



U.S. HOUSE OF REPRESENTATIVES

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The Republican Budget Hurts Seniors

The 2016 Republican conference agreement on the budget shifts more health-care costs onto seniors, voucherizes Medicare, and threatens cuts to cost-effective services that help frail seniors stay in their homes. It makes these painful cuts in the name of reducing deficits, yet it fails to close a single special-interest tax loophole for the purpose of deficit reduction.

Hurts current retirees in Medicare — The budget increases seniors' costs by repealing the Affordable Care Act's (ACA) Medicare benefit improvements, such as a provision that reduces prescription drug costs for millions of seniors. If Republicans had succeeded at one of their numerous prior ACA repeal attempts, nearly 5.1 million people with Medicare would have paid an additional \$4.8 billion – or an average of \$941 more per beneficiary – for their drugs in 2014.

Hurts future retirees by ending the Medicare guarantee — The budget makes it the policy of the House to endorse a plan to shift the risks of growing health care costs onto seniors by converting Medicare into a program in which future enrollees receive a fixed premium-support payment (or voucher) toward the purchase of a private health plan or traditional Medicare. Nonpartisan analyses show that the only way these plans can ensure significant long-term federal Medicare savings is by markedly increasing costs to Medicare beneficiaries.

Undermines low-income seniors' access to long-term care — The conference agreement block-grants Medicaid and slashes funding by about \$0.5 trillion over ten years. Nearly two-thirds of Medicaid spending in 2013 paid for services for seniors and persons with disabilities. Medicaid is the primary payer for long-term care in the United States, and 60 percent of people living in nursing homes depend on the program to help cover their costs. The budget's Medicaid cut undermines the health-care safety net for vulnerable seniors and persons with disabilities, and it poses significant risks to low-income seniors who rely on Medicaid for long-term services and supports. To manage their Medicaid programs at these reduced funding levels, states would face hard choices such as limiting eligibility, reducing benefits, or cutting payment rates.

Reduces services for older Americans — The budget maintains sequester-level funding caps for 2016, slashing non-defense discretionary funding by \$37.3 billion below the comparable President's request. If Republicans were to spread this cut proportionately based on their allocations for each appropriations bill, older Americans would experience reduced availability of vital home and community-based supportive services that allow them to stay in their homes rather than institutional settings. For example, the Administration estimates that relative to the President's request for 2016, the Republican budget could mean 500,000 fewer rides to doctors and grocery stores, 200,000 fewer hours of assistance to seniors unable to perform activities of daily living such as bathing, dressing, and eating, and 100,000 fewer hours of care for dependent adults in supervised, protective group settings.