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Statement by Medicare Rights Center President Joe Baker on President Obama's FY2014 Budget

New York, NY—The budget released today by President Obama aims for a laudable goal—compromise that includes a mix of revenue and targeted spending cuts to reduce the nation's deficit and restore economic prosperity. Yet, some of the Medicare-related proposals in this budget proposal demonstrate a lack of awareness of the widespread economic insecurity experienced by older adults and people with disabilities.

Among the worthwhile budget options offered to sustain Medicare, the President's budget seeks to eliminate wasteful spending and build on the efficiencies made possible by the Affordable Care Act. Allowing Medicare to secure lower drug prices on pharmaceutical drugs through the restoration of drug rebates helps to ensure that Medicare is getting the best price for prescription drugs—even if just for people with low incomes. In addition, the President's budget seeks to improve payment accuracy for Medicare Advantage plans and accelerates closure of the Medicare Part D prescription coverage gap (or doughnut hole) through savings secured from drug manufacturer discounts.

Still, the President's budget includes an array of proposals that would shift costs to people with Medicare, especially those beneficiaries least able to bear the expense, the 25 million older adults and people with disabilities—half of the Medicare population—living on annual incomes of \$22,500 or less. Proposals that would hike premiums on middle-income beneficiaries, increase deductibles and co-pays, and tax Medigap plans that ensure financial security must be rejected. Additionally, proposals to revisit cost-sharing on prescription drugs for vulnerable and low-income Medicare beneficiaries must be pursued with extreme caution.

Coupled with the President's proposed cuts to Social Security cost of living adjustments, proposals to increase health care costs for people with Medicare erode the economic and health security of today's Medicare beneficiaries and future generations. The compromise sought by the President may be a worthwhile end, but as laid out in this budget, it would come at too great an expense for older adults and people with disabilities.

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Medicare Rights Center is a national, nonprofit consumer service organization that works to ensure access to affordable health care for older adults and people with disabilities through counseling and advocacy, educational programs, and public policy initiatives.

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