

BAUCUS SAYS RYAN PLAN WOULD DISMANTLE MEDICARE, GIVE UNBALANCED TAX BREAKS TO MILLIONAIRES AT EXPENSE OF SENIORS, MIDDLE CLASS

Finance Chair: We Must Keep our Promise to Provide Affordable, Dependable Health Care for Seniors

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) slammed a budget proposal released today by House Budget Committee Chairman Paul Ryan (R-Wisc.) as 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 proposal would essentially abolish Medicare as we know it and end the American promise to provide affordable, dependable health care to seniors. The Ryan plan 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.

“I won’t let us break our promise to America’s seniors. The Ryan plan would dismantle Medicare and would end our fundamental promise to America’s seniors to provide reliable, guaranteed, affordable health care. Seniors would face serious cuts to critical health care services, benefits would decrease and costs would soar. The plan does nothing to lower costs; it only shifts costs onto the backs of seniors,” Baucus said. **“We need to find ways to reduce our deficit, but seniors and the middle class cannot – and will not – shoulder the entire burden. Undermining working families and the middle class the way this plan would will not help our economy grow and create jobs.”**

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 that 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' 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 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. Independent data suggests that not even eliminating every single tax expenditure for the wealthy would offset the cost of slashing millionaires' rates to the Ryan plan's unprecedented low levels. 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.

Baucus said today that he supports balancing the Federal budget, but not solely on the backs of seniors and the middle class. Last year, Baucus led the Senate to defeat a similar proposal from Chairman Ryan that would've privatized the Medicare program. Baucus was a principal architect of the Affordable Care Act, which created new benefits for seniors in Medicare. The health reform law also made Medicare more fiscally sustainable by extending the fiscal solvency of the program by an additional twelve years.

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