



REPUBLICAN BUDGET WILL END MEDICARE AS WE KNOW IT AND FORCE CALIFORNIA SENIORS TO PAY MORE FOR HEALTH CARE



Instead of strengthening Medicare, the new Republican budget would end Medicare as we know it, turning guaranteed benefits into a voucher that will shift higher costs to seniors over time. It would shower the wealthiest few Americans with an average tax cut of at least \$150,000, and pay for it by slashing Medicare and taking away the health benefits seniors enjoy as a result of health reform. The consequences for California seniors would be devastating. Democrats are committed to protecting Medicare benefits for all, and ensuring stable, affordable and secure health care for seniors.

5,252,371 Californian Seniors Would Be Forced Onto Vouchers When They Retire. Starting in 2023, all California seniors will receive a voucher to purchase either private insurance or traditional Medicare. There are more than 5,252,371 near-elderly Californians who are now ages 47-56 who, instead of getting Medicare as we know it when they retire, would only get a voucher to purchase their insurance. Private insurance plans will aggressively pursue the healthiest, least expensive enrollees, thereby allowing Medicare – currently the lifeline for 4,806,469 California seniors – to “wither on the vine.” [CBPP 3/20/12, Census, accessed on 3/20/12; CBPP 12/21/11; KFF, accessed on 3/21/12; NCPSSM, 3/20/12]

For California Seniors, Republican Budget Will Increase Out of Pocket Costs By As Much As \$5,900 Per Senior. The Republican budget would cap these vouchers for individuals at growth levels that are lower than the existing increases in health care costs. In other words, seniors could be forced to pay higher premiums in order to access the same benefits they would receive under the current system. According to the nonpartisan Congressional Budget Office (CBO), the plan could increase out of pocket costs by \$5,900 and lead to diminished access to quality care. [CBO, 3/20/12; CBPP, 12/21/11; CAP, 3/20/12]

Republican Budget Will Force 464,778 California Seniors Back Into the Prescription Drug “Donut Hole.” The Republican budget would “re-open” the prescription drug donut hole and cost the average senior who falls into the donut hole approximately \$11,794 between 2012 and 2020. The “donut hole” forces seniors to pay the full cost of their prescription drugs after their yearly drug expenses exceed \$2,840, and full coverage doesn’t resume until total drug spending hits \$6,447 for the year. Since health reform was signed into law, 464,778 California seniors saved \$270,135,870.03 on prescription drugs. [HHS, 3/19/12; State level data compiled by HHS, 3/20/12]

3,388,535 Californian Seniors To Pay More For Preventive Services This Year. The Republican budget will require that seniors pay deductibles, co-insurance, and copayments for many preventive services currently covered by Medicare; including cancer screenings such as mammograms and colonoscopies as well as annual wellness visits. As a result, fewer seniors will access these preventive services, thereby dramatically increasing Medicare spending in the long-term. [CMS, 2/15/12]

