

# ALLIANCE FOR RETIRED AMERICANS

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## **Bush Budget Harms Seniors**

### ***Alliance for Retired Americans Says Medicare Cuts, Means-Testing Are Especially Damaging***

*The following statement was issued today by Judy Cato, Executive Vice President of the Alliance for Retired Americans, regarding President Bush's budget.*

Thank you all for coming today, and thank you to Senators Conrad, Stabenow, and Menendez for bringing attention to the negative impact President Bush's budget is having on all Americans.

My name is Judy Cato, and I am Executive Vice President of the Alliance for Retired Americans.

I am from White Plains, Maryland, and for several decades I managed a high-rise senior citizens living complex in Suitland, Maryland.

For those of you who are unfamiliar with my organization, the Alliance brings together over 3.5 million retirees from labor and community-based groups through a grassroots movement to improve the health care and economic security of older Americans.

The President's cuts to Medicare and Medicaid will compound the problems facing seniors and millions of other Americans struggling to deal with rising health care costs.

For starters, the President's Medicare budget includes cuts of \$556 billion over ten years, as well as an expansion of means-testing.

President Bush wants to means-test the Part D prescription drug program the same way that Part B is means-tested.

Means testing undermines the social insurance nature of the Medicare program, raising costs for seniors who are dependent on it.

Over time, that would lead to more middle-class seniors like myself paying higher premiums.

The President's Medicare budget reflects the wrong priorities. He wants to drain the Medicare Trust Fund at the expense of seniors, while continuing to offer insurance companies subsidies through the Medicare Advantage program.

The most effective way for Medicare to save money is to allow the government to negotiate lower drug prices with the pharmaceutical companies.

At the same time, President Bush's budget cuts back the flexibility that states have to deal with programs like Medicaid.

Under his proposal, states would not have the option to raise the amount of home equity that can be counted against an individual's eligibility for long term care under Medicaid.

The President's budget also inadequately funds health research conducted by the National Institutes of Health (NIH).

Without needed research funding now, we will see delays in promising treatments and cures for diseases like Alzheimer's and Parkinson's.

If that's not scary enough, the President wants to replace all or part of Social Security's guaranteed benefits with the risky, unreliable returns of private investment accounts.

In addition, the President's budget proposal is \$100 million less than the Social Security Commissioner's budget request.

Social Security should get at least the funding level requested by the Commissioner.

Otherwise, Social Security field offices will be forced to close.

That is exactly what happened earlier this month in Oskaloosa, Iowa.

We must keep local Social Security offices open to offer easy access to seniors who can't travel longer distances or deal with the maze of automatic phone calls.

The Section 202 Supportive Housing for the Elderly program has been severely under-funded as well.

President Bush's figure is at least \$1.1 billion less than the amount needed to pay for upcoming contract renewals.

And finally, LIHEAP, the low-income home heating assistance program, continues to be funded at approximately half of its authorized funding level.

We all know how dangerous excessive heat and cold can be to seniors.

Thank you, everyone, for doing your part to increase public awareness of these issues.

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