



Silver Paper on Medicare and Medicaid

A few facts about Medicare...

Medicare is the foundational program providing health security to over 5.9 million Californians (5.2 million are seniors). Since it was signed into law by LBJ in 1965, it has helped seniors pay for needed health care services, manage chronic illness, and live a longer, healthier life without fear of bankruptcy, homelessness, or even death. Over the years, Medicare has become more privatized, requiring beneficiaries to pay for supplemental coverage for services that traditional Medicare does not cover (out patient services, prescription drugs, etc.)

The GOP has targeted both Medicare and Medicaid (MediCAL in CA – see below) for cuts, as they have never supported these programs and feel that the federal government should get out of the business of providing health care benefits. There are several proposals that are being considered as part of the ACA Repeal and Replace plan, and that are embedded in the tax reform proposals and the President's budget proposal.

- **Congress should reject proposals to turn Medicare into a voucher or coupon program.** This proposal would give beneficiaries a limited stipend for health insurance and leave them at the mercy of insurance companies.
- **These voucher proposals would shift Medicare costs to seniors.** The proposal is not indexed for medical inflation. According to the Congressional Budget Office, by 2030, Medicare vouchers would be about \$9,750 a year while the annual medical costs would be about \$30,460, leaving seniors with an average bill of \$20,700 to pay out-of-pocket.
- **These voucher programs take health care decision making away from you and your doctor and turns it over to insurance companies.** "Rationcare," gives insurers incentives to deny you care, and allows them to raise deductibles, co-payments, and more. This isn't reform – it's rationing.
- **Congress should reject proposals to raise the eligibility age for Medicare beneficiaries.** Raising the eligibility age to 67 would leave you without health insurance when you are most vulnerable. Your choices would be to: find a job that provides coverage at an age that most employers don't want to hire you; pay for coverage yourself when your income is likely declining; or become impoverished so you are eligible for Medicaid (Medi-Cal), provided your state makes it available to you.

A few facts about Medicaid (Medi-Cal)...

For over 50 years, Medicaid has provided vital health insurance protections to seniors in nursing homes and low-income Americans of all ages. Over 1.4 million low income seniors and people with disabilities use MediCAL as their supplemental insurance to Medicare. Medicaid spends more money on long term care for seniors and people with disabilities than anything else.

Because the United States lacks affordable long-term care services, Medicaid has become the default insurer for long-term care for seniors of all income levels. Even well-off and middle class seniors faced with long-term care and nursing home costs are forced to "spend down" to Medicaid's stringent income and assets levels in order to obtain the long term care they need. As a result, Medicaid has become essential to ensuring that all of our nation's seniors, regardless of income, can receive much needed health care coverage.

- **Medicaid (Medi-CAL in California) gives healthcare to low income patients of all ages.**
- **Congress should not limit Medicaid payments.** Medicaid (Medi-CAL) now guarantees payment for all covered services for all eligible patients, with no limits. The proposed GOP budget would put limits on either lump-sum payments to states, or payments to each patient. Payments would cover only a fraction of health costs. States would have to chip in the difference, or abandon their poor by cutting eligibility or services.

CARA is in full support of a Medicare for All Program in California and the nation that would provide guaranteed benefits to all Californians that include all benefits currently covered by Medicare and MediCAL (this includes vision, dental, hearing, podiatry, and in home care). This plan would eliminate all out of pocket costs and deductibles, remove the insurance companies from health care delivery (thus eliminating premium costs) by pooling resources, taking the profit out of health care, and giving us the ability to negotiate for health care services and benefits.