

This year, over 40 million seniors in the United States will receive their health care through Medicare. Medicare provides universal, single-payer health insurance to virtually all Americans 65 years and older, giving seniors access to regular check-ups, prescriptions, hospital visits and skilled nursing care.

On March 23, 2010, the Democrat controlled House of Representatives passed the Patient Protection and Affordable Care Act, which included numerous provisions affecting Medicare payments, payment rules, covered benefits, and the delivery of care. Under the Affordable Care Act, seniors who fell into the Part D “donut hole” received a \$250 rebate. Beginning this year, brand name drugs were also discounted by 50%, with the discounts set to increase to 75% on brand name and generic drugs by 2020.

The Affordable Care Act also gave Medicare recipients free preventive care services—including immunizations, mammograms, colonoscopies and annual wellness visits—beginning on January 1, 2011. These new benefits were paid for by eliminating waste, fraud and abuse in Medicare.

Unfortunately, Medicare is expensive and estimated to become insolvent in 2029 if changes are not made. While I believe we must continue to find ways to preserve, protect, and improve Medicare, as we did under the Affordable Care Act, there are some who think the solution to today’s budget problems is to eliminate Medicare as we know it.

On April 15, 2011 the House Republicans passed their budget, by a vote of 235 to 193, which would end Medicare as we know it and replace it with a voucher system. This system would increase seniors’ costs and reduce benefits for all those currently under age 55. The GOP plan ends the guaranteed coverage seniors paid for, and instead puts them at the mercy of private insurance companies. The plan also gives enormous flexibility to the private insurance companies, meaning seniors are no longer guaranteed the same level of benefits and choice of doctor they have today under Medicare.

The Congressional Budget Office—a nonpartisan office which determines how much a piece of legislation is projected to cost—reported that the GOP plan would more than double the typical senior’s out-of-pocket health care spending in 2022, compared to what their costs would be under traditional Medicare. This translates to an increase of more than \$6,000 in out-of-pocket

costs. Seniors' health care costs would continue to skyrocket over time. By 2030, it is estimated that seniors would be paying 68% of their health care costs, with the voucher covering only 32%.

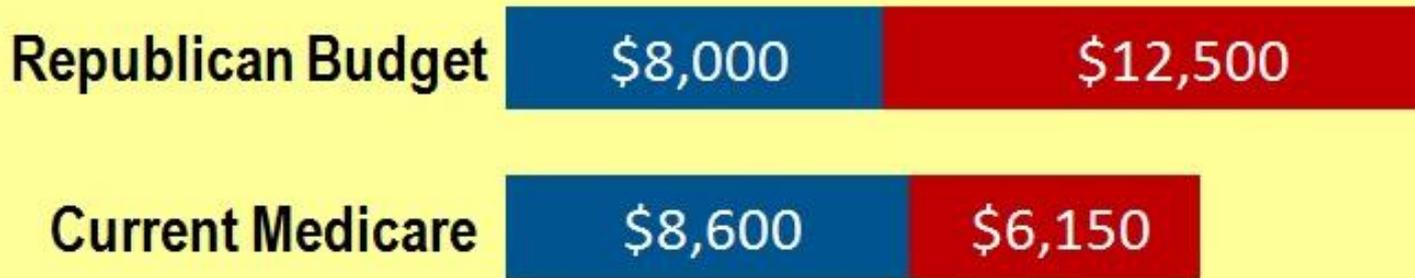
The GOP plan also raises prescription drug costs for millions of seniors – eliminating the Affordable Care Act provisions providing a 50% discount for brand-name drugs for seniors in the 'donut hole' coverage gap and completely closing the 'donut hole' by 2020.

At a time when we need to be finding ways to strengthen and save Medicare, we are instead taking steps to dismantle it. Reducing spending is only useful when the right cuts are made in the right places. Taking away health security for seniors will damage our country, not strengthen it. I am fully committed to doing everything within my power to protect Medicare for the seniors in the First District and across the country.

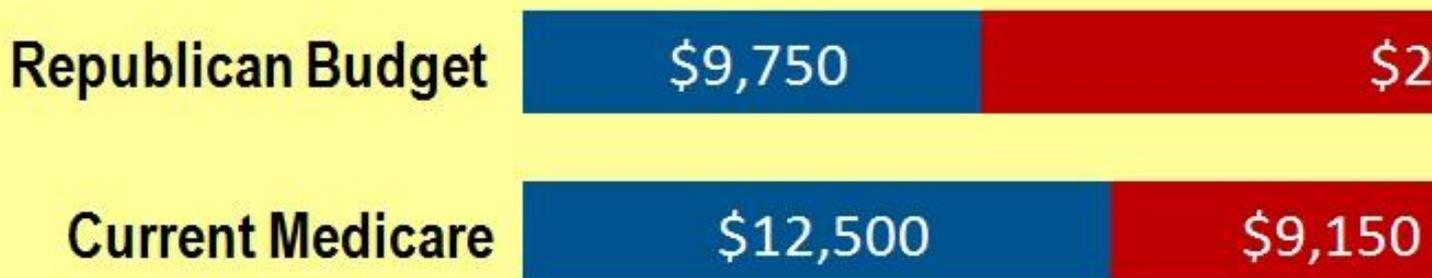
# Senior Citizens' Health Care Spending Skyrocket Under Republican Budget

■ Government's Share ■ Beneficiary's Share

## Health care spending for a typical 65-year-old



## Health care spending for a typical 65-year-old



HBC House Budget Committee Democrats

Source: Based on CBO data