

WHAT SENIORS NEED TO KNOW ABOUT THE REPUBLICAN PLAN TO END MEDICARE AS WE KNOW IT

- This week, House Republicans are passing their GOP budget, which includes the exact same GOP plan to end the Medicare guarantee they included in their budget last year. **The GOP plan ends Medicare as we know it by replacing its guaranteed benefits with a privatized voucher program** for all those currently under age 55. **Under the plan, rather than having guaranteed coverage of benefits, all seniors would receive a voucher** and would need to use that voucher to purchase private insurance or, supposedly, traditional Medicare.
- As the AARP has pointed out, **“Chairman Paul Ryan’s proposed budget fails to address the high costs of health care and instead shifts costs onto seniors and future retirees. Removing the Medicare guarantee of affordable health coverage seniors have contributed to through a lifetime of hard work is not the answer.”**
- **Under the GOP plan, the voucher would grow more slowly than health care costs, leaving seniors to pay more.** Over time, seniors would be forced to pay thousands of dollars more per year for their health care. **According to a report by the Center for American Progress, the first seniors hit by these changes could have to pay up to \$59,500 more during retirement for their health care.**
- **Over time, traditional Medicare would not be a viable option for many seniors, under the GOP plan.** As the AARP pointed out last year on the identical GOP plan, “The premium support proposal described in the proposal ... would likely ‘price out’ traditional Medicare as a viable option, thus rendering the choice of traditional Medicare as a false promise.”
- **The GOP plan creates a death spiral for traditional Medicare.** As the Center for Medicare Advocacy explains, **“the traditional Medicare program would be left with an ever dwindling pool of beneficiaries... In time, Medicare will ‘wither on the vine,’ as those who oppose the program have long intended.”**
- In addition, for current Medicare beneficiaries, the GOP plan immediately increases their costs by repealing certain new benefits – 1) re-opening the prescription drug donut hole, **increasing the drug costs of seniors by up to \$44 billion through 2020;** and 2) repealing the free preventive services benefit in Medicare, **increasing seniors’ out-of-pocket costs for preventive care by over \$110 million in 2012 alone.**
- Finally, **the GOP plan phases in an increase in the age** at which seniors are eligible for the new voucher program that replaces Medicare **from 65 to 67**, beginning in 2024.