

Aging Committee Hearings

I have convened the Aging Committee to review some of the most important issues facing older Americans. Some of these hearings are listed below. For more information you can go to www.aging.senate.gov.

- **Managing Retirement Assets: Ensuring Seniors Don't Outlive their Savings**
- **Preparing for Pandemic Flu**
- **Not Born Yesterday: How Seniors Can Stop Investment Fraud**
- **Long-Term Care Financing: Are Americans Prepared?**
- **Keeping the Power On: Examining the Impact of Soaring Energy Costs on the Elderly**
- **Employment and Community Service for Low-Income Seniors**
- **Meeting the Challenges of Medicare Drug Benefit Implementation**

Preparing for Long-Term Health Care Costs

The Centers for Medicare and Medicaid Services estimate that national spending for long-term care was almost \$160 billion in 2002, which is about 12 percent of all personal health care expenses. While those numbers are staggering, the need for long-term care is expected to grow in the coming decades. Almost two-thirds of people receiving long-term care are over age 65, with their number expected to double by 2030.

I believe it is critical that we help people stay financially stable in their later years, and many need assistance in saving for long-term care services. I introduced the Long-Term Care Trust Account Act to achieve both these goals. My legislation will allow individuals to contribute up to \$5,000 per year to a long-term trust account and receive a tax credit worth 10 percent of their contribution. Interest on these accounts will be tax free, and funds can be used to purchase long-term care insurance and services. The bill will also allow children and other relatives to contribute to their loved ones' accounts.

You can also find information about and assistance with long-term care through Oregon's Senior Health Insurance Benefits Assistance Program at **1-800-722-4134**.

Funding to Find a Cure

As our population ages, it is increasingly important to find cures and new treatments for the diseases and conditions that affect the lives of millions of Americans. My own family has been touched by diseases such as Parkinson's and cancer, and I have always been a strong supporter of increased funding for medical research. In 1998, I voted to double funding for the National Institutes of Health (NIH) over the course of five years. Congress achieved this goal in 2003. The following year, I supported a \$900 million increase, allocating a total of \$27.9 billion. Since then, I have regularly fought to expand medical research.

We are a long way from curing debilitating diseases like cancer, Parkinson's Disease, Alzheimer's, diabetes and others. Advances in research, however, are spurring new treatments that improve the lives of those who suffer. I will continue working to ensure that the federal government continues to play an important role in funding these efforts.



Senator Smith observes Oregon scientists researching cutting-edge medical treatments.

Legislation Introduced by Senator Smith

- Long-Term Care Trust Account Act (S. 2397)**
Provides a tax credit for individuals who open accounts for the purpose of saving for long-term care. Interest on the accounts will accrue tax-free, and accounts may be used to purchase long-term care insurance or pay for care.
- Home and Community Services Copayment Equity Act (S. 2409)**
Exempts Medicare Part D beneficiaries from copays if they receive long-term care in assisted living facilities, resident care programs, mental rehabilitation centers, and other community-based facilities.
- Medicare Part D Outreach and Enrollment Enhancement Act (S. 2759)**
Provides \$20 million in new funding to support outreach and education activities conducted by states and Area Agencies on Aging. It also would provide certain low-income beneficiaries additional time to choose a plan.
- The Retirement Savings and Security Act (S. 1359)**
Increases Americans' retirement savings, encourages the purchase of lifetime annuities and simplifies the retirement plan rules.
- Bipartisan Commission on Medicaid Act (S.338)**
Establishes the Commission to review the current functioning and long-term prospects of Medicaid.
- Retirement Security for Life Act (S. 381)**
Encourages seniors to purchase lifetime annuities so they do not outlive their savings.

Living Healthy, Living Well: A Conference for Seniors

On October 19th, I will be hosting a forum for seniors and their families to learn more about how they can improve their quality of life. Local agencies and medical centers will co-host the event, while senior-oriented businesses and health professionals will be on hand to exhibit the latest in services and products. Hanoch McCarty, author of "Chicken Soup for the Grandparent's Soul" will be the luncheon speaker.

Thursday, October 19, 2006
8:30am - 3:00pm
Red Lion Hotel
200 N. Riverside, Medford
Sponsored by Senator Gordon Smith,
local agencies and medical centers

The event is free, but space is limited.
Registration information will be
announced in the coming weeks.

Living Healthy, Living Well Conference Sponsors

*Providence Health System • Rogue Valley Council of Governments • Rogue Valley Manor Community Services
Rogue Valley Manor • Health Insurance Benefits Assistance Program • OHSU • The ODS Companies
Senior Health Net • Oregon Association Hospitals & Health Systems • AARP Oregon • Regence BlueCross BlueShield
KOB-TV • Medford Chamber of Commerce • Asante Health System • Oregon Association for Home Care
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