



**Statement of
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**Before
The Senate Democratic Policy and Communications Committee
Hearing on
“Who’s Paying the GOP’s Trillion Dollar Tax Bill?
Why Seniors, Families, and Middle-Class Americans are Hit the Hardest.”**

**Room 212-10, Senate Visitor Center
United States Capitol
Washington, DC
Wednesday, November 1, 2017, 3:00 PM**

Senators Stabenow and Wyden:

I am Max Richtman, President and Chief Executive Officer of the National Committee to Preserve Social Security and Medicare, and I appreciate the opportunity to testify at today’s Senate Democratic Policy and Communications Committee hearing. With millions of members and supporters across America, the National Committee is a grassroots advocacy and education organization dedicated to preserving and strengthening safety net programs, including Medicare, Medicaid, the Affordable Care Act (ACA) and Social Security, which provide retirement income and health insurance to millions of older and disabled Americans.

The National Committee opposes the Republican budget and tax plans because they allow the Senate Finance and House Ways and Means Committees to slash programs critical to older Americans and people with disabilities – all to pay for massive tax cuts for the very wealthy and profitable corporations. What is more, under the measure, \$1.5 trillion in tax cuts would not have to be offset. By increasing the federal budget deficit by at least \$1.5 trillion, this measure would leave Social Security, Medicare and Medicaid vulnerable to benefit cuts to make up the difference.

The budget resolution would cut Medicare by nearly \$500 billion. Medicare beneficiaries cannot afford to pay more for less coverage – particularly when half of them have incomes of less than \$26,200 a year and spend 25 percent of their Social Security check to pay for Medicare Parts B and D costs for premiums and cost-sharing amounts. And they cannot afford cuts to Medicare such as those assumed in the House budget – turning Medicare into a voucher program and raising the eligibility age from 65 to 67.

The budget would cut Medicaid and subsidies that make coverage affordable through the Affordable Care Act (ACA) marketplace by \$1.3 trillion.

Middle-class Americans often rely on Medicaid for long-term services and supports when they exhaust their savings. Nearly two-thirds of all nursing home residents' care is financed in part by Medicaid. In addition, Medicaid provides home and community-based services that allow seniors to stay in their homes. There is no way to cut Medicaid by a trillion dollars without limiting seniors' access to long-term care services.

By repealing the ACA, the budget and tax plan would leave millions of Americans uninsured and would be particularly harmful to the 40 percent of enrollees age 50 to 64 who have one or more pre-existing condition. Allowing for repeal of the ACA in the budget sends the wrong message when progress has been made by Senators Lamar Alexander and Patty Murray on legislation to strengthen the individual health insurance market.

In addition, we are concerned about a plan in the budget resolution to cut income security programs – including Supplemental Security Income (SSI) – by \$653 billion over ten years. SSI provides vital and much needed economic security for 8.4 million low-income seniors and people with disabilities, including children with marked and severe functional limitations. Instead of cutting SSI, Congress should enact H.R. 3307, the “Supplemental Security Income Restoration Act of 2017.” This bill would update the SSI program, that has been essentially unchanged since its enactment in 1972, and keep it up-to-date for our nation's most vulnerable Americans who depend on SSI to meet their basic needs.

The National Committee also opposes the budget's call to cut non-defense discretionary programs by \$800 billion over the next ten years. This reduction would be in addition to the sequester spending caps required by the Budget Control Act of 2011. Under the House and Senate-approved budget resolution, 2027 funding for non-defense discretionary programs subject to those caps would be 18 percent below 2017 levels and fully 29 percent below 2010 levels, adjusting only for inflation. These cuts would undermine programs and agencies that provide crucial services to seniors and people with disabilities, including the Social Security Administration, Older Americans Act programs, Alzheimer's disease and cancer research at the National Institutes of Health, Low Income Home Energy Assistance and housing assistance for low-income elderly persons – just to name a few.

Under the tax bill supported by President Trump and congressional Republicans, the nonpartisan Tax Policy Center estimates the top one percent of Americans would receive 80 percent of the tax cuts. For the top one percent, the average annual tax cut would be over \$200,000 by 2027.

The bottom 80 percent of Americans would receive 13 percent of the tax cuts. In fact, 115 million households earning less than \$75,000 a year would receive a tax cut of just \$190 on average. But ultimately, most Americans would lose much more in program cuts than they would gain from tax cuts.

The National Committee urges all Senators and Representatives to oppose legislation to enact these “Robin Hood-in-Reverse” budget and tax proposals and instead work together to protect the retirement and health security commitments made to generations of Americans.

Thank you again for the opportunity to highlight the National Committee's concerns about the impact of the Republican budget and tax reform legislation on programs of importance to today's older Americans and future retirees.