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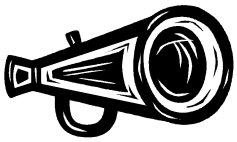

# Seniors and the American Recovery & Reinvestment Act

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President Obama signed the *American Recovery & Reinvestment Act of 2009* (ARRA) into law on February 17, 2009. This legislation will stimulate the economy in the short-term and will lay the foundation for long-term economic stability by modernizing our health care system and improving our infrastructure. The following provisions are of great interest to America's seniors:

**1. Additional One-Time Payment from Social Security**: Today, a fifth of older Americans are surviving solely on income from their monthly Social Security check. Under the ARRA, nearly 55 million Social Security and SSI beneficiaries will receive a one-time payment of $250 each to assist them with making ends meet by late May or early June 2009. This payment was included in the ARRA because many seniors on fixed incomes will spend rather than save this money, thus introducing more money into the economy. No separate forms need to be submitted; eligible recipients will automatically receive this payment.

**2. Premium Subsidies for COBRA Coverage**: Workers who were involuntarily terminated between Sept. 1, 2008 and Dec. 31, 2009 are eligible for a 65 percent premium subsidy to pay for COBRA coverage for themselves and their family for up to nine months. Prior to the ARRA, recently laid off workers who wanted to continue their group coverage through the employer were faced with paying 100% of the premium, plus 2% of administrative costs – a hefty cost for most. Outside of five Northeast states with guaranteed issue requirements (Maine, Vermont, Massachusetts, New York, New Jersey), individuals buying coverage by themselves are at risk of being denied coverage--at any price--due to their health status. This 65% subsidy makes COBRA a more affordable option for continued health care coverage. To ensure that those most in need of assistance are served, only workers with income less than $125,000 per year (or $250,000 for families) will qualify. You can find more information on this issue, including a COBRA premium reduction fact sheet, employer and employee FAQs, and other material on these new rules, by visiting the Department of Labor's Web site: http://www.dol.gov/ebsa/COBRA.html.

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**3. Senior Nutrition Programs**: Numerous senior nutrition services have shut-down their operations due to the strain of the current economy. To stem this unacceptable tide, the ARRA provides for a total of $100 million to be distributed to senior nutrition programs. This includes $65 million for congregate meals, like lunches served at senior and community centers, $32 million for home-delivered meals, delivered by programs like Meals on Wheels, and $3 million for Native American nutrition services.

**3. Comparative Effectiveness Research**: Comparative effectiveness research compares treatment outcomes from different therapies for the same condition, allowing providers and patients to avoid ineffective or wasteful treatments. Currently, healthcare providers are continually presented with information on new medications and treatments, most of it delivered directly by the drug companies or device manufacturers. The ARRA invests $1.1 billion in comparative effectiveness research to provide patients and providers with information about the merits of different treatment, an investment that will allow doctors access to unbiased reports so that they can decide which treatment really is the best option.

**5. Funding for Health Information Technology in Medicare and Medicaid**: The ARRA requires the Federal government to take a leadership role in health information technology (such as electronic health records) by establishing standards for the electronic exchange and use of health information to improve quality and coordination of care nationwide by 2010. The provision also invests $19 billion in health information technology infrastructure and Medicare and Medicaid incentives to encourage doctors, hospitals and other providers to use health IT to electronically exchange patients' health information. This will save money by increasing administrative efficiency, decreasing patient paperwork and preventing repeated tests and medical errors.