

# AFSCME

## Retirees Bulletin

### Medicare and Medicaid: Giving America Peace of Mind

For more than half a century, the guaranteed health care coverage through Medicare and Medicaid has helped millions of Americans visit a doctor and get hospital care. Medicare, Medicaid and the Affordable Care Act (ACA) together provide millions of families with the peace of mind that comes with knowing you have health coverage. AFSCME fights to defend and improve these programs because health care is a right, not a privilege. Our fight to secure your access to affordable, comprehensive, quality care for everyone is our highest priority.

#### Five things you need to know about Medicare

- It's a success story. Before Medicare, about half of America's older adults had no health insurance and one-third lived in poverty. Now, nearly all older people have coverage and about 14 percent live below poverty.
- Medicare is organized into four parts. Part A covers mostly inpatient hospital stays. Part B covers physician services, preventative services, durable medical equipment, and ambulance services. Part C is called Medicare Advantage. It is a private plan that supplants traditional Medicare. Part D provides prescription drug coverage.
- Most Medicare beneficiaries have modest incomes. High prescription drug prices take a bigger bite out of their income. In the past five years, the prices for the 20 most commonly prescribed brand-name drugs for seniors rose nearly 10 times more than the annual rate of inflation. Bringing drug prices down will help seniors.
- The big tax cuts for CEOs created huge deficits. The huge deficits are used to justify big cuts to Medicare benefits and other important programs. The House GOP leadership's budget cuts least \$2.1 trillion from Medicare, Medicaid and other health programs over 10 years. It would end Medicare as we know it.
- Repealing the ACA or allowing insurance CEOs to once again discriminate against individuals with pre-existing conditions will harm the financial security of Medicare because people will not get the health care they need before they enroll in Medicare. When they do enroll in Medicare they may have more untreated and costly medical conditions.



## **Five things you need to know about Medicaid**

- Medicaid covers one in five low-income Americans, including many with complex and costly needs.
- Medicaid helps one in five Medicare beneficiaries, with their Medicare premiums and cost-sharing. Medicaid provides many of them with benefits not covered by Medicare, like long-term services. Changing Medicaid to a block grant would hurt those seniors.
- Medicaid is the single largest payer in the United States for behavioral health services, including mental health and substance use treatment. Cuts to Medicaid would leave states to foot the total costs of addressing the opioid crisis.
- Medicaid is vital to state budgets and local economies. Federal Medicaid matching funds are the largest source of federal revenue in state budgets. Medicaid funding is a significant economic driver for hospitals, physicians and jobs in the health care sector.
- The guarantee of Medicaid federal matching funds on an open-ended basis provides states with support when unemployment is high, and coverage needs to grow.

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