

## **Plan Also Cuts Nursing Home and Prescription Drug Coverage to Pay for Huge Tax Cuts for Millionaires and Large Corporations**

*Johnson City, NY* -- Congressman Maurice Hinchey (D-NY) today stood with Southern Tier seniors at the Johnson City Senior Center against a Republican budget plan that would end the Medicare program and put in its place a voucher program that would force seniors to purchase private health insurance. The Congressional Budget Office (CBO) is estimating that the Republican voucher plan would not nearly cover the full cost of care, costing seniors an average of \$12,500 per year in out-of-pocket costs. The new program would go into effect in 2020 and the savings realized from getting rid of Medicare will be used to afford large tax breaks for corporations and millionaires, which are also included in the Republican proposal.

"Simply put: the radical proposal Republicans passed last week would eliminate Medicare to pay for huge tax breaks for big corporations and multi-millionaires," said Hinchey. "They would end the Medicare program that has worked for 45 years to provide health care to Southern Tier seniors and impose a voucher plan that the non-partisan Congressional Budget Office says would cost seniors \$12,500 in out-of-pocket costs every year. Worse yet, their plan re-instates the insurance industry's ability to deny coverage if you have a pre-existing condition. That means 9 out of 10 seniors on Medicare who report having a chronic illness, could be denied coverage altogether. It would be an absolute disaster. I spoke out against it on the floor, I voted against it and I'm going to continue fighting as I always have to protect this vital program on which New York's seniors depend."

Hinchey said it is obvious that major reforms must be made to preserve Medicare for future generations and address the long term fiscal health of the country. Hinchey highlighted four actions that can be taken immediately to save hundreds of billions without cutting Medicare coverage:

- **Increase the use of generic prescription drugs** by prohibiting brand name drug manufacturers from paying generic manufacturers to delay the production of generics.

- **Allow Medicare to negotiate for lower prescription drug prices**, saving \$156 billion over 10 years.

- **Improve coordination of care** by increasing oversight of physician prescribing practices. With seniors often being prescribed so many medications by multiple doctors, better oversight would save money and improve care.

- **Enhance measures to combat fraud and inefficiency**. Last year, Hinchey's Middletown office helped expose a \$163 million Medicare scam. As much as 20 percent of Medicare spending, as well as private health care spending, goes to waste, inefficiency, fraud, and unnecessary procedures.

Prior to the creation of Medicare, health insurance was out-of-reach for millions of American seniors. As a group, seniors incur higher than average health care costs and were often denied coverage for that reason. Today, Medicare covers roughly three-quarters of seniors' health care expenses, but CBO found that if the Republican plan were enacted only one-third of medical expenses would be covered and seniors would have to pay two-thirds of the costs out-of-pocket. Due to its size, Medicare is able to negotiate with providers to determine a payment amount that allows Medicare beneficiaries the greatest amount of access to care. It is unlikely that a market-based system would realize similar costs savings.

The Republican plan also cuts nursing home and assisted living services with a \$771 billion cut to Medicaid over 10 years. The program currently pays for 62 percent of all long-term care services. The plan also cuts the Social Security Administration by \$10 billion over the next decade and reinstates gaps in prescription drug coverage through Medicare Part D, which are currently set to be closed by 2020 as a result of legislation Hinchey voted for. Despite Hinchey's No vote and strong opposition, the bill passed in the House last week and now must be considered in the U.S. Senate.