



For more information:
Ruth Ehresman
314-504-3616, or
Traci Gleason, Director of Communications & Public Engagement, 816-872-8133

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House Budget Plan Would Take Insurance Away from Missouri Seniors, People with Disabilities, and Children

Plan Would Push Costs onto Health Care Providers, Hurt the Economy, & Leave Many Missourians Hurting

House Republicans today announced a draconian budget plan that would eventually replace comprehensive Medicare benefits with inadequate vouchers. It would also dramatically slash Medicaid, leaving millions more seniors without nursing home care, people with disabilities without the help they need to live independently, and children without health coverage. In the end, millions more people will be without health insurance or unable to afford the medical care that they need.

“Balancing the budget – and reducing the deficit- requires making choices about priorities. But the priorities of this plan are all wrong,” said Ruth Ehresman, director of health and budget policy for the Missouri Budget Project. “How can we say on the one hand that we can’t afford to make sure seniors, people with disabilities, and children get the health care they need, and on the other hand, give millionaires another \$125,000 tax cut every year?”

Privatization of Medicare Would Leave Missouri’s Seniors Shouldering Heavy Costs

Starting in 2021, the House budget proposal would entirely eliminate traditional Medicare for those who become newly eligible and replace it with a voucher program. Instead of receiving guaranteed coverage for hospital and medical care, seniors would get a voucher to use to buy private insurance. However, the voucher amount would shrink over time compared to health care costs. For large numbers of seniors, the voucher would be too small to buy adequate coverage and many would find they couldn’t afford coverage at all and end up uninsured.

“Missourians are counting on Medicare to help them stay healthy after they retire, and to get treatment when they are sick,” said Ehresman. “Many seniors live on a fixed-monthly income and would be left with a crushing financial burden and, over time, no health insurance at all.”

Drastic Medicaid Cuts Target Missouri’s Seniors, People with Disabilities, Health Providers and Children

The House Republican budget calls for **\$1.4 trillion** in cuts to Medicaid and would turn it into a block grant, which is code for slashing benefits for seniors, people with disabilities and others. The federal government will cut deeply the amount of money it gives to Missouri, and that cut will grow bigger and bigger every year. When the money runs out, Missouri will be on its own.

Missouri, like most states, would likely be forced to drastically cut benefits or cap or cut eligibility for seniors, people with disabilities, children and pregnant women. Benefits for working parents cannot be cut because their eligibility level is already as low as the federal government will allow. Those eligibility cuts were made in 2005, in an effort to balance the budget. As a result of those cuts more than 100,000 Missourians lost their health insurance, and tens of thousands of seniors and individuals with disabilities pay dearly each month for their health care. A block grant would assure more devastating decisions in the future.

Judith Parker with the Missouri Alliance for Retired Americans criticized the impact of Medicaid cuts on seniors. “Block-granting Medicaid will result in fewer state dollars each year and will jeopardize not only the quality of life, but the health and even the lives, of many of our seniors. This is not moral budgeting!”

“Over 23,000 seniors in Missouri have their nursing home costs picked up by Medicaid, and Medicaid covers home health cost for almost 7,000 Missourians,” said Ehresman “Over time, states would be forced to deeply slash eligibility and benefits. As Missouri’s role in providing long-term care declined dramatically, families would face impossible financial and emotional strains in trying to find another way to care for elderly family members in nursing homes or living in the community.”

Block granting Medicaid spells trouble for individuals with disabilities as well. Kirsten Dunham, director of policy and advocacy for Paraquad adds, “Medicaid is the largest funding source for low-income people with disabilities who need personal attendant services to live independently and return to work. Proposals that arbitrarily cut Medicaid would put these services at risk and harm the health and independence of Missourians with disabilities.”

Medicaid is a core part of successful coverage of Missouri’s children as well, providing insurance for almost 470,000 children. It also provides needed care for 177,500 Missourians with disabilities and many pregnant women.

Deep Cuts Would Hurt Health Care Providers and the Economy

The deep cuts in Medicare and Medicaid would hit doctors, hospitals and other health care providers hard. Under a block grant, Missouri would likely deeply reduce Medicaid payments to hospitals, nursing homes, physicians, pharmacies, and managed care plans. These cuts in provider rates would likely cause more plans and providers to withdraw from Medicaid, which would threaten access to critical care and place greater pressure on community health centers and safety-net hospitals.

“Payments to doctors and hospitals could be cut so deeply that many may be forced to close their doors,” said Ehresman. “Thousands of Missourians who work in the health care field could lose their jobs.”

Medicare and Medicaid also play an important role in Missouri’s economy. Medicare and Medicaid spending on hospitals, clinics and other health care providers ripples through local economies, paying the salaries of nurses, doctors, and other vital health care workers, who in turn spend money at local businesses.

Plan Would Undermine Affordable Coverage for Working Families, Move Missouri Backwards

Starting in 2014, millions of people who are not eligible for employer sponsored health insurance will be able to either qualify for Medicaid or get a tax credit to help make their insurance premiums more affordable. The House budget plan would remove the federal funding for tax credits. It would also eliminate the Medicaid expansion, which is expected to provide coverage for almost 308,000 Missourians. As a result, tens of millions more Americans, particularly those with low and moderate incomes, would remain without coverage.

“We’ve made so much progress towards fixing our broken health care system thanks to the Affordable Care Act,” said Amy Smoucha, with Missouri Jobs with Justice. “The last thing we need is to take huge steps backward. Congressman Ryan’s budget proposal is another attack on the middle class. His radical cuts will take health care away from our children and our grandparents. People are waking up to the fact that proposals such as Ryan’s will make us pay more money for our health care so they can give tax breaks to big corporations, and we’re angry about it.”