



*The Ryan Republican Budget
(House Concurrent Resolution 34)*
U.S. House of Representatives
June 2011

Ends Medicare as we know it!

- **Privatizes Medicare and turns care over to insurance companies.** Currently, Medicare pays for **all** medically necessary health care without limits. Under the Ryan budget, current workers under 55 must choose a private insurance plan when they go on Medicare. Traditional Medicare will end.
- **Drastically increases out-of-pocket payments.** The Ryan budget would **not** be indexed for medical inflation. According to the Congressional Budget Office, by 2030 the Medicare vouchers would be about \$9,750 a year while annual medical costs would be about \$30,460, leaving seniors with an average \$20,700 to pay out-of-pocket.
- **Eliminates many Medicare benefits, repeals health reform.** The Ryan budget repeals the Affordable Care Act; thus, all the benefits for seniors in the law will be terminated, including provisions that require **no** co-payments for preventive services, free annual visits and closing the doughnut hole.
- **Promotes rationing by private insurance companies.** With rising health care costs and limited funding, insurers will have every incentive and motive to deny care.

Guts Medicaid by Slashing \$1.4 Trillion from the Program

- **Endangers long term care services for seniors and the disabled.** Medicaid pays about 62% of all long term care spending in the U.S. Seniors make up 57% of the individuals receiving nursing home coverage and home care under Medicaid. By cutting one-third of Medicaid's funding, it will be difficult for states to continue to adequately fund these benefits.
- **Jeopardizes eligibility under Medicaid.** By block granting Medicaid, which means states will receive a limited amount of money, states will be hard pressed to provide needed benefits; thus, states will most likely change eligibility or increase cost sharing for individuals.
- **Jeopardizes low-income assistance for seniors.** Currently, Medicaid pays the monthly Medicare Part B premiums for low-income Medicare beneficiaries. Under a block grant proposal there is no guarantee this coverage will continue.



The Ryan Republican Budget

Roadmap to Eliminate Social Security

- **Forces Rapid Cuts Social Security through fast-track procedure.** The Ryan Republican plan would expose Social Security to a fast-track process, posing devastating cuts to the program and its 53 million beneficiaries. The Budget Act of 1974 forbids Social Security from being cut through fast-tracking, an up-or-down vote process that leaves no room for debate, amendments or input from the American public. The Ryan Republican budget attempts to go around this safeguard by creating a new fast-track “expedited process” that would trigger “statutory reforms” just for Social Security in any year that the program is not in 75-year balance. Social Security serves and protects millions of Americans so any changes to Social Security should be given thorough review and full debate.
- **Robbs the Middle Class of Retirement Security by cutting benefits & raising the retirement age.** The Ryan Republican Budget endorses cutting future Social Security benefits for every worker earning more than \$27,000 a year and increasing the retirement age, two ideas of the Bowles Simpson plan. These cuts are aimed at middle class workers, who are already struggling to save for retirement. Consider that the average 30-year-old man today makes \$3,000 less (inflation adjusted) than his father made in 1973. The Ryan Republican budget and its cuts to Social Security would make retirement security even more difficult to reach for today’s middle class workers.

Left unchecked, the Ryan Republican budget immediately threatens the ability of the government to keep its promise to Social Security beneficiaries. It is unconscionable for elected leaders to describe Social Security as being immediately threatened by “out-of-control-costs” when really the Social Security Trust Fund has \$2.6 trillion surplus. Elected leaders must not scare our country into thinking that Social Security must be cut in the name of “fiscal responsibility” when Social Security does not contribute a dime to the deficit. Current retirees and future generations deserve better than for their promise to be broken and for this basic level of economic security to be intentionally devastated in a game of dirty politics.

Does Not Seriously Address Deficit

The \$4.3 trillion in program cuts are offset by \$4.2 trillion in tax cuts for the rich, leaving just \$155 billion in deficit reduction.

House Concurrent Resolution 34 passed the House on April 15 by a vote of 235 to 193; it was brought up in the Senate on May 25, but failed by a vote of 40 to 57.

