



MEMORANDUM

October 15, 2009

To: Reporters and Editors

From: Scott Mulhauser for Finance Committee Chairman Max Baucus (D-Mont.)

Re: President's support of one-time payment to seniors in 2010
in lieu of Social Security cost-of-living adjustment (COLA)

Senate Finance Chairman Max Baucus (D-Mont.) commented today on the President's announcement of his administration's support for a one-time \$250 payment to seniors, veterans and people with disabilities. The Social Security Administration (SSA) announced today there will be no Social Security COLA in 2010. In the absence of a COLA, some Medicare beneficiaries normally would see a decline in their Social Security benefits. Under current law, most but not all Medicare beneficiaries are automatically exempt from premium increases. Seniors' Social Security COLAs are generally used to offset annual increases to their Medicare premiums.

From Chairman Baucus:

"We welcome the President's support as we prepare to move legislation to give seniors the help they need. Congress must find a way to make this right. Seniors should not have to bear the brunt of undue costs. In addition to an extra \$250 payment, we need to ensure seniors are not hit with unfair Medicare premium increases. While most seniors enrolled in Medicare are protected from premium increases when Social Security COLAs are not available, Congress must act soon to make sure all Medicare beneficiaries are protected. The absence of a Social Security COLA next year reminds us of the need for fundamental health care reform to reduce beneficiaries' costs, increase the quality of patient outcomes and address America's long-term fiscal problems. We will continue to move forward on legislation that ensures seniors – and all Americans – remain protected during this period of recession."

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