



Threats to Retirees in Republican Budget Law

On Friday, July 4, President Trump signed the Republican Budget Reconciliation bill into law. The bill, which was passed along party lines, makes the largest cuts to health care and taxes in United States history, while adding at least [\\$3.3 trillion to the nation's deficit](#).

Alliance Position

The Alliance for Retired Americans strongly condemns this legislation because of its harmful effects on older Americans, including cutting nearly half a trillion dollars from Medicare and just under a trillion dollars in Medicaid to pay for tax breaks for corporations and wealthy Americans.

Many provisions of the law harm older Americans, including:

Cuts Medicaid

The budget cuts \$930 billion in federal Medicaid funding cuts over 10 years. Medicaid is particularly important to seniors, serving some of the most vulnerable Americans.

More than 860,000 older Americans rely on Medicaid to pay for [nursing home](#) care, and an additional 5.6 million seniors received Medicaid-funded home care services and supports. Low-income seniors with Medicare also rely on Medicaid to help pay for prescription drugs and other medical care.

The budget cuts are expected to cause [11.8 million children and working-age adults](#) to lose Medicaid by 2034. The law also allows the Affordable Care Act's premium tax credits to expire, making insurance unaffordable for [4.2 million](#) Americans and includes other changes that will affect [nearly one million others](#). The total number of Americans who will lose their health coverage is nearly [17 million](#).

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Hospital and Nursing Home Closures

The Medicaid cuts will harm hospitals and nursing homes, particularly in rural communities where a large percentage of the population has relied on Medicaid for insurance. More than [300 rural hospitals](#) and [one in four nursing homes](#) are at risk of closure leaving patients and families with less access to care.

Harms Social Security and Medicare Trust Funds

Lower tax revenue means that Social Security and Medicare's Trust Funds will [lose one year of solvency](#), from 2033 to 2032.

Slashes Food Assistance

The budget cuts [\\$186 billion](#) from the Supplemental Nutrition Assistance Program (SNAP) by imposing new barriers to seniors and families receiving [food assistance](#) and pushing costs onto states. 6.5 million seniors are at risk of losing food benefits.

Locks in High Prescription Drug Prices

The law creates a [new "orphan drug" loophole](#) that will prevent Medicare from negotiating lower prices for some high-cost prescription drugs and protect drug corporations' monopoly pricing power.