



**AREA AGENCIES ON AGING ASSOCIATION OF MICHIGAN**  
**ASSOCIATE MEMBER NEWS**  
**Week of March 21, 2011**

*Senior push-back on pension taxes has had an impact.* Republican Senators want to scale back the Governor's pension tax by sparing current retirees from any additional income taxes, only imposing new income taxes on future retirees. This would raise fewer dollars, and the Senate would balance that with a higher business tax than Snyder -- 6.75% versus 6% -- for large corporations. In addition, they would increase the income tax on smaller businesses from 4.25% to 6%. These changes would raise \$700 million, leaving a \$200 million gap that would be handled with more budget cuts -- no specific cuts outlined.

The House has not developed its own plan, to date, and Senate Majority Leader Randy Richardville would like to join forces with the House soon on a mutual plan. In the meantime, House and Senate community health budget subcommittees have completed their hearings on the 2012 budget to gather public testimony. Lawmakers are now on a spring recess for two weeks.

*Stickers on items in grocery stores . . .* will be a thing of the past, due to legislation finalized by the Legislature last week that eliminates Michigan's long-standing item-pricing requirement. Governor Rick Snyder urged the repeal of item-pricing in his State of the State Address in January and is expected to sign the bill. House Bill 4158 requires prices to be displayed where items are located, and maintains the provision that a shopper can demand a penalty if the price charged is higher than the actual price. The penalty is up to 10 times the difference up to a maximum of \$5. Retailers who deliberately violate the law can be charged up to \$5000 in fines. The law appropriates \$100,000 to implement a consumer education program including information on a website. The change will go into effect on September 1, 2011.

*In Detroit last week . . .* 400 aging network and health care professionals converged at Wayne State University to hear about the federal government's efforts to crack down on Medicare fraud and abuse. U.S. Health and Human Services Secretary Kathleen Sebelius made a brief statement at the session, as did U.S. Attorney General Eric Holder. The aging network was represented by Detroit Area Agency on Aging's CEO Paul Bridgewater, who moderated a panel with AoA Regional Director Jim Varpness, MMAP, Inc. Director Jo Murphy, and Linda Burney, MMAP volunteer counselor. Southeast Michigan has become one of the "new frontiers" for fraud and abuse, with criminals moving up from Miami. They use recruiters to find poor seniors at soup kitchens and in homeless shelters, willing to sell their Medicare number in exchange for drugs or money. Authorities have identified \$120 million in fraudulent billings in metro Detroit to date. Fraudsters operate out of physical therapy clinics, home health agencies, medical equipment providers and podiatry offices. More than 120 people have been arrested in Detroit since May of 2009, when a joint task force of government and law enforcement agencies was organized.

One of the first fraud schemes was set up in 2006 in Livonia, Dearborn and Southfield as drug infusion clinics for patients with HIV, AIDs, hepatitis C and other serious illnesses. MMAP volunteer counselor Linda Burney from Detroit reported on two scams she uncovered, one involving a male beneficiary billed for Vitamin B shots he wasn't receiving. The provider's phone was disconnected, and when he drove to the provider's address, he found an abandoned building. Another case involved a female beneficiary with diabetes who was visiting a podiatry clinic monthly but unknowingly being billed for an amputation each and every visit.