



# Republican Study Committee's Budget Proposal "Fiscal Sanity to Save America" Decimates Social Security and Medicare

## The Importance of Social Security and Medicare

For decades Social Security has delivered guaranteed, lifetime benefits on time and without interruption to generations of Americans. Beneficiaries earn their Social Security by contributing to the system with every paycheck. Over 67 million older Americans, people with disabilities, and family members of deceased workers - one out of every five households - rely on Social Security.

Directly connected to Social Security is Medicare, the nation's largest and most successful health insurance system, which serves the health needs of over 58 million older Americans and just under 8 million beneficiaries with disabilities. Since 1965, Medicare has been the most financially efficient healthcare system in the U.S., delivering guaranteed coverage to millions who would otherwise have to forego health insurance later in life. Like Social Security, Medicare benefits are earned over a lifetime of work and are an essential component of a secure retirement.

## The Alliance Position:

We strongly believe that to continue to provide retirement security for current and future generations, Congress needs to strengthen and expand Social Security and Medicare benefits rather than reduce them. The Alliance rejects this budget and approach and believes that any changes to Social Security and Medicare must start with the premise that the benefits the American people have earned are a sacred promise between workers and the government. They must be kept intact, strengthened, and expanded for future generations by ensuring all Americans pay their fair share.

## The Republican Study Committee Plan to Destroy Social Security and Medicare

The Republican Study Committee (RSC), a House Caucus consisting of 175 members out of a total Republican House Caucus of 217 members (80%), including every member of House Republican leadership, proposed a budget that would cut mandatory programs by \$6 trillion over ten years, focusing on cuts to programs that assist those most in need. Their budget calls for cuts to future Social Security retirement benefits and spending reductions in Social Security and Medicare. In addition to the proposed 31% cuts to non-defense discretionary spending, the RSC budget would force devastating cuts to numerous social services and programs that older Americans rely on.

## The RSC budget and Social Security:

- \$1.5 trillion in benefit retirement and disability benefit cuts for millions of Americans;
- Increases the full retirement age to 69;
- Forces those applying for Social Security disability benefits to wait at least two months longer for a decision;
- Closes Social Security Administration (SSA) field offices and reduces the number of hours remaining offices are open, dramatically increasing the amount of time Americans must wait for assistance

## The RSC budget and Medicare:

- Ends Medicare's guaranteed health care benefits and replaces them with a payment toward the cost of private insurance called "premium support" that may not be enough to cover the cost;
- Raises prescription drug prices for Medicare beneficiaries by removing Medicare's authority to negotiate prescription drug costs, allowing drug companies to raise prices without consequences;
- Repeals the \$35 per month insulin cap for Medicare beneficiaries;
- Repeals the \$2,000 out-of-pocket yearly cap on prescription drug costs for Medicare beneficiaries.
- Will increase premiums for many beneficiaries by changing the way subsidies are calculated;
- Longer wait times for Medicare beneficiaries who contact the Medicare call center for assistance.