

Lungren Mailer: sponsored by the American Action Network

President Obama's Medicare Plan:
**Balance the Budget
on the Backs of Seniors!**

**Obama's Medicare Plan Will
Increase Medicare Premiums***

For seniors who depend on Medicare, the impact of Obama's price controls would be devastating.

- Medicare prescription drug premiums for millions of seniors would increase by up to 40%
- Annual costs for almost 18 million seniors would increase by as much as \$208 per year
- Total out-of-pocket drug costs for seniors and other Medicare beneficiaries would increase by up to \$3.7 billion per year

President Obama is trying to radically change the Medicare Prescription Drug Program with Medicaid-style price controls.

**California Seniors Can Count on
Congressman Dan Lungren to Stand Up
Against the Obama Medicare Plan.**

Thank Congressman Dan Lungren for standing up for seniors and fighting to protect and preserve Medicare.**

Call Congressman Dan Lungren at 1-866-644-5729.
Thank Him for Protecting California Seniors.
Urge Him to Keep Fighting to Preserve the Medicare Part D Prescription Drug Benefit.

*http://bit.ly/MedicarePartD

**http://politics.nytimes.com/congress/votes/112house/10277

Paid for by the American Action Network. http://americanactionnetwork.org

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This awful mailer was sent to people in Dan Lungren's district (now CD 7) and I think also appeared in the Bee, our local newspaper. I have done some research on it; the sources and some research are below. --Margie

**Obama's Medicare Plan Will
Increase Medicare Premiums***

The Medicare Prescription Drug Program has become one of the most successful and efficient government benefit programs in history. America's seniors depend on it each and every day. President Obama is trying to radically change the Medicare Prescription Drug Program with Medicaid-style price controls.

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American Action Network's Chutzpah: Mail Campaign Claims *Democrats* Would Balance Budget 'On Backs Of Seniors'

<http://thinkprogress.org/health/2011/07/28/281831/american-action-networks-chutzpah-mail-campaign-claims-democrats-would-balance-budget-on-backs-of-seniors/>

By **Igor Volsky** on Jul 28, 2011 at 12:15 pm

The American Action Network — a conservative group backed by Republicans with close ties to Wall Street (<http://thinkprogress.org/politics/2010/02/06/80834/action-tank/>) — “is launching a large-scale mail and newspaper ad campaign” (<http://www.politico.com/news/stories/0711/60099.html>) to shore up Republicans by attacking Democrats for allegedly balancing the budget “on the backs of seniors” and introducing “radical” “Medicaid-style rebates to the Medicare Part D program.”

“The mail campaign will reach 22 congressional districts in 14 states, all of them represented in Congress by Republicans,” Politico reports. Above is a sample:

The Medicaid Part D changes are a reference to Rep. Henry Waxman’s (D-CA) proposal (<http://www.opencongress.org/bill/112-h2190/show>) (and Sen. Jay Rockefeller’s (D-WV) companion Senate bill) (<http://www.opencongress.org/bill/112-s1206/show>) to extend Medicaid drug rebates to dual eligibles — beneficiaries who qualify for both Medicare and Medicaid — and is only as “radical” as, well, health policy in 2003.

Waxman introduced the legislation after the 2003 Medicare part D law moved the 6 million dual eligibles into the Medicare part D program, thus creating a windfall for the industry. Whereas Medicaid obtained an average discount of about 34 percent from pharmaceutical companies that participated in the Medicaid program, “the average discount obtained by the Part D plans was 14 percent,” (<http://thinkprogress.org/health/2009/07/06/170855/phrma-campaign/>) according to a report issued by Waxman. As he put it, “The drug companies are making the same drugs. They are being used by the same beneficiaries. Yet because the drugs are being bought through Medicare Part D instead of Medicaid, the prices paid by the taxpayers have ballooned by billions of dollars.” CBO estimates that if drug manufacturers provided the Medicare Part D program with the same prices that Medicaid receives, the government could save \$112 billion over 10 years. (<http://www.cbo.gov/ftpdocs/120xx/doc12085/03-10-ReducingTheDeficit.pdf>)

And if anyone is looking to balance the budget on the back of seniors, it’s not the Democrats — whose current proposal (Sen. Harry Reid’s plan) excludes any cuts from entitlement programs. It’s the Republicans who will benefit from AAN’s flyers.

The GOP voted against the Affordable Care Act — which extends the life of Medicare by 9 years and provides rebates to seniors who fall into Medicare Part D’s doughnut hole — and they supported Paul Ryan’s budget. That plan eliminates (<http://thinkprogress.org/health/2011/05/31/230985/ryan-medicare-cost-shift/>) the supplemental Medicaid coverage that dual eligibles enjoy and replaces it “with a medical savings account” that, based on CBO estimates, would result in a 65-year-old who lives at the poverty line to pay “\$4,700 more in 2022 (<http://www.cbpp.org/cms/index.cfm?fa=view&id=3473>) than he or she would under the programs as they exist today.”

If the 22 Republican members vote in favor of Speaker John Boehner’s (R-OH) debt ceiling proposal later today, seniors will fare even worse. They’ll face cuts of billions of dollars from a commission that was tasked with finding \$1.5 trillion in savings by “cutting Social Security and Medicare benefits heavily for current retirees.”

Republicans' Medicare plan backed by ad campaign



<http://www.politico.com/news/stories/0711/60099.html>

The campaign seeks to change a debate Dems have dominated. | Courtesy of American Action Network

The conservative American Action Network is launching a large-scale mail and newspaper ad campaign, targeting a long list of House districts to shore up Republicans on the issue of Medicare.

The campaign, which includes both mail pieces and newspaper ads, charges Democrats with attempting to “balance the budget on the backs of seniors” with a proposal to amend Medicare Part D.

All told, the AAN message offensive will cost about a million dollars, according to officials with the group, and also includes some web advertising. That's a significant investment in the Medicare debate, which Democrats have dominated so far this year.

Democrats have spent months accusing Republicans of attempting to "end Medicare" in the House GOP budget. The AAN campaign pushes back on that allegation, hitting Democrats for proposing "drastic changes" to prescription drug rebates and arguing that President Barack Obama wants to impose "Medicaid-style price controls" that would be harmful.

"President Obama and liberals in Washington are trying to shift the burden of deficit reduction to seniors through a proposal to introduce radical, Medicaid-style rebates to the Medicare Part D program," said Brian Walsh, president of the American Action Network. "The American Action Network wants to praise those principled members of Congress who are opposing this radical plan to balance the budget on the backs of America's seniors."

The legislation AAN is targeting, the Medicare Drug Savings Act of 2011, was introduced last month. In unveiling the bill, California Rep. Henry Waxman said its goal was to bring down the cost of drugs by making drug manufacturers pay a rebate to the government for Part D recipients who receive both Medicare and Medicaid benefits.

That's not how the bill is described in the AAN campaign, which contends that new costs to drug companies would end up being passed on to consumers.

In one mail piece, which is being sent to constituents in Pennsylvania's 7th Congressional District, AAN frames the Medicare fight in these terms: "President Obama's Medicare Plan: Balance the budget on the backs of seniors! Congressman Pat Meehan is fighting to protect Medicare." (Examples of the mailers are http://www.politico.com/static/PPM223_110727_007.html and above. Note as usual, Lungren gets his talking points and changes nothing.

Read more: <http://www.politico.com/news/stories/0711/60099.html#ixzz1be37LSYZ>

Follow the Money

<http://americanactionnetwork.org/>

Board Members of the American Action Network

<http://americanactionnetwork.org/about>

Senator Norm Coleman, Chairman, American Action Network and Senior Governmental Advisor, Hogan Lovells US LLP

Fred Malek, Founder, American Action Network and Chairman, Thayer Lodging Group

Isaac Applbaum, founding General Partner, Opus Capital

Maria Cino, former President and CEO, Republican National Convention

Dylan Glenn, Senior Vice President, Guggenheim Advisors

Ambassador Boyden Gray, former U.S. Ambassador to the European Union

Senator Mel Martinez, Chairman of Florida, Mexico, Central America and the Caribbean, JPMorgan Chase

Congressman Jim Nussle, President and CEO, The Nussle Group

Congressman Tom Reynolds, Senior Strategic Policy Advisor, Nixon Peabody

Ambassador Gregory Slayton, Adjunct Professor, Tuck School of Business, Dartmouth College

Congressman Vin Weber, Managing Partner, Clark and Weinstock

The American Action Network is an independent nonprofit 501(c)(4) organization, and it is not affiliated with or controlled by any political group. The Network welcomes supporters of its center-right values and policy proposals regardless of party affiliation, and looks forward to working with legislators, government officials, and advocates of either party who are willing to advance policies consistent with the Network's principles.

Who's Putting up the Money?

http://tpmmuckraker.talkingpointsmemo.com/2010/02/american_action_network_who_is_putting_up_the_mone.p hp

JUSTIN ELLIOTT FEBRUARY 8, 2010, 9:04 AM

With some of the country's top Republicans at the fore of the effort to create a new conservative think tank in Washington, the American Action Network is almost sure to become a political force when it launches later this month.

The public roll-out is scheduled for Feb. 22, so it's a good time to look at a few of the people who are reportedly helping to fund the American Action Network.

Asked about the funding model of the group in an interview with TPM last week, former McCain campaign adviser Douglas Holtz-Eakin said, "We do have some people who have committed to help us for the first several years. We've also got nickels and dimes, and we're looking for more."

Holtz-Eakin is to lead the policy arm of American Action Network; former Sen. Norm Coleman is the chairman of the new group. Other GOP heavy-hitters reported to be involved include Jeb Bush and Mississippi Governor Haley Barbour.

While Holtz-Eakin declined to go into the details of the new group's finances and plans, he said the success of fundraising will determine how quickly American Action Network will expand the set of issues it works on.

The *New York Times* identified a trio of businessmen who are either donors to the American Action Network or sit on its board, or both (<http://www.nytimes.com/2010/02/04/us/politics/04conservative.html>).

Fred Malek

Malek, who founded private equity firm Thayer Capital Partners, has spent his life moving in the very highest circles of business and Republican politics. An aide to Presidents Nixon and George H.W. Bush, Malek is perhaps most famous for his central [role](#) in responding to Nixon's request for a count of Jews employed in the Bureau of Labor Statistics. He also once [parachuted](#) out of a plane with George H.W. Bush for the former president's 80th birthday.

Malek's business [accomplishments](#) include a stint as the president of Marriott and his role leading the buyout of Northwest Airlines and the Ritz-Carlton Hotel Company. (He also served on the board of troubled mortgage giant Fannie Mae from 2002 to 2005.)

On his blog, Malek explains how, as Finance Chair of the McCain campaign in 2008, he met Sarah and Todd Palin. "I do admire her and feel she is filling a need in this country like few other political leaders," Malek [writes](#).

Robert Steel

Steel came to the Treasury Department of the George W. Bush Administration after a nearly 30-year illustrious career at Goldman Sachs. He joined Goldman in the mid-1970s, ultimately rising to the position of vice chairman. From 2006 to July 2008, he was under secretary for domestic finance under his old friend Henry Paulson, with whom Steel had a "Batman-and-Robin-like relationship," [according to](#) the *Washington Post*.

Steel's considerable resources allowed him to sink money into investments as varied as "Georgia timber, real estate in Greenwich and Bordeaux wine futures," the *New York Times* [reported](#) in 2008.

In a 2005 *Financial Times* [op-ed](#), Steel floated the idea of "reductions in entitlements" to "defuse the Medicare time bomb."

Kenneth Langone

The investor who provided the seed money for Home Depot, Langone's net worth was put at \$1.1 billion [by Forbes](#) in 2007. He butted heads with then-Attorney General Eliot Spitzer in the 2000s in the [scandal](#) over the super-sized pay package for Dick Grasso, chairman of the New York Stock Exchange, where Langone was a director.

Langone has been a longtime friend and business associate of Ross Perot, whose presidential bid Langone backed in 1992. In 2008, he was an early backer of Rudy Giuliani, later [switching](#) his support to McCain.

His political interests appear to be primarily economic. He was assured by American Action Network's founders that "we're not going to go near the social issues," he [told](#) the *Times*.

Political leanings: GOP/Right-center

Spending target: \$25 million

The [American Action Network](#) was formed in [February 2010](#) by Norm Coleman, a former Republican senator from Minnesota, and Rob Collins, a former chief of staff to House Minority Whip Eric Cantor. Coleman serves as the group's [chief executive officer](#). Collins is its [president](#).

The American Action Network is a [501\(c\)\(4\)](#) and one of [two organizations](#) formed at the same time by a group of like-minded Republicans. The American Action Network describes itself as an "action tank." In practice it spends to attack Democratic candidates and support Republicans including candidates this year in [Alaska, Pennsylvania, Wisconsin and New Hampshire](#). The "sister organization" and policy arm is [American Action Forum](#), which is classified as a 501(c)(3). Douglas Holtz-Eakin, a senior policy adviser to Sen. John McCain's 2008 presidential campaign, is [president](#) of the American Action Forum.

Neither arm has to disclose its donors, but some major GOP fundraisers and donors sit on the network's board of directors. They include: New York venture capitalist [Kenneth Langone](#), who has donated [nearly \\$500,000](#) to federal candidates and parties since 1989, and [Fred Malek](#) of Virginia, who served as [aco-chairman](#) of McCain's fundraising committee in 2008 (and who chairs the boards of both the network and the forum.) Langone is co-founder of Home Depot. Malek is founder of Thayer Capital Partners. Prominent board members of the network also include Mississippi Gov. Haley Barbour, former Florida Gov. Jeb Bush, and Ed Gillespie, a former chairman of the Republican National Committee.

In its mission statement, the American Action Network says it seeks to promote "center-right policies." Langone told [Bloomberg Television](#): "We're not going to focus on the social issues. We're going to talk about jobs, the economy, defense, terrorism."

According to the *Washington Post*, the group is expected to spend about [\\$25 million](#) in 2010.