Attacks on Medicaid and Medicare: What it Means for Seniors

For more than half a century, Medicare and Medicaid have provided millions of Americans with the peace of mind that comes from being able to see a doctor and take care of their health. These government health insurance plans, along with the Affordable Care Act (ACA), affirm that health care is not just for the privileged few but something we all deserve. In addition to trying to repeal the ACA and strip away health coverage from 22 million people, the Trump administration and Republicans in Congress have repeatedly attempted to undermine the ACA and end both Medicare and Medicaid as we know these programs. This fact sheet highlights the threats to these programs that will continue to emerge as Trump and Republicans in Congress promote ACA repeal and offer budgets that underfund social safety net programs that are critical to our nation’s seniors.

Ending Medicare’s Guarantee of Benefits and Raising Costs for Seniors.

Republican members of the House and Senate passed a budget resolution that calls for a $473 billion cut to Medicare funding over a decade. Republicans would also replace Medicare’s guarantee of health coverage. The GOP plans would allow future retirees to get a flat payment, or voucher, that beneficiaries would use to purchase either private health insurance or traditional Medicare. The voucher is designed to lose value over time so that more and more of the cost of coverage (premiums and cost sharing) would be shifted to beneficiaries. Traditional Medicare would be an option in theory, but in practice it would wither away. Private plans would “cherry pick” the healthy. Sick and frail seniors remaining in traditional Medicare would see their costs rise steeply. Because the median income of Medicare households is about $26,000 a year, and the average out-of-pocket spending on health expenses already consumes over two-fifths of average per capita Social Security income, many retirees would find coverage to be increasingly unaffordable.

Increasing the Eligibility Age for Medicare.

The GOP budget resolution calls for increasing the age at which Medicare coverage becomes available from age 65 to 67. This will increase costs on older Americans and employers.

Ending Medicaid as We Know It.

More than 68 million individuals depend on Medicaid. Medicaid helps 4.6 million seniors, some with very low incomes, cover Medicare’s premiums and cost-sharing. It is Medicaid -- not Medicare -- that pays for long-term care services and supports (including nursing homes). In fact, Medicaid pays for approximately two-thirds of all long-term care services and supports. It is a driving force in providing community-based care that helps people age in their own homes and stay engaged in their communities. Medicaid is jointly financed by the federal and state governments.

Despite the fact that so many seniors rely on Medicaid, Trump and Republicans have sought repeatedly to slash funding for Medicaid in ways that would drastically damage the program. Donald Trump’s budget proposal alone called for $610 billion in cuts to Medicaid benefits. This would be in addition to health care repeal proposals from Republicans in Congress that would cut Medicaid even more. Their partisan legislation included provisions that would have slashed Medicaid spending by hundreds of billions of dollars, imposed per capita caps, and encouraged states to limit eligibility for expensive long-term care patients, including those who are elderly.

The DNC Seniors Council will continue to fight to protect and preserve Medicaid and Medicare.