

ALLIANCE FOR RETIRED AMERICANS

815 16th Street, NW, 4th Floor ♦ Washington, D.C. 20006 ♦ (202) 637-5399 ♦ www.retiredamericans.org

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Contact: Marcie Kohenak (202) 637-5178
mkohenak@retiredamericans.org

\$178 Billion in Medicare Cuts Targets America's Most Vulnerable

Alliance for Retired Americans Says President Bush's Budget Sacrifices Seniors' Health Care for Drug Company Profits

The following statement was issued today by George J. Kourpias, President of the Alliance for Retired Americans, in response to President Bush's final budget proposal.

The \$178 billion in Medicare cuts proposed today by President Bush targets the most vulnerable – seniors who need Medicare to afford to see a doctor – in favor of sustaining the record profits enjoyed by big drug and insurance companies. Only in Washington could this be the work of a “compassionate conservative.”

At the same time as these proposed cuts, the Bush administration continues to stand by its subsidies to large insurance companies – estimated to be \$150 billion over the next ten years – to operate privatized Medicare Advantage plans at a cost between 12 and 19 percent higher than allowing Medicare to directly serve these same people. This siphons away badly-needed money from the Medicare Trust Fund.

As retirees struggle to afford their prescription drugs, the White House is threatening to veto bipartisan legislation to finally end the pharmaceutical industry's sweetheart deal prohibiting Medicare from negotiating bulk discounts from drug manufacturers. Seniors are savvy consumers, and we understand that you pay less when you buy in bulk.

President Bush's final budget proposal continues his legacy of sacrificing older Americans' health care needs for the profits of large corporations. Grassroots activists with the Alliance for Retired Americans will mobilize to stop these cold-hearted cuts to Medicare.

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