

GRASSROOTS ISSUE BRIEF

The House Republican Budget and Its Effect on Seniors

“The GOP/Ryan budget is nothing short of an all-out declaration of war against millions of American families still recovering from our struggling economy.”

- Max Richtman, President and CEO, NCPSSM

On April 4, 2014, the House Budget Committee, chaired by Congressman Paul Ryan, approved a budget for Fiscal Year 2015 (the “Ryan budget”). The budget, which begins on October 1, 2014, passed the U.S. House of Representatives on April 10, 2014 by a vote of 219-205.

The Ryan budget would be devastating to today's seniors and future retirees, as well as to people with disabilities, spouses, survivors and children, due to the proposed changes it makes to Medicare, Medicaid and the Affordable Care Act. The Ryan budget calls for drastic cuts in federal spending, especially to our social safety net programs which are very important to most low- and middle-income Americans. At the same time it gives tax breaks to benefit the very wealthy and large profitable corporations.

The Ryan budget ends traditional Medicare as we know it; privatizes it, and *shifts additional program costs* to Medicare beneficiaries in order to cut spending.

THE RYAN BUDGET PRIVATIZES MEDICARE WITH “VOUCHERS”

- Beginning in 2024, people who become eligible for Medicare would not be able to enroll in the current traditional Medicare program which provides guaranteed benefits.
- Instead, eligible people would receive a voucher, or “coupon,” to purchase either private health insurance or traditional Medicare through a Medicare exchange.
- For plans that cost more than the voucher amount, seniors would have to make up the difference out of pocket; and insurance companies would be free to tailor plans to attract only younger and healthier seniors.
- The Ryan budget would increase the age of eligibility for Medicare from 65 to 67.

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THE RYAN BUDGET REPEALS THE AFFORDABLE CARE ACT (ACA)

- Without the ACA, free preventive screenings and wellness exams would be lost.
- Savings on prescription drugs would be lost as the Medicare Part D coverage gap (“donut hole”) would again widen. Already, the average person is saving \$1,265 on prescription drugs through closing the donut hole.
- Without the guarantees in the ACA, it would be very expensive or even impossible for older people with pre-existing conditions to purchase private insurance and women could be charged higher premiums.

THE RYAN BUDGET CUTS SOCIAL SECURITY

- The Ryan Budget raises the eligibility age for Social Security to 69, resulting in a 15% cut in benefits.

NATIONAL COMMITTEE POSITIONS

The National Committee OPPOSES the Ryan Budget for the following reasons:

- Ends traditional Medicare by turning it into a private insurance program using vouchers;
- Raises the Medicare eligibility age;
- Increases costs for Medicare beneficiaries by further increasing the cost of premiums;
- Repeals the Affordable Care Act, which is lowering prescription drug costs and providing preventive screening and wellness visits at no charge to Medicare beneficiaries;
- Transforms the Medicaid program from a federal/state partnership to a block grant program which would result in major cuts to vulnerable seniors and others;
- Repeals Medicaid expansion at the expense of low-income adults who need access to health care services.

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