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BAUCUS VOWS TO FIGHT HOUSE BUDGET PLAN TO DISMANTLE MEDICARE

Finance Chair: The House Budget Plan Is Unfair to Seniors and the Middle Class

Washington, DC – With the House expected to pass its Budget Committee’s plan this week, Senate Finance Committee Chairman Max Baucus (D-Mont.) vowed today to fight it in the Senate, calling it an unfair plan to end Medicare’s guaranteed benefits, undermine our health programs and give unbalanced tax breaks to the wealthiest Americans at the expense of seniors and the middle class. The plan, authored by House Budget Committee Chairman Paul Ryan (R-Wisc.), would essentially dismantle Medicare as we know it and end the promise to provide affordable, dependable health care to seniors. The proposal would force many seniors to pay an additional quarter of their annual income for the same benefits they are guaranteed under today’s Medicare. And the Ryan plan would give disproportionate tax breaks to the wealthiest Americans and ask seniors and the middle class to pay for them.

“The House budget plan would dismantle Medicare, leaving seniors and their health care at the mercy of private insurance companies. It’s the wrong plan for seniors and the country,” Baucus said. **“This plan would let private insurance companies tell seniors what care they can and can’t get, and that’s just not right. Seniors deserve the guaranteed benefits that Medicare protects. Forcing seniors to pay more for less won’t help improve our health care system. We will not allow this plan to move forward.”**

Under the Ryan budget plan, the Medicare program would be fractured, creating an uneven playing field for seniors and stacking the deck against seniors with preexisting conditions such as diabetes and high-blood pressure. By pitting traditional Medicare against private plans that don’t have to play by the same rules, many seniors would face higher premiums and out-of-pocket costs. And the Ryan plan does not include a minimum requirement for benefits in private plans offered to seniors, meaning it would empower insurance companies to pick and choose what services they offer, ending Medicare’s promise of dependable, guaranteed benefits. And by fracturing Medicare, the Ryan plan would seriously undermine Medicare’s purchasing power, which helps contain costs throughout the healthcare system. It would also slash spending in Medicaid and other health programs, endangering coverage for those beneficiaries and children. It would also mean millions more uninsured individuals and families compared to the widespread coverage the Affordable Care Act delivers.

Meanwhile, the Ryan plan’s changes to the tax code would cost trillions of dollars in revenue through a tax cut that would disproportionately benefit the upper-income tax brackets. The plan would change the current marginal rate system to one with only two rates, slashing millionaires’ marginal tax rates by more than a third starting next year. Ryan’s plan says it would offset part of the trillions in lost revenues by cutting tax expenditures, but it includes no details about which tax expenditures it would cut. To reach those rates, the overwhelming majority of tax exemptions – like the mortgage interest tax deduction, the charitable contribution deduction, the child tax credit, and the college tuition tax credit – would likely have to be repealed. This means the Ryan plan could effectively raise taxes on millions of working families across the country. The Ryan plan also goes back on spending levels already agreed to by House Republicans.

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