

Good Sam Club of Florida, Inc.  
Winter Samboree  
State Committee Meeting  
Legislative Report  
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Forecasters and political pundits hit the nail on the head as regards their predictions on the price of auto fuels here in the United States, when they stated “prices will continue to rise until they are the same amount being paid in Europe.” John Q. Public did not agree.

Well, gasoline and diesel fuel prices have been like a yo-yo being played by an amateur – each time the yo-yo makes it’s trip up the string, the yo-yo fails to fall back down to the end of the string.

Each time fuel prices rise, they will fall back down – but not to the lower price on the pump the day before the current hike has taken place. And the USA does not use the larger ‘Imperial gallon’ flowing out of the fuel pump.

Verenium Corporation, a manufacturer of ethanol, with a plant here in Florida, should be pleased with the Friday, January 20, 2011 decision from the Environmental Protection Agency. Associated Press reported “nearly two-thirds of cars on the road could have more corn-based ethanol in their fuel tanks. The agency said that 15 percent ethanol blended with gasoline is safe for cars and light-duty trucks manufactured between 2001 and 2006, expanding an October 2010 decision that the higher blend is safe for cars built since 2007. The maximum gasoline blend has been 10%.

Health care and health insurance have become frightful words to most senior citizens.

President Obama’s healthcare stands to be repealed before it even becomes effective and there are liberal politicians and lobbyists who are shouting at the top of their lungs this is going to cost the U.S. Taxpayer billions of dollars. The U.S. Taxpayer will be the one footing the bill whether the indigent continue to receive healthcare under the present setup or under mandatory healthcare as stated in the healthcare bill. Keep an eye on this 112<sup>th</sup> Congress, keep pressure on your representatives to vote in favor of the repeal.

In the same arena of health insurance, an article in the Wednesday, January 19, 2011 edition of the Florida Times Union, which appeared under the by-line of Ricardo Alonso-Zaldivar of the Associated Press, titled **‘Health insurance plans are earning big profits playing Medicare ‘float’.**

Quoting from the article:

Washington – Private health insurance plans catering to Medicare recipients are making millions by taking money thru government sends I advance – but isn’t immediately needed – and using it to make investments, federal investigators say in a report obtained by The Associated Press.

In financial parlance, it's called "playing the float".

In contrast with another government program that also deals regularly with health insurers, Medicare lets its plan keep the cash.

An audit by the Health and Human Services inspector general's office estimates that private Medicare Advantage plans collected \$376 million from the government in 2007, the latest year available.

Of 50 plans audited, only two told investigators they subtracted earnings from their Medicare bids for the following year. The rest pocketed the money.

Medicare typically pays the plans 46 days before they need to money to cover medical services, the audit found.

"Because federal requirements governing the Medicare Advantage program do not limit the ability of private plans to retain investment income earned on Medicare funds, the Medicare program loses potential cost savings," said the inspector general's report to Medicare administrator Donald Berwick. The report is to be released today.

How much is Medicare losing in potential savings?

If Medicare had hung on to the money for a few more weeks the program's trust funds could have been collected \$450 million in interest income from the Treasury, auditors estimated. That's because the long-term Treasury securities Medicare invests in typically pay higher interest than short-term investments in which insurance companies park their money.

In a written response to the audit, Medicare officials say they share the inspector general's concern, but little can be done to change the situation.

Most of the potential cost savings would be wiped out because private insurers would simply increase their bids to recoup the lost investment income, administrator Berwick explained. The move also could backfire if the plans start demanding interest on any funds that Medicare owes them.

The inspector general's office disagrees.

About one-quarter of Medicare beneficiaries are signed up with private insurance plans that include such giants as United Healthcare, Humana and Blue Cross Blue Shield plans. Medicare Advantage plans typically offer lower out-of-pocket costs than traditional Medicare, and seniors do not need to purchase additional coverage. The plans keep their costs down by using networks of hospitals and doctors. *NOTE: Read HMO type coverage with Medicare Advantage.*

But the insurers also get a break from Medicare that they don't get from another major government program, the report said.

By law, Medicare pays premiums the first day of the month, even if the plans won't actually need the money for weeks. That's not the way the federal employee health program does it. The plan for government workers offers coverage through private insurers, but it pays them later in the month. It also requires insurers to plow any investment earnings back into the program.

Having Medicare pay on the first of the month is a headache for the Treasury, which also sends out Social Security checks at that time. But Medicare says it can't change the date without getting Congress to sign off.

HHS Inspector General Daniel Levinson says there's another way to accomplish the same goal.

Medicare could recover the money without getting Congress to pass a new law, said the report by his office. All it would need to do is issue a regulation that requires insurers to reduce their annual bids by the amount they expect to receive from investment earnings.

The Obama administration has moved to regulate private Medicare plans more closely than its Republican predecessor did. So far it hasn't touched their investment earnings.

The one bright spot, from which most of us may not live long enough to reap the benefits: Tax Reform. (From the Florida Times Union on Friday, January 21, 2011.)

President Barak Obama and key lawmakers from both political parties say it's time for a serious national discussion about making the tax code simpler and fairer. Why? Because every deduction, exemption and credit, every layer of complexity, is important to somebody, in some cases millions of somebodies.

"That's what the tax code is now, it's a whole set of winners and losers," said Howard Gleckman, a fellow at the Urban Institute and editor of TaxVox, a blog on tax issues. "If you reform it, you're going to create new winners and new losers, and the losers always scream much louder than the winners cheer".

My opinion? Do away with federal income tax and replace it with a National Sales Tax, taxing purchases similar to what we have in Florida. Raw food items and medications, both over the counter and prescription drugs, would be exempt. I venture to say a tax of 10% **might** be enough to support the government – because EVERYONE would pay according to their ability. The "rich" quote, unquote, would still be carrying the greater share of the load because they spend more, but no one would get a free ride, especially all the people who deal on a 'cash only' basis, including the drug pushers, prostitutes, bookies, illegal contractors, etc.

So, what it all boils down to is this: whether it is fuel prices, health insurance or income taxes, John Q. Public is being screwed over – again.

FL Times Union Published this list on Thursday, Feb 3, 2011. There is a list of about 20+ State Parks slated for closure. Most of these are recreation areas with what is being touted as low attendance. Washington Oaks Garden and Ft. Moses are 2 which I can recall.

Respectfully submitted,

Sharon K. Bundy  
Legislative Chair