

WHAT TRUMP MEANS FOR MEDICARE

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THE TRUMP-GOP PLAN TO WEAKEN MEDICARE

On the campaign trail Donald Trump promised he wouldn't touch Medicare. But his plan to dismantle the Affordable Care Act and the nomination of Congressman Tom Price for Health and Human Services Secretary signal deep changes to come. **House Speaker Paul Ryan and his Republican caucus want to transform Medicare as we know it by turning it into a voucher program.**

Americans across the political spectrum [value Medicare](#), a federal health insurance program for people over age 65 and people with disabilities. It is an earned benefit - people pay into Medicare throughout their working lives with the promise that they will receive Medicare when they need it.

Today, Medicare guarantees health security to 57 million older adults, people with disabilities, and their families. People with Medicare use three times more health care services than others and, without Medicare, would be the least able to afford their care. In fact, in 2014 half of them had incomes below \$24,150; while less than 1% had incomes over \$250,000.

DISADVANTAGES OF PRIVATE "MEDICARE"

People with Medicare have long had an option to get private health insurance through the Medicare Advantage program. [More people still opt](#) for traditional Medicare because it gives them access to the doctors and hospitals they want and need. In contrast, private Medicare plans limit people's access to doctors and hospitals. Traditional Medicare has also done a better job of [reining in costs](#) than Medicare Advantage plans. The Trump-GOP plan would eliminate Medicare's 50-year guarantee of good affordable coverage.

THE RYAN PLAN FOR MEDICARE

In Congress, Paul Ryan and Tom Price [have introduced bills to cap Medicare spending and ultimately privatize Medicare](#). Rather than guarantee people benefits, they would give them vouchers to pay for part of their health care costs. Republicans call this "premium support." Congress could limit the dollar amount of the vouchers from one year to the next, and people with Medicare would have to pay out-of-pocket for costs not covered by the vouchers.

WHAT EXPERTS SAY:

"Health and Human Services Secretary designate Doctor Price has already set out a plan that would further undermine the social insurance principles of Medicare. It is an undisguised effort to celebrate vouchers for traditional Medicare on the one hand and, on the other, make market models of private insurance purchase the norm. Both are what Medicare was meant to replace at its birth in 1965."

– Professor Ted Marmor
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"Speaker Ryan's plan to replace Medicare with vouchers plays a cruel trick on Americans hoping that Trump will bring them prosperity. Jobs in the healthcare field may be cut as seniors can no longer afford medical care. Indeed, healthcare has been one of the few growing sectors in rustbelt employment over the past two decades."

– Professor Margaret Weir
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"The more individuals are asked to pay for Medicare, the more Congress positions Medicare as a welfare program. This erodes support for Medicare as by restricting eligibility and reducing benefits which are already insufficient in the absence of dental and long term care coverages."

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"For more than 50 years, Medicare has delivered on its promise to treat older adults and people with disabilities equitably, regardless of health status or income. The Republicans' plan is destined to undermine Medicare's guarantee of health security and to leave millions of people with complex and costly conditions without access to needed care."

– Diane Archer, JustCare
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Vouchers are unlikely to keep up with the costs of healthcare inflation. So, over time, older adults and people with disabilities would have to pay more for their healthcare than they would if Medicare remains as it is today. As the purchasing power of the vouchers decreases, more people would have to switch out of traditional Medicare into lower-cost private plans, where they are limited to a narrow network, can't see their doctors, and will be forced to pay more out-of-pocket for needed health care.

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Republicans also want to:

- Increase premiums further for middle-class and wealthier people with Medicare.
- Raise the age of Medicare eligibility from 65 to 67.
- Repeal Obamacare, which added 12 years to the solvency of the Medicare Trust Fund. Obamacare also ensures that Medicare covers preventive care in full and people pay lower prescription drug prices.

REPEALING THE AFFORDABLE CARE ACT AND PRIVATIZING MEDICARE WOULD CUT BENEFITS

The Trump-GOP plan to weaken Medicare will drive up costs for older adults and increase the number of people over 65 without coverage or with inadequate coverage, keeping them from getting needed care.

For workers, Republicans want to change the rules mid-game. Millions of Americans have paid into Medicare in good faith that the government would uphold its end of the bargain. Many of them haven't saved – or can't save – the money needed to afford health care if Republicans renege on this promise.

- **The cost of health care will go up.** People with Medicare will pay more for their health care or be forced to forego needed care. A Medicare voucher program would inevitably mean that health care costs will go up more quickly, as private insurers are less able to control costs than Medicare. In the 10 years between 2014 and 2024, Medicare spending per person is projected to rise more slowly than under private insurance-- 0.7% v. 1.3% per year above projected growth in GDP per capita. Private insurers will need to either raise premiums and copays and/or cut benefits. People using vouchers would be on their own to cover these higher costs.
- **The fiscal solvency of Medicare will be in jeopardy.** Contrary to popular belief, Medicare is not going broke. In fact, it is on solid financial footing at least until 2028. Repealing Obamacare would seriously threaten the [fiscal solvency of Medicare](#). Conversely, the Republican proposal to raise the age of Medicare eligibility from [65 to 67 would not produce significant savings](#) and would [increase the number of uninsured](#).
- **Jobs will be lost.** The current Medicare system represents a [critical source of jobs in economically distressed areas](#). Jobs in local hospitals, clinics, and medical offices that have been supported by Medicare dollars will be cut as insurance companies maximize profits and seniors can no longer afford health insurance.