



**HEALTH CARE ISSUES: U.S. President Barack Obama makes his way onto the stage on June 15 to address the American Medical Association.** SCOTT OLSON/GETTY IMAGES

## Obama Speaks to American Medical Association on Controversial Healthcare Policy

**HEALTH CARE CONTINUED FROM A1**

He said that the new system would keep the what works, eliminate what does not work, and improve the quality of care.

Reassuring those who are happy with their current doctors and health care plans, Obama said, "the only thing reform will mean is your healthcare will cost less. If anyone says otherwise, they are either trying to mislead you or don't have their facts straight."

For those who do not like their current plan or are unable to get coverage altogether, Obama is proposing a "one-stop-shop" where anyone can search through providers and plans to choose what is best for them. He added that such a system is already available to federal employees.

In reference to claims the new system is a "trojan horse for a single payer system," Obama said "they're not telling the truth ... what I'm trying to do, and what public option will help do, is put affordable healthcare options in front of every American."

A major point of the speech was on the current issue of patients being denied coverage due to what healthcare companies call "pre-existing conditions." Obama referred to the practice as "cherry-picking" who will or will not be covered, adding that "those days are over."

The final part of the speech was on how the new \$1 trillion health-

care system will be funded. Obama said that \$635 billion has already been set aside over the next ten years. The money comes from raising revenue and limiting tax deductions for the wealthy back to what they were in the Reagan years.

Other funds will come from medicare and other methods, such as adjusting expenses. Obama said that he is "committed to making these cuts in a way that protects senior citizens."

The additional cuts will bring the healthcare budget up to \$950 billion.

Speaker of the House Nancy Pelosi issued a statement shortly following Obama's speech, saying his plan will "end a system that locks Americans into their jobs to keep their health coverage, or that denies coverage based on pre-existing conditions."

### Mixed Reviews

Obama's speech to the American Medical Association received quick criticism from several republican leaders.

"I don't question the president's motives or his ability, but he's consistently said he wants the bill to have a government-run option, and we know from experience that a government-run option is likely to lead to a government-run healthcare system," State Republican Conference Chairman Lamar Alexander said, as reported by The

Hill.

Alexander made reference to "Washington takeover" in recent months of banks, insurance companies, student loans, and car companies. "So we're very wary of Washington takeovers right now, and this looks like one," he said.

Such debate over Obama's healthcare proposals have been ongoing.

"Problems are abundant in our current system. A routine visit to the doctor can be surprisingly expensive," said Senator Jon Kyl (R-Ariz) in a June 11 press release.

"There are two ways to approach health-care reform while trying to keep costs in line," he said, continuing that one approach would be to create a competitive marketplace—a plan Kyl said was rejected by Obama.

The other would be for the government to "ration care by deciding what treatments you can get and which medications you can have," he said. "Yes, you can cut costs this way, but it's not right. And it's not what Americans want."

Kyl said that "government-run healthcare" would create a monopoly by crowding insurers. "Someone who has insurance through his or her company could be forced into the government plan if the employer decides it's simpler and cheaper to pay a fine to the federal government and eliminate its coverage," he said.

# Social Security and Medicare Albatross to Recovery

By HEIDE B. MALHOTRA  
Epoch Times Staff

Recessionary times have a detrimental effect on the Social Security (SOC) also called Old-Age and Survivors Insurance (OASI), and the Disability Insurance (DI) funding estimates.

SOC expects a 2 percent short fall of funds over the next 75 years, close to 20 percent more than was reported in 2008, according to "The 2009 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds," released this month.

By 2016, SOC benefit payments will exceed payroll tax income. By 2037, estimated SOC tax income will cover only 76 percent of payment to retirees. Existing funds may be exhausted by 2039. Benefit payments will then come only from the annual payroll taxes.

Medicare, also called Hospital Insurance (HI), trust funds will experience a 19 percent funding shortfall by 2017 instead of 2019 because of the recession, coupled with layoffs and reduction in earnings from payroll taxes.

Baby boomers retirement between 2012 and 2030 increases in longevity, lower fertility when compared to the baby boomers era and the recession will put additional stress on the system and contribute to the accelerated fund shortages projections.

Tough and unpopular decisions may be able to salvage the programs until 2084 unless more troubled times are looming or the recession lasts longer than predicted.

To keep SOC alive, the Trustees of the SOC funds recommend that payroll taxes increase by 16 percent or benefits decrease by 13 percent.

Medicare requires a 134 percent payroll tax hike, a 3.88 percent increase over the present. 2.9 percent decrease in benefits instead of the payroll tax increase would save the program over the next 75 years.

Medicare Part B, the Supple-

mentary Medical Insurance (SMI) Trust Fund that pays doctor and outpatient expenditures, as well as Pat D that pays for medicines, will remain healthy, as under existing laws the programs are automatically funded on an annual basis by general tax revenues.

The SOC and Medicare Funds Trustees advocate that "The projected trust fund deficits should be addressed in a timely way so that necessary changes can be phased in gradually and workers can be given time to plan for them. Implementing changes sooner will allow their effects to be spread over more generations."

Close to 51 million Americans were paid SOC and Medicare during 2008. Around 162 million employees paid \$615 billion into the programs during the same year. Total program earnings for both programs amounted to \$805 billion and assets in U.S. Treasury securities held by the programs reached \$2.4 trillion during 2008.

Social Security plays a critical role in the lives of 52 million beneficiaries and 160 million covered workers and their families in 2009. With informed discussion, creative thinking, and timely legislative action, present and future Congresses and Presidents can ensure that Social Security continues to protect future generations.

Six Trustees control the Social Security and Medicare funds. Four "serve by virtue of their positions in the Federal Government: The Secretary of the Treasury, the Secretary of Labor, the secretary of Health and Human services, and the Commission of Social Security." The remaining two positions are appointed by the President of the United States and confirmed by the Senate and have not yet been appointed by President Obama.

The funds are invested by the Department of Treasury in "special non-marketable securities of the U.S. Government."

### Addressing Health Cost Quagmire

"While many people worry about

the billions of dollars spent bailing out banks, auto makers and other sectors, looming shortfalls in Medicare and Social Security are what could ultimately sink efforts to revive the sagging U.S. economy," Knowledge & Wharton (KW), the publishing arm of the University of Pennsylvania, suggests in the May article, "Social Security and Medicare: Trying to Tackle Two 800-pound Gorillas."

Wharton professors suggest although SOC has serious problems, Medicare is lethal to the recovery of the U.S. Economy and would have filed many times for bankruptcy if it were a company.

Health care costs accelerated with a speed that doesn't match the funding efforts of Medicare. In response, the American Medical Association (AMA) announced in a May press release to voluntarily develop programs that will "bend the health care cost curve" away from its unhealthy growth, cutting costs by \$2 trillion by 2019. The goal is to reduce costs by 1.5 percent annually.

"If successful, the effort would not decrease total spending on health care but would significantly reduce the rate of spending growth. Government actuaries have estimated that such growth otherwise would average 6.2% per year over the next decade," according to an AMA press release.

To revive Medicare and save it from extinction, competitive forces need to be brought into the equation. The call is out to convert Medicare to a voucher system that lets patients decide the amount he/she is willing to spend on medical support," Mark V. Pauly, Wharton Professor, suggests in his book "Markets Without Magic: How Competition Might Save Medicare."

Pauly claims that saving Medicare and SOC is a daunting process, as "elected officials do not currently have the political spine to reign in doctors and medical spending to make Medicare sustainable," according to the KW article.

## Mayors Call for Investigation of Bottled Water Cost to Cities

By DIANA HUBERT  
Epoch Times Staff

The U.S. Conference of Mayors is calling for an investigation into the cost to American cities of bottled water. This initiative is followed by the passing of a resolution designed to ensure equitable use of municipal water.

An estimated 40 percent of bottled water is derived from municipal sources and because they buy in bulk, bottled water companies are often given discounts even in times of drought.

These companies also produce unknown costs to taxpayers. Included are costs of disposing and recycling plastic bottles, as well as infrastructure costs for the upkeep of equipment.

"To jumpstart the economy and to meet the most basic needs of people in cities across the U.S., we need to make sure the resource is being managed in a way that is equitable and puts essential public needs first," said Kristin Urquiza,

the director of Corporate Accountability International's Think Outside the Bottle Campaign in a press release.

Although both bottled and public water comes from the same source, the bottled water market is thriving while support for public water is low.

Since 2008, over 60 cities cut bottled water spending. Hundreds of mayors nationwide voted to discourage water purchasing in their cities.

Illinois and Virginia are moving towards bringing an end to bottled water spending, while New York State is cutting its spending altogether.



**WATER COSTS: The U.S. Conference of Mayors has passed an initiative to investigate the cost of bottled water.** NICOLAS ASFOURI/AFP/GETTY IMAGES

## Top Court Won't Review Case of Five Cuban Spies

WASHINGTON (Reuters)—The U.S. Supreme Court declined on Monday to hear an appeal by five convicted Cuban spies who argued their trial should have been moved from Miami, the heart of the Cuban American community, because of a biased jury pool.

Without comment, the justices refused to review a U.S. appeals court ruling that the five intelligence agents, who are serving long prison sentences, had failed to establish a right to change the trial venue from Miami.

FBI agents arrested the five in 1998. They were convicted in 2001 of 26 counts of spying on the Cuban exile community in Miami on behalf of Fidel Castro's government.

Before the trial, defense lawyers sought to have the case moved to Fort Lauderdale, Florida. They

argued pervasive anti-Castro sentiment in the Miami community would infect the jury with hostility and bias against the defendants, and cited intense pretrial publicity surrounding the case.

The so-called Cuban Five are celebrated by many in Cuba as national heroes who were spying on armed exile groups in Miami to prevent attacks on their country. They are considered victims of a U.S. campaign against the communist-run island.

To hard-line, anti-Castro members of the Cuban exile community, the five were justly convicted, and Havana's support for them has been seen as an example of an anti-U.S. agenda in Cuba dating back to Castro's 1959 revolution.

Cuba's parliament called the Supreme Court's refusal to hear the appeal "a monstrous injustice,"

saying court justices had acted on orders from the administration of U.S. President Barack Obama without considering the merits of the case.

"The highhandedness of a corrupt and hypocritical system is evident yet again in its brutal and cruel treatment of our brothers," the Cuban parliament said in a statement.

The judge presiding over the case ruled the defendants had failed to show it would be virtually impossible to get a fair trial in Miami. He said questioning of potential jurors would allow the defendants to get a fair trial by an impartial jury.

A U.S. appeals court also rejected their claims that the trial should have been moved because of widespread opposition among Cuban Americans in Miami to the government in Havana.

## Court Orders \$507.5 Million Damages in Exxon Valdez Spill

LOS ANGELES (Reuters)—A federal appeals court on Monday ordered Exxon Mobil Corp to pay \$507.5 million in punitive damages stemming from the 1989 Exxon Valdez oil spill off Alaska, plus 5.9 percent interest running from the 1996

trial judgment, the opinion said.

The amount is a fraction of the \$5 billion in punitive damages originally awarded to fishermen, Alaska natives, business owners and other litigants by a jury in 1996, and equals the compensatory dam-

ages agreed to in a subsequent settlement, the opinion said.

The opinion issued on Monday by the Ninth U.S. Circuit Court of Appeals set the punitive damages figure, and determined the date from which the interest would run, after the U.S. Supreme Court ruled that the maximum ratio of punitive to compensatory damages is 1:1 under maritime law.

In a split decision, the appeals court ordered each party to bear its own attorney fees and court costs.

Attorneys for the plaintiffs could not be reached immediately for comment. An Exxon spokesman had no immediate comment.

The oil spill from the Exxon Valdez supertanker in 1989 was the worst in the nation's history, blackening more than 1,200 miles of Alaska's coastline.

The clean-up alone cost around \$2.5 billion.

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