



Republican Plan Will Replace Medicare Guarantee with a Voucher and Force New Jersey Seniors to Pay More for Health Care

The Republican budget again replaces Medicare’s guaranteed benefits with a voucher that will stick them with higher health care costs. For the fourth budget in a row, Republicans have made it clear that they would rather rely on seniors to shoulder the burden of deficit reduction than close even one tax loophole that benefits wealthy special interests. The consequences for seniors are devastating.

1,379,196 New Jersey seniors would be forced out of traditional Medicare and into a voucher program. Under the Republican plan to replace Medicare’s guaranteed benefits, all New Jersey seniors will receive a voucher instead of guaranteed benefits under traditional Medicare beginning in 2024. The 1,379,000 New Jerseyans aged 45-54 at the time of the most recent Census, would see their premiums for traditional Medicare increase by 50% on average and would have to pay \$800 more for their care than under current law to stay in the program. Seniors who want to keep traditional Medicare, with its guaranteed benefits and extensive physician networks, would also pay \$1,200 more than healthier seniors recruited for private insurance companies’ plans. The Republican plan would drive away more healthy beneficiaries from traditional Medicare, setting off a premium spiral that could cause Medicare – currently the lifeline for 1,378,274 New Jersey seniors – to “wither on the vine.” [House Republican Budget, [3/12/13](#); CBO, [9/18/13](#); Census, accessed on [4/1/14](#); KFF, accessed on [4/1/14](#)]

192,572 New Jersey seniors would pay more for prescription drugs next year. The Republican plan would re-open the “donut hole,” forcing seniors to pay the full cost of their prescription drugs if their yearly drug expenses are more than \$2,850 for the year. As a result, more than 192,572 New Jersey seniors reaching the prescription drug “donut hole” would pay an average of \$941 more in prescription drug costs in 2015 and approximately \$11,918 more between now and 2022 than under current law. [Kaiser Family Foundation, [10/10/13](#); CMS, [2/17/13](#); HHS, [9/17/12](#); HHS, [3/21/14](#)]

1,080,217 New Jersey seniors would be forced to pay for preventive health services. By repealing health reform, the Republican plan will require that the 1,080,217 New Jersey seniors who utilized free preventive services currently covered by Medicare in 2013, be required to pay deductibles, co-insurance, and copayments for certain services, including cancer screenings and annual wellness visits. [HHS, [3/21/14](#); CMS, [2/17/13](#)]

Republican budget slashes \$13.55 billion in health care for New Jersey seniors, reducing access to nursing home care. The Republican budget slashes \$13.55 billion in nursing home care and other health care services for seniors and the disabled. More than 290,595 New Jersey seniors and disabled currently rely on Medicaid for their long-term care needs. The draconian cuts included in the Republican budget could have a devastating impact on the 362 certified nursing homes in New Jersey that serve 45,443 seniors and disabled, with more than half relying on Medicaid as their primary payer. As a result, nursing homes would be forced to slash services, turn away seniors, or close their doors. [House Budget Resolution, [4/1/14](#); CBO, [3/20/12](#); Kaiser Family Foundation, accessed [4/1/14](#)]