# MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris J.
RE: Medicare/Medicaid update and materials
cc: Melanne

August 8, 1995

As you no doubt know, Dick Morris (as well as most everyone internally) is absolutely convinced that Medicare is THE defining political/budgetary issue for us. There is a strong belief that Republicans will not be able to pass their budget if we can stick to a strong and sustained Medicare message. (Should this occur, of course, the President's budget negotiating position will be immeasurably strengthened.).

In an effort to provide ammunition for the upcoming Medicare/budget "war," we have prepared -- and are in the process of distributing -- a great deal of materials to Administration officials, Members of Congress, and our friends in the advocacy and provider community. Two weeks ago, we distributed our state by state Medicare/Medicaid cut impact analysis. Yesterday we formally released our Medicare county by county impact analysis.

To help address the Trust Fund issue, we are shopping an Op Ed piece from all the Trustees, which sets the record straight and confirms that the President's Medicare savings proposal strengthens the Trust Fund through October, 2006 -- 11 years. This projection is based on a letter to Bruce Vladeck from the Medicare Actuary, which we just released to the Hill. The New York Times just call to reject our offer; we now hope the Post will carry it on Thursday. (By the way, Jen Klein had the awful task of writing and getting sign-off from three Department Secretaries and a host of White House want-to-be authors.)

We have also prepared an easy to read, easy to use background presentation on Medicare that we are giving to large groups of media so they are not misled by the Republican spin machine. We started conducting intensive briefings, led by Laura Tyson, just this past Friday. The briefings are being well received and will be continued as long as we can get reporters to come.

Attached for your review is a notebook which contains the most recent materials on Medicare. We will be presenting this to the Cabinet tomorrow. Although we will be updating and adding to these materials, our main message must continue to be that this seemingly complicated issue comes down to this: The Congressional Majority is trying to scare older Americans and their families to provide cover for their need to cut $270 billion from Medicare to help pay for their desired and unnecessary $245 billion tax cut. This means older and disabled Americans will be forced to pay $2,800 more ($5,600 for couples) over the next 7 years to pay for their tax cut and their arbitrarily set deficit timetable. The President has shown how you can balance the budget and strengthen the Medicare Trust Fund without bankrupting the very people and families Medicare was created to protect.

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## CONGRESSIONAL MAJORITYS' EXCESSIVE TAX CUTS FORCE MEDICARE BENEFICIARIES AND THEIR FAMILIES TO PICK UP THE TAB

**We Should Not Place Extreme Financial Burdens on Older Americans Just to Finance Tax Cuts for the Wealthiest Americans.** The Republican budget cuts Medicare by $270 billion -- $71 billion in the year 2002 alone. The cuts shift costs to seniors who already spend 21 percent of their income out-of-pocket on health care. Since 75 percent of these beneficiaries have incomes below $25,000, it is hard to see how they can afford to pay more. The fact is that if the Congressional majority wasn't insisting on their $245 billion in tax cuts for wealthy Americans, they wouldn't have to impose these burdens on middle class Americans.

**Their Cuts Are Real:** Republicans will call their proposal an increase, not a cut, since spending will be higher in 2002 than it is today. But, their increases won't come close to matching even the private sector growth rate they say they wish to emulate. As a result, the increases will be too small to keep pace with health inflation, and beneficiaries will either have to pay more, get less, or both.

**BUT Many of Their Cuts Have Nothing To Do With The Trust Fund.** The Part B premium, deductible, and copayment increases the Republicans are considering produce savings, but are not dedicated to the Part A Trust Fund. If they are not being used for the Trust Fund, what are they being used for? Tax Cuts?

**Billions of Dollars Added to Older Americans' Already High Costs:**

- Every beneficiary choosing to stay in the fee-for-service plan would pay at least $2,825 more in premiums and copayments over 7 years; couples would pay at least $5,650.
- The average Medicare recipient of skilled nursing home services will pay at least $1,400 more. The average beneficiary receiving home health care services will pay at least $1,700 more in 2002.

**Half A Million Beneficiaries Effectively Thrown Into Poverty:** The out-of-pocket increases would effectively push at least 500,000 elderly into poverty by 2002.

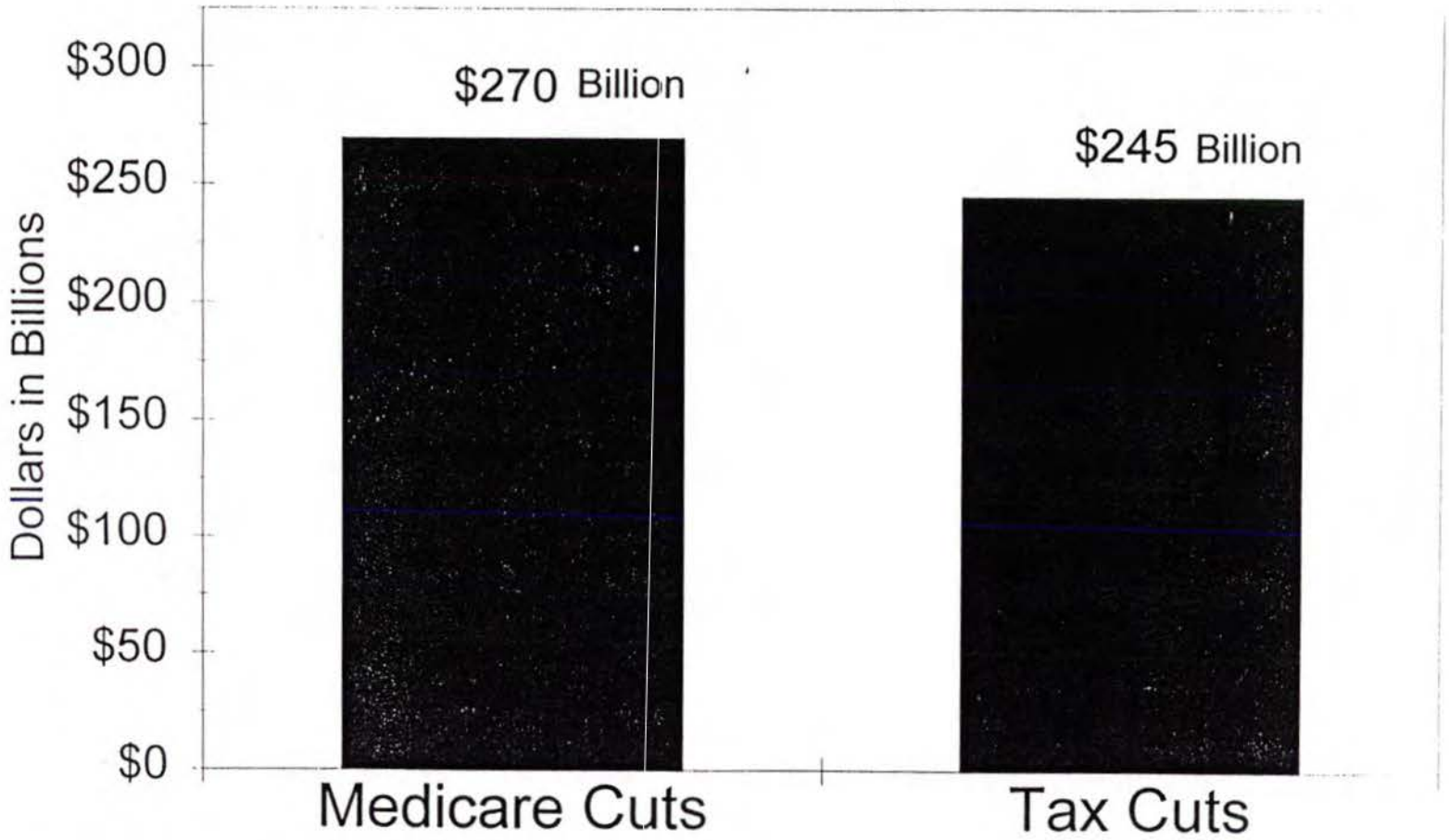
**Vouchers Aren't Choice, They're Financial Coercion:** Beneficiaries who wish to keep their fee-for-service plan and a guarantee of their choice of doctor will have to pay significantly more. Even those beneficiaries who go into managed care will have their current benefits threatened. This is because the Republicans' overly tight growth rates will, over time, diminish the value of the voucher and the type of coverage it can purchase. The Republicans' choice for seniors and the disabled: choose to pay more or choose to get less.

**To Preserve Medicare For Our Grandchildren, President Clinton Believes We Have To Strengthen The Medicare Trust Fund,** which holds the money we all pay in to cover hospital, nursing home and home health bills. Real reform means fixing the Trust Fund, without putting beneficiaries in a fix.

**President Clinton's Balanced Budget Will Strengthen Medicare Without Burdening Beneficiaries.**

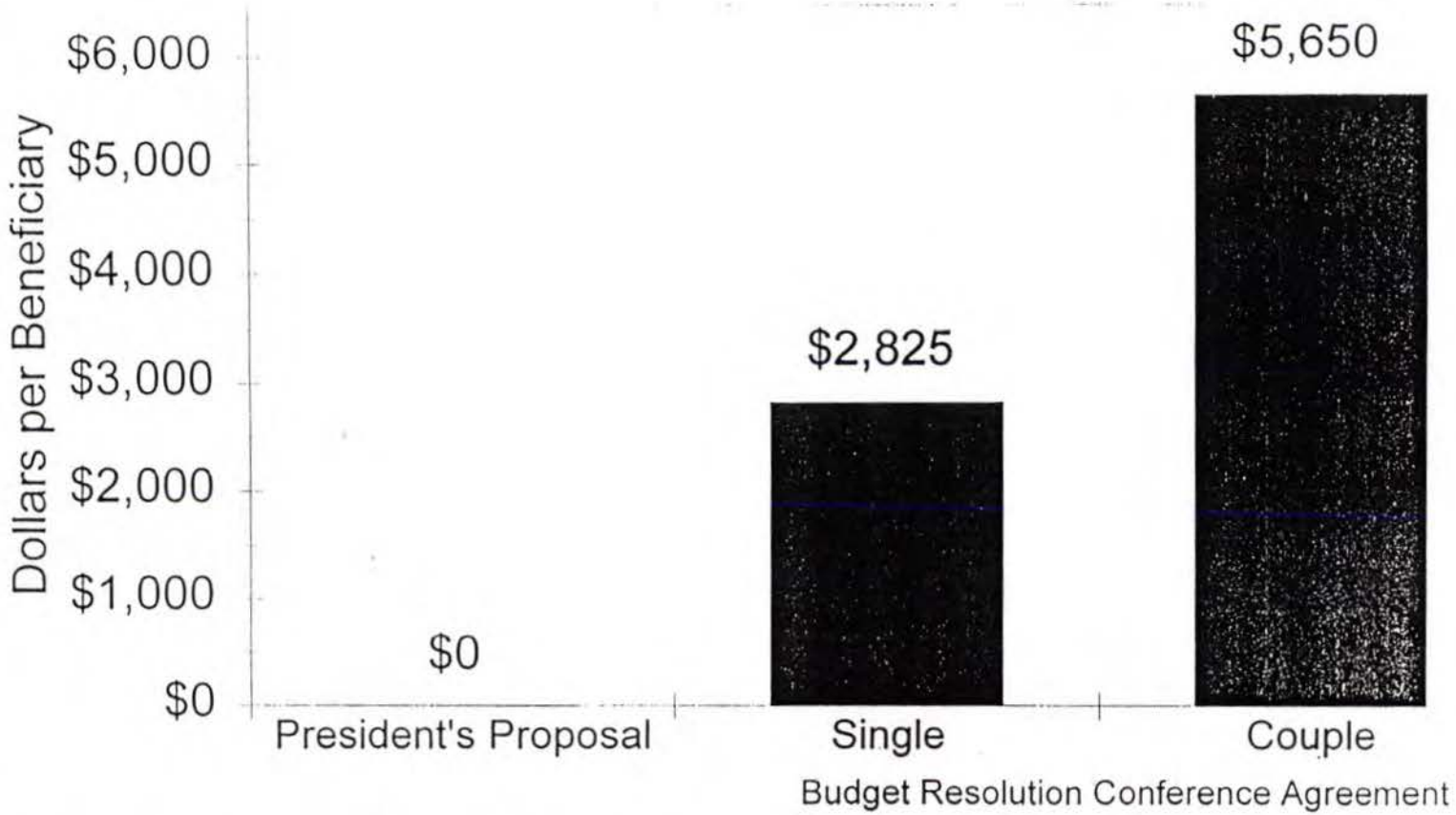
- Reduce Medicare spending by $124 billion -- less than half the Republican cuts;
- Extend the solvency of the Medicare Trust Fund at least through October 2006; This fact has been confirmed by the Chief Actuary of the Health Care Financing Administration (HCFA).
- Make **no** new cuts targeted at beneficiaries; and
- Accompany reductions in Medicare spending with: 1)new prevention and long-term care benefits; 2) more plan choices for beneficiaries; 3) aggressive pursuit of fraud and abuse; 4) insurance reform; and 5) important new insurance affordability protections for small businesses and working families.

# Cutting Medicare to Pay for Tax Cuts, 1996 - 2002




Conference Agreement estimates from CBO baselines

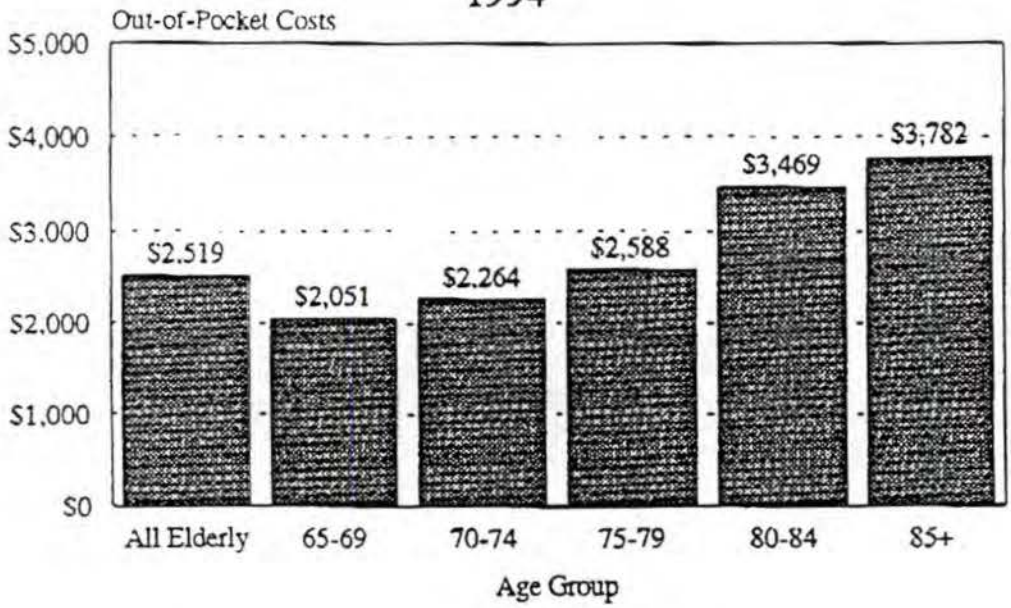
# Increased Medicare Out-of-Pocket Costs Per Beneficiary, 1996 - 2002




The new Medicare proposals included in the President's June 14, 1995 budget announcement do not include any new beneficiary costs. Republican proposal adjusted to reflect the Part B premium extender in the President's FY 1996 budget. This chart assumes 50% of Republican cuts affect beneficiaries. US DHHS Estimates

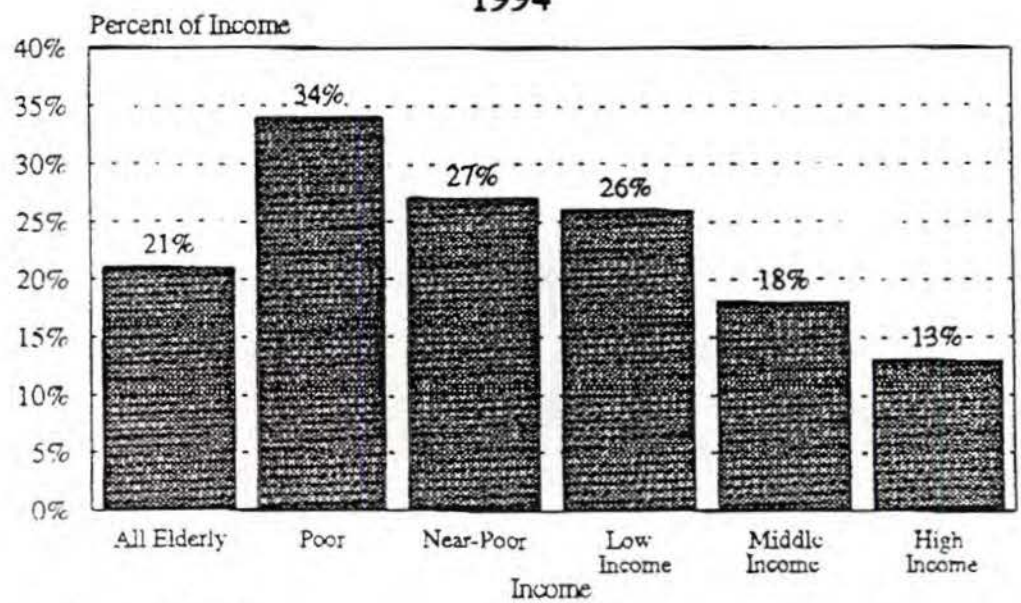
# Estimates of Average Out-of-Pocket Costs

## For the Elderly
## By Age
## 1994




# Estimates of Out-of-Pocket Costs

## As a Percent of Income
## By Age
## 1994




Source: The Urban Institute

**PRESIDENT CLINTON'S COMMENTS ON MEDICARE AND MEDICAID**

"Since 1960, the poverty rate among elderly people has declined by 65 percent. It did not happen by accident. It happened because the American people kept faith with the social compact first forged 60 years ago when President Roosevelt signed the Social Security Act. That compact has been strengthened over the last three decades with Medicare, with Medicaid, with the cost of living adjustments for Social Security, with community-based services under the Older American's Act like Meals on Wheels, transportation, and with efforts to prevent abuse of the elderly. This is a remarkable record, and you should be proud of it."

President Clinton, White House Conference on Aging, May 3, 1995.

"We have also worked to strengthen the Medicare Trust Fund. It still has problems, but it's stronger than it was on the day I became President. Despite all that, we know we have to do more. I have been consistently saying for three years, beginning with my first address to the Congress and , indeed, all during my campaign in 1992, that we will never fundamentally solve the deficit problem and have the funds we need to invest in education and the future growth in earning of our people until we are able to moderate the growth of health care spending."

President Clinton, White House Conference on Aging, May 3, 1995

"You and I know that there is a right way to face this challenge and a wrong way to face the challenge. But not facing the challenge is not an option. I believe it is wrong simply to slash Medicare and Medicaid to pay for tax cuts for people who are well-off. Beyond that, reducing the deficit is terribly important. But it is also important that Congress protect programs for seniors like Medicare. We must have a sense of what our obligations are."

President Clinton, White House Conference on Aging, May 3, 1995

"I have said all along that I will evaluate proposals to change Medicare and Medicaid based on the issues of coverage, choice, quality, affordability, and costs."

President Clinton, White House Conference on Aging May 3, 1995

"The people who passed it (Medicare) did it for their parents' generation and knew that they would have it when they came along, and knew that in so doing, they would relieve a burden from their children, who could then focus on building good lives for themselves and their children. It was sort of a part of the social compact of the American family."

President Clinton, 30th Anniversary of Medicare/Medicaid, July 25, 1995

"In 1965, the legislation which created Medicare also created Medicaid. A lot of Americans think it's just a program for poor people. Well, it did provide desperately needed care for poor children and their mothers, but it also provided more care for older and disabled Americans, especially long-term care. Two-thirds of the Medicaid budget goes for older Americans and disabled citizens. Without Medicaid, middle class families struggling to pay their own bills and raise and educate their children could face nursing home bills for their parents averaging $38,000 a year."

President Clinton, 30th Anniversary of
Medicare/Medicaid, July 25, 1995

"We are at an historic moment. For the first time in a long time there is a willingness to try to bring the budget into balance, a willingness to try to secure the Medicare Trust Fund. But I know we can do both, while maintaining our generational commitment. I know we can do both without returning Medicare to the area of American partisan politics and to nightmares for the elderly people and their children in this country. We can do it."

President Clinton, 30th Anniversary of
Medicare/Medicaid, July 25, 1995

"We need to remember that Medicare is not just important for older men and women, it is a compact across generations. Medicare means that we don't have to choose between doing right by our parents and giving our children the opportunities they deserve."

First Lady, Radio Address, July 29, 1995

"To preserve Medicare for all of our grandchildren we do have to strengthen the Medicare Trust Fund, which holds the money we all pay in to cover hospital, nursing homes, and home health bills. I've been working to reform Medicare since I took office, and frankly, the trust fund is in better shape than it was when I did take office. But real reform is about making the situation better, not worse. Real reform means fixing the trust fund without putting beneficiaries in a fix."

President Clinton, Radio Address, July 29, 1995

"I also believe we have to balance the budget, but I know we can do that and strengthen the trust fund without rolling back 30 years of progress against poverty and fear for older Americans. That's what my balanced budget will do. It will eliminate the deficit, secure the Medicare trust fund, and still protect older Americans from one penny in new Medicare costs. Times are tough enough without forcing families to pay more to keep the health care they have right now."

President Clinton, Radio Address, July 29, 1995

"We do need to protect Medicare from going bankrupt, but we don't have to bankrupt older Americans to do it."

President Clinton, Radio Address, July 29, 1995

"None of the cuts driving families into poverty would go into the trust fund. They would simply pay for a huge tax cut for people who don't really need it. That's unnecessary, and it's wrong. Medicare is too important to all families to become a piggy-bank for tax cuts for just a few. It's especially important today because so many families are working harder and earning the same or less than they did 10 years ago."

President Clinton, Radio Address, July 29, 1995

"...because a lot of young people are struggling very hard for themselves I have no doubt they would make the sacrifice if they had to, but with the cost of medical care, my goodness, we will drive more young people into poverty if they have to spend all their assets to try to help take care of their parents and their grandparents. That's why what we're talking about here is something that doesn't just affect older Americans. It affects every single American, no matter what our age."

First Lady, Radio Address, July 29, 1995

## ADDITIONAL MEDICARE TALKING POINTS

### ADDING TO ALREADY HIGH COSTS FOR OLDER AMERICANS

- **Over $40 Billion in Cost-Shifting:** Assuming the other half of the Republicans' cuts go to providers, hospitals, physicians, and other providers would be targeted with a $135 billion cut over seven years. In 2002 alone a $35 billion cut in provider payments would be needed. Even if only one-third of Medicare providers cuts overall are shifted onto other payers (an assumption consistent with a 1993 CBO analysis), businesses and families would be forced to pay a hidden tax of $40 billion in increased premiums for health care costs between now and 2002.

- **Rural and Inner City Hospitals At Risk:** Cuts of this magnitude, combine with the growing uncompensated care burden (which would be further exacerbated by Medicaid cuts and increases in the number of uninsured), would place rural and inner-city providers in jeopardy because they have limited or no ability to shift costs to other payers. As a result quality and access to needed health care would be threatened.

### MAJOR BURDEN ON RURAL AMERICA

- Reducing Medicare cuts would disproportionately harm rural hospitals.
  - Nearly 10 million Medicare beneficiaries (25% of the total) live in rural America where there is often only a single hospital in their county. These rural hospitals tend to be small and serve large numbers of Medicare patients.
  - Significant cuts in Medicare revenues have the potential to cause a good number of these hospitals, which are already in financial distress, to close or to turn to local taxpayers to increase what are already substantial local subsidies.
  - Rural residents are more likely than urban residents to be uninsured, so offsetting the effects of Medicare cuts by shifting costs to private payers is more difficult for small rural hospitals.
  - Rural hospitals are often the largest employer in their communities; closing these hospitals will result in job loss and physicians leaving their communities.

### UNDERMINES ACADEMIC HEALTH CENTERS

- Large reductions in Medicare payments would have a devastating impact on academic health centers.
  - These research and training facilities are providing the bulk of medical advances in the United States. Deep Medicare cuts, combined with private sector cost cutting efforts that either undercompensate or don't compensate these institutions, will undermine our position as the world leader in developing new and more effective health care treatments and technology.

## THE URBAN SAFETY NET

- Large reductions in Medicare payments could also have devastating effects on a number urban safety net hospitals.
    - Urban safety net hospitals are already bearing a disproportionate share of the nation's growing burden of uncompensated care.

## THE REALITY OF MEDICARE GROWTH

- Despite the current rhetoric, Medicare expenditure growth is comparable to the growth in private health insurance.
    - Under Administration estimates, Medicare spending per person is projected to grow over the next five years at about the same rate as private health insurance spending; under CBO estimates, spending per person is projected to grow only about one percentage point faster than private health insurance.
    - So, unless Medicare can control costs substantially better than the private sector, beneficiaries and providers would be forced to shoulder the burden of the huge cuts being proposed by Republicans.

Current as of 8/2/95 4:14pm

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DRAFT

August 7, 1995

# *THE TRUTH ABOUT THE TRUST FUND*

Secretary of the Treasury Robert E. Rubin
Secretary of Health and Human Services Donna E. Shalala
Secretary of Labor Robert B. Reich
Social Security Commissioner Shirley S. Chater

Currently, our nation is involved in a serious examination of the status and future of Medicare. The Congressional majority has called for $270 billion in cuts over the next seven years, claiming first, that Medicare is facing a sudden and unprecedented financial crisis; second, that President Clinton has not dealt with this crisis; and third, that all of their cuts are necessary to prevent it. While there is a need to address the financial stability of Medicare in a sound and reasonable way, all three of the Congressional majority's claims are simply mistaken. As Trustees of the Part A Medicare Trust Fund that is the subject of the current debate and authors of an annual report that regrettably has been used to distort the facts, we would like to set the record straight.

**1. Concerns about the solvency of the Medicare Part A Trust Fund are not new.**

The solvency of the Medicare Part A Trust Fund is of utmost concern to us all. Each year, the Medicare trustees examine the Part A Trust Fund to determine its short-term and long-term financial health. The most recent report notes that the Trust Fund is scheduled to run out of funds by 2002. While everyone agrees that we must take action to make sure it has adequate resources, the claim that this is a sudden crisis is unfounded.

The Medicare trustees have warned nine times that the Trust Fund would be insolvent within seven years or less. On each of those occasions, the sitting President and Members of Congress from both political parties took appropriate action to strengthen the Trust Fund.

Indeed, far from being a sudden crisis, the situation has improved over the past few years. When the President took office in 1993, the Medicare trustees predicted that the Trust Fund would be exhausted in six years -- by 1999. The President put forward a package of reforms to push back that date by three years, and the Democrats in Congress passed the plan. Again, in 1994, the President proposed a health reform plan that would have strengthened the Trust Fund for an additional five years.

So what has caused some Members of Congress to become concerned so about the Trust Fund? Certainly, not the facts in this year's Trustees Report that these Members

continually cite. That report found that the Trust Fund had *improved* by a year. The only thing that has really changed is the political needs of those who are hoping to use major Medicare cuts for other purposes.

**2. President Clinton has presented a plan to extend the life of the Trust Fund.**

Remarkably, some in Congress have also stated that President Clinton has no plan to address the short-term Part A Medicare Trust fund issue. But he most certainly does. Under the President's balanced budget plan, payments from the Trust Fund would be reduced by $89 billion over the next seven years to ensure that Medicare benefits would be paid through October 2006 -- eleven years from now.

**3. The Congressional majority's Medicare cuts are excessive: it is not necessary to cut benefits to ensure the solvency of the Trust Fund.**

The Congressional majority says that their $270 billion in Medicare cuts over seven years are all necessary to save the Part A Trust Fund. Certainly, some of those savings would go to shore up the Trust Fund, just as in the President's plan. But, a substantial part of the cuts they seek -- at least $100 billion dollars -- *would seriously hurt seniors without contributing one penny to the Trust Fund.* None of those savings (taken out of what is called Medicare Part B, which basically covers visits to the doctor) would go to the Part A Trust Fund (covering mostly hospital stays). As a result, those cuts would not extend the life of the Trust Fund by one day.

And those Part B cuts would come right out of the pockets of Medicare beneficiaries, who could pay an average of $1,650 per person or $3,300 per couple more over seven years in Part B premiums alone. Total out-of-pocket costs could increase by an average of $2,825 per person or $5,650 per couple over seven years (including the cost increases caused by the Congressional majority's Part A cuts). According to a new study by the Department of Health and Human Services, these increases would effectively push at least half a million senior citizens into poverty and dramatically increase the health care burden on all older and disabled Americans and their families. The President's plan, by contrast, protects Medicare beneficiaries from any new cost increases.

As Medicare trustees, we are responsible for making sure that Medicare continues to be there for our parents and grandparents as well as for our children and grandchildren. The President's balanced budget plan shows that we can address the short-term problems of the Trust Fund -- without taking thousands of dollars out of peoples' pockets -- and give ourselves a chance to work on a bipartisan basis toward a long-term plan to preserve Medicare's financial health as the Baby Boom generation ages. By doing that, we can preserve the Medicare Trust Fund without losing the trust of older Americans.

# RESPONSE TO RNC MEDICARE TRUST FUND SCARE TACTIC AD

- **As the Republican National Committee (RNC) ad proves, some Republicans will do anything to cover up the truth about their budget and tax cut priorities.** No $70,000 ad in USA Today will fool Americans into believing that Republicans are not using their $270 billion in Medicare cuts to help pay for their $245 billion in tax cuts.

- **The Congressional Majority is now going so far as to distort the President's record on the Medicare Trust Fund. The RNC ad states:** "President Clinton knows Medicare is dying, but he has done nothing to save it. Apparently his plan is to just let Medicare go bankrupt." **The truth is:**

  -- **In 1993, President Clinton's budget strengthened the Medicare Trust Fund by three years -- without one single Republican vote.**

  -- **In 1994, President Clinton worked to pass his Health Security Act, which would have further strengthened the Medicare Trust Fund by reducing Part A spending and reducing overall health care inflation -- the ultimate solution to the trust fund problem.**

  -- **In June, 1995, President Clinton proposed his balanced budget proposal, which guarantees that payments for Medicare recipients benefits would be secure for at least ten more years. (At least through 2006).**

- **The RNC ad flies in the face of Speaker Gingrich's own words of praise for the President.** After the President released his balanced budget, the Speaker specifically acknowledged that the President was addressing the Medicare Trust Fund problem. **"He validated getting a balanced budget; he validated that you have to do something significant to save Medicare..."** (Baltimore Sun, 6/23/95)

- **The Congressional Majority suggests that the Trust Fund insolvency problem is startling, brand-new news** that ought to alarm America's seniors and their families.

  -- **Virtually every Medicare Trustee report has projected an insolvency date.** In fact, 8 earlier Trustee reports have predicted insolvency within seven years or less. Each time, Congress and the President has addressed the problem; they will do it again this Congress. This year's report is actually more optimistic than the 1993 forecast. **The President welcomes Speaker Gingrich's new found concern, but he abhors the scare tactics he and others are using to provide cover for large and unnecessary tax cuts.**

- **The truth is that their proposals for unprecedented Medicare Part B beneficiary cost sharing increases have NOTHING to do with strengthening the Medicare Trust Fund.** The Part B premium and deductible increases that have been suggested by the Republicans in their own leaked documents would increase out-of-pocket costs by hundreds of dollars. These savings would not contribute one cent toward helping the trust fund; the Part B program has nothing to do with the Medicare Hospital Insurance trust fund. **Obviously, the Congressional Majority is using Medicare as their piggy bank for their tax cuts.**

- **The truth is that the $90 billion in Medicare Part A savings that the President is calling for over seven years push the insolvency date out 11 years is completely consistent with how Republicans and Democrats in the Congress and in the Executive Branch have addressed past short-term Trust Fund problems.** According to the non-political, career Medicare actuaries and the CBO, the most Medicare savings that would be necessary to guarantee the near-term solvency of the Medicare HI trust fund is $160 billion. **Even if one assumes that $160 billion is necessary, why are the Republicans taking an additional $110 billion from older Americans and their health care providers? Two words: tax cuts.**

- **There is a right and wrong way to balance the budget and strengthen the Trust Fund.** The right way is to enact the President's Medicare savings plan that imposes NO new cuts on beneficiaries. The wrong way is to pass $270 billion in Medicare cuts, to increase out-of-pocket costs for beneficiaries by $2,800 for singles and $5,600 for couples, and to use the savings for tax cuts.

- **The President's balanced budget proposal shows that you can protect the Medicare program from going bankrupt without bankrupting older Americans and their children.**

DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care Financing Administration

The Administrator
Washington, D.C. 20201

August 3, 1995

The Honorable Thomas Daschle
United States Senate
Washington, D.C. 20510

Dear Senator Daschle:

This is in response to your request for information about the effect of the Medicare savings in the President's balanced budget initiative on the exhaustion date of the Hospital Insurance (HI) Trust Fund.

Attached is a memorandum that I have received from the Chief Actuary of the Health Care Financing Administration (HCFA). The memo indicates that the year-by-year savings in the President's plan, which would total $89 billion in Part A over the period 1996-2002, would extend the life of the HI Trust Fund from 2002 to the fourth quarter of calendar year 2006 (the first quarter of fiscal year 2007). This estimate is based on the 1995 Annual Report of the Board of Trustees of the Federal Hospital Insurance Fund intermediate assumption baseline.

Please let me know if I can provide any further information.

Sincerely,

Bruce C. Vladeck

Attachment

DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care Financing Administration

# Memorandum

Date August 2, 1995

From Chief Actuary, HCFA

Subject **Estimated Year of Exhaustion for HI Trust Fund under Administration's Balanced Budget Proposal**

To Administrator, HCFA

The purpose of this memorandum is to respond to the requests from Senator Daschle and Representative Gephardt for the estimated year of exhaustion for the Hospital Insurance trust fund under the Medicare provisions in the Administration's balanced budget proposal. Based on the intermediate set of assumptions in the 1995 Trustees Report, we estimate that the assets of the HI trust fund would be depleted in the fourth quarter of calendar year 2006 under the Administration's proposal (or, equivalently, in the first quarter of fiscal year 2007).

In the absence of corrective legislation, trust fund depletion would occur in the fourth quarter of calendar year 2002 (first quarter of fiscal year 2003) under the intermediate assumptions. Thus, the Administration's proposal would postpone the year of exhaustion by about 4 years.

The financial operations of the HI trust fund will depend heavily on future economic and demographic trends. For this reason, the estimated year of depletion is very sensitive to the underlying assumptions. In particular, under adverse conditions such as those assumed by the Trustees for their "high cost" projections, asset depletion could occur roughly 2 to 3 years earlier than the intermediate estimate. Conversely, favorable trends could delay the year of exhaustion significantly. The intermediate assumptions represent a reasonable basis for planning.

The estimated year of exhaustion is only one of a number of measures and tests used to evaluate the financial status of the HI trust fund. If Senator Daschle or Representative Gephardt would like additional information on the estimated impact of the Administration's Medicare proposals, we would be happy to provide it.

Richard S. Foster, F.S.A.

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# White House
# Medicare Briefing Document

Aug[redacted]8, 1995

# White House
# Medicare Briefing Document

## Outline

I. The Two Parts of Medicare and the History of the Part A Trust Fund

II. Clinton Administration Response to Trust Fund Problems (1993, 1994)

III. The Current Financial Status of the Part A Trust Fund (1995)

IV. The New Republican Congress and the Trust Fund (1995)

V. Clinton Administration Response to Trust Fund Problems (1995)

VI. The Republican Budget Resolution

VII. Current Clinton Efforts Compared to the Republican Efforts

VIII. The Republican Budget Resolution -- Overly Tight Growth Rates

IX. Why Increase In Per Beneficiary Spending is a Cut

X. Republican Vouchers and Overly Tight Growth Rates

XI. Republican Vouchers vs. The President's Plan

# The Two Parts of Medicare:

Hospital and Physician Services

## The Medicare program has two distinct parts:

- **1. Hospital insurance [HI] or Part A**
  - Part A pays for mostly inpatient hospital care.
- **2. Supplemental Medical Insurance [SMI] or Part B**
  - Part B covers physician services, along with outpatient hospital services, laboratory services and durable medical equipment.

# The Two Parts of Medicare:
## The HI program -- Part A

- **The HI program** is funded through the HI trust fund. The Fund receives most of its income from the HI payroll tax (2.9% of payroll, split between employers and employees).

  - The HI or Part A Trust Fund is the fund that is characterized as "going broke" by the Congressional Majority.

# The Two Parts of Medicare:
## The SMI program -- Part B

- **Part B** is funded through the SMI Trust Fund. The Fund receives income from two primary sources: a general revenue transfer and premiums paid by enrollees.

  - Part B premiums are directly deducted out of the monthly checks of Social Security beneficiaries. Therefore, increases in premiums decrease total dollar amount of the Social Security check.

  - While SMI or Part B Trust Fund growth effects deficit spending, it does not threaten SMI solvency and the SMI trust fund could never become insolvent (unlike the HI trust fund).

# The History of the Part A Trust Fund
## Financial Status

- As the table on the following page demonstrates, the Medicare Part A trust fund solvency challenges are not new.

- On nine separate occasions, the trust fund has been projected to be insolvent in 7 years or less.

FUND INSOLVENCY

| Report Year | Projected Year of Insolvency | Years Until Insolvency |
|---|---|---|
| 1970 | 1972 | 2 Years |
| 1971 | 1973 | 2 Years |
| 1972 | 1976 | 4 Years |
| 1973 | None Indicated | N/A |
| 1974 | None Indicated | N/A |
| 1975 | Late 1990s | N/A |
| 1976 | Early 1990s | N/A |
| 1977 | Late 1980s | N/A |
| 1978 | 1990 | 12 Years |
| 1979 | 1992 | 13 Years |
| 1980 | 1994 | 14 Years |
| 1981 | 1991 | 10 Years |
| 1982 | 1987 | 5 Years |
| 1983 | 1990 | 7 Years |
| 1984 | 1991 | 7 Years |
| 1985 | 1998 | 13 Years |
| 1986 | 1996 | 10 Years |
| 1987 | 2002 | 15 Years |
| 1988 | 2005 | 17 Years |
| 1989 | No Report | No Report |
| 1990 | 2003 | 13 Years |
| 1991 | 2005 | 14 Years |
| 1992 | 2002 | 10 Years |
| 1993 | 1999 | 6 Years |
| 1994 | 2001 | 7 Years |
| 1995 | 2002 | 7 Years |

# Clinton Administration Response to Trust Fund Problems (1993)

- At the beginning of the Clinton Administration, the Trust Fund was projected to go insolvent by 1999.

- The President's 1993 five-year deficit reduction package (OBRA '93) extended the life of the trust fund by an additional three years -- to 2002.

  *No members of the current Congressional Majority supported the 1993 deficit reduction bill.*

# Clinton Administration Response to Trust Fund Problems (1993)

**The extra three years were derived from:**

1. Constraining the growth of Medicare, primarily through specific provider cuts.

2. Repealing the maximum earnings cap for the Medicare HI payroll tax.

3. Increasing the percentage of Social Security benefits of well-off seniors subject to taxation and dedicating that revenue to the HI trust fund.

4. Economic growth partly spurred from the deficit reduction bill

# Clinton Administration Response to Trust Fund Problems (1994)

- The Clinton health reform plan would have delayed insolvency an additional five years past the current date of 2002.

- In addition, the Clinton health reform package would have addressed the Trust Fund problem in the context of the entire health care system.

# The Current Financial Status of the Part A Trust Fund (1995)

- The Medicare Trustees, using intermediate assumptions, concluded that the HI Trust Fund will be depleted in 2002.
  - The projected year of trust fund exhaustion measures how long financial resources exist to pay bills. In other words, as long as the trust has sufficient resources, bills are paid. **The trust fund has never reached exhaustion.**

- **The program faces a long term insolvency crisis** because of the demographic shift that will occur with the aging of the baby boom population. The first baby-boomers will reach 65 in the year 2010.

- Neither Democrats or Republicans resolve this issue in their balanced budget proposals, but both agree that a bipartisan approach is essential for addressing this challenge.

# The New Republican Congress and the Trust Fund (1995)

- The only thing that changed between the 1994 Trustee Report and the 1995 Trustee Report is that the 1995 report showed a one year improvement from 2001 and 2002.

- The only specific component of the Contract with America that addressed the Trust Fund made it worse.

  - The Contract called for repeal of the increase in the Social Security benefits tax for high income seniors -- a provision that helped improve the financial status of the trust fund. The repeal passed the House on April 5, 1995.

  - If this provision is enacted, the trust fund will become insolvent 8 months sooner.

# Clinton Administration Response to Trust Fund Problems (1995)

- **The Clinton balanced budget** would extend the life of the Trust Fund through 2006. This proposal reduces HI Trust Fund spending on providers. [See attached letter from the HCFA Chief Actuary confirming 2006 Trust Fund status.]

- With the trust fund secure for better than 10 years from today, we are in the same situation we have been in before, many times, since 1970. This provides significant time for a bipartisan approach to address the long term Trust Fund issue.

DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care Financing Administration

The Administrator
Washington, D.C. 20201

August 3, 1995

The Honorable Richard A. Gephardt
United States Senate
Washington, D.C. 20510

Dear Congressman Gephardt:

This is in response to your request for information about the effect of the Medicare savings in the President's balanced budget initiative on the exhaustion date of the Hospital Insurance (HI) Trust Fund.

Attached is a memorandum that I have received from the Chief Actuary of the Health Care Financing Administration (HCFA). The memo indicates that the year-by-year savings in the President's plan would extend the life of the HI Trust Fund from 2002 to the fourth quarter of calendar year 2006 (the first quarter of fiscal year 2007). This estimate is based on the 1995 Annual Report of the Board of Trustees of the Federal Hospital Insurance Fund intermediate assumption baseline.

Please let me know if I can provide any further information.

Sincerely,

Bruce C. Vladeck

Attachment

DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care Financing Administration

# Memorandum

Date August 2, 1995

From Chief Actuary, HCFA

Subject Estimated Year of Exhaustion for HI Trust Fund under Administration's Balanced Budget Proposal

To Administrator, HCFA

The purpose of this memorandum is to respond to the requests from Senator Daschle and Representative Gephardt for the estimated year of exhaustion for the Hospital Insurance trust fund under the Medicare provisions in the Administration's balanced budget proposal. Based on the intermediate set of assumptions in the 1995 Trustees Report, we estimate that the assets of the HI trust fund would be depleted in the fourth quarter of calendar year 2006 under the Administration's proposal (or, equivalently, in the first quarter of fiscal year 2007).

In the absence of corrective legislation, trust fund depletion would occur in the fourth quarter of calendar year 2002 (first quarter of fiscal year 2003) under the intermediate assumptions. Thus, the Administration's proposal would postpone the year of exhaustion by about 4 years.

The financial operations of the HI trust fund will depend heavily on future economic and demographic trends. For this reason, the estimated year of depletion is very sensitive to the underlying assumptions. In particular, under adverse conditions such as those assumed by the Trustees for their "high cost" projections, asset depletion could occur roughly 2 to 3 years earlier than the intermediate estimate. Conversely, favorable trends could delay the year of exhaustion significantly. The intermediate assumptions represent a reasonable basis for planning.

The estimated year of exhaustion is only one of a number of measures and tests used to evaluate the financial status of the HI trust fund. If Senator Daschle or Representative Gephardt would like additional information on the estimated impact of the Administration's Medicare proposals, we would be happy to provide it.

Richard S. Foster

Richard S. Foster, F.S.A.

# Clinton Administration Response to Trust Fund Problems (1995)

- The Clinton Balanced Budget calls for $124 billion in savings -- less than 1/2 of the Republican Balanced Budget.

- Twenty percent of these savings are simply from extension of current laws -- which both the President and the Congressional Majority support.

- All new savings are from providers, and $89 billion goes to Part A Fund, pushing the insolvency date back to 2006.

# The Republican Budget Resolution

- The Republican budget resolution would cut the Medicare program by $270 billion.

- The Republican budget resolution would also extend the life of the Trust Fund through at least 2006, and likely somewhat longer.

  - However, it is impossible to project for much longer without more detail about the allocation of cuts between Part A and Part B.

- **The size of the Republican cuts are excessive**, and drafts of their plan confirm that they are considering substantial out-of-pocket increases through higher premiums, co-payments, and deductibles.

# The Republican Budget Resolution -- Beneficiary Impact

**The Republican Medicare working document provides a preview of what is in store for beneficiaries who want to keep their fee-for-service plans. Specifically, preliminary estimates indicate that:**

- The average Medicare recipient of skilled nursing home services will pay at least $1,400 more in 2002.
- The average beneficiary receiving home health care services will pay at least $1,700 more in 2002.
- The average beneficiary choosing to stay in the fee-for-service plan would pay at least $2,825 more in premiums and copayments over 7 years; couples would pay at least $5,650.

# The Republican Budget Resolution -- Harming Vulnerable Elderly

- The cuts shift costs to seniors who on average, are already spending 21 percent of their income out-of-pocket on health care.

- Since 75 percent of these beneficiaries have incomes below $25,000, it is hard to see how they can afford to pay more.

- The Republican cuts exceed the extenders on which we all agree by $240 billion -- just about the amount they need to finance their tax cut.

# The Republican Budget Resolution -- Part B Cuts Don't Help the Trust Fund

- A substantial portion (most likely more than $100 billion) of their Medicare cuts come from Part B of the program. Savings from Part B savings do nothing to strengthen the Part A trust Fund.

- More specifically, the Republican Working Document calls for significant increases in Part B premiums, deductibles, and co-payments.

- So, for example, not one penny of the Part B Premium increase alone of $1650 ($3300 for couples) would contribute to strengthening the Medicare Trust Fund.

# Current Clinton Efforts Compared to the Republican Efforts

**The real issue is how much more is needed to shore up the trust fund and responsibly manage the program.**

**The President's proposal is a responsible approach to achieving these objectives:**

- ✓ First, better than ten years of trust fund security is consistent with many periods in our history and adequate to allow Medicare's adaptation to the future.
- ✓ Second, more than this level of cuts might buy a few more years for the trust fund but would endanger the protection Medicare provides and the institutions and caregivers that serve Medicare's beneficiaries.
    - While greater reductions might help for a few years, they are not real solutions and will cause long-term damage to the structure of the Medicare program.

# The Republican Budget Resolution -- Overly Tight Growth Rates

- The Republicans claim they want to emulate the health care cost containment successes of the private sector. They suggest that vouchers be used to increase current Medicare beneficiary participation in Managed Care plans.
  - The expectation is that this will result in reduced Medicare expenditures and growth rates.

- Emulating the private sector and permitting Medicare to grow at a 7.1 percent pace -- the projection of the per person growth rate in the private sectorof the CBO baseline -- would save significant federal dollars.

- However, the Republican $270 billion in cuts would constrain Medicare to a much tighter and unrealistic 4.9% per beneficiary growth rate.

# Why Increase In Per Beneficiary Spending is a Cut

**The Republicans say they will increase Medicare spending by $1,900, from $4,800 per beneficiary now being spent to $6,700 in 2002. Yet, this amounts to a cut.**

- This is a cut because you cannot buy today's Medicare benefits with this amount of money in 2002. Beneficiaries will pay substantially more or get less benefits.

- $6,700 is about $1,000 less per person than what it would be EVEN IF Medicare spending were constrained to 7.1 percent private sector per person growth rate.

- And remember, the Congressional Majority wishes to constrain the growth rate well below the private sector even though Medicare beneficiaries are, by any definition, a much more difficult to manage and expensive population than those with private insurance.

# The Republican Budget Resolution -- Vouchers and Overly Tight Growth Rates

- Under the Republican Medicare restructuring plan, beneficiaries who wish to keep their fee-for-service plan and a guarantee of their choice of doctor, will have to pay significantly more.

- In order for a voucher system to achieve savings, beneficiaries who go into managed care plans will either have their current benefits reduced or will be forced to pay more for the same benefits. This is because the Republicans' overly tight growth rates will over time diminish the value of the voucher and the type of coverage it can purchase.

- In this environment, there would be overwhelming pressure on plans to avoid the elderly and sick, and "cherry pick" young, healthy beneficiaries.

# The Republican Budget Resolution -- Vouchers and Overly Tight Growth Rates

- Addressing these problems would take significant regulatory interventions such as risk adjustment to pay for elderly, sick individuals. It would also require a more realistic growth rate. Both needed changes would increase costs and decrease managed care savings.

- Respected health care economists such as Robert Reischauer and Henry Aaron, as well as the Congressional Budget Office, have consistently stated that managed care that adequately protects beneficiaries are not likely to produce significant federal savings over the short term.

# Republican Vouchers vs. The President's Plan

- The President's approach shows that you can strengthen the Medicare Trust Fund, offer more choice of plans, and provide new benefits without imposing new Medicare beneficiary cuts.

- The President's balanced budget also expands chioce for beneficiaries by providing for a new Preferred Provider Organization option and authorizing HMOs to offer chioce of doctor options through Point of Service plans.

  - However, it does this <u>without</u> financially coercing beneficiaries into plans.

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Divider Title: **Tab 4: Why Medicare Increase Is A Cut**

## TAB 4: Why Medicare Increase is a Cut

- Q & A

- Chart illustrating private sector growth rates versus Republican Medicare growth rates

## Q&A FOR WHY INCREASE IN PER BENEFICIARY SPENDING IS A CUT

**How can you consider a $1900 increase in Medicare spending a cut? The Congressional Majority say they will pay $6,700 in 2002 per beneficiary, relative to the $4,800 per beneficiary now being spent. How can you characterize this as a cut?**

- **This is a cut because you cannot buy today's Medicare benefits with this amount of money in 2002.** Beneficiaries will pay substantially more or get less benefits. Nothing the Congressional Majority can do or say can dispute this fact.

- **They say $6,700. However, that is about $1,000 less per person than what it would be EVEN IF Medicare spending were constrained to the private sector growth rate.***

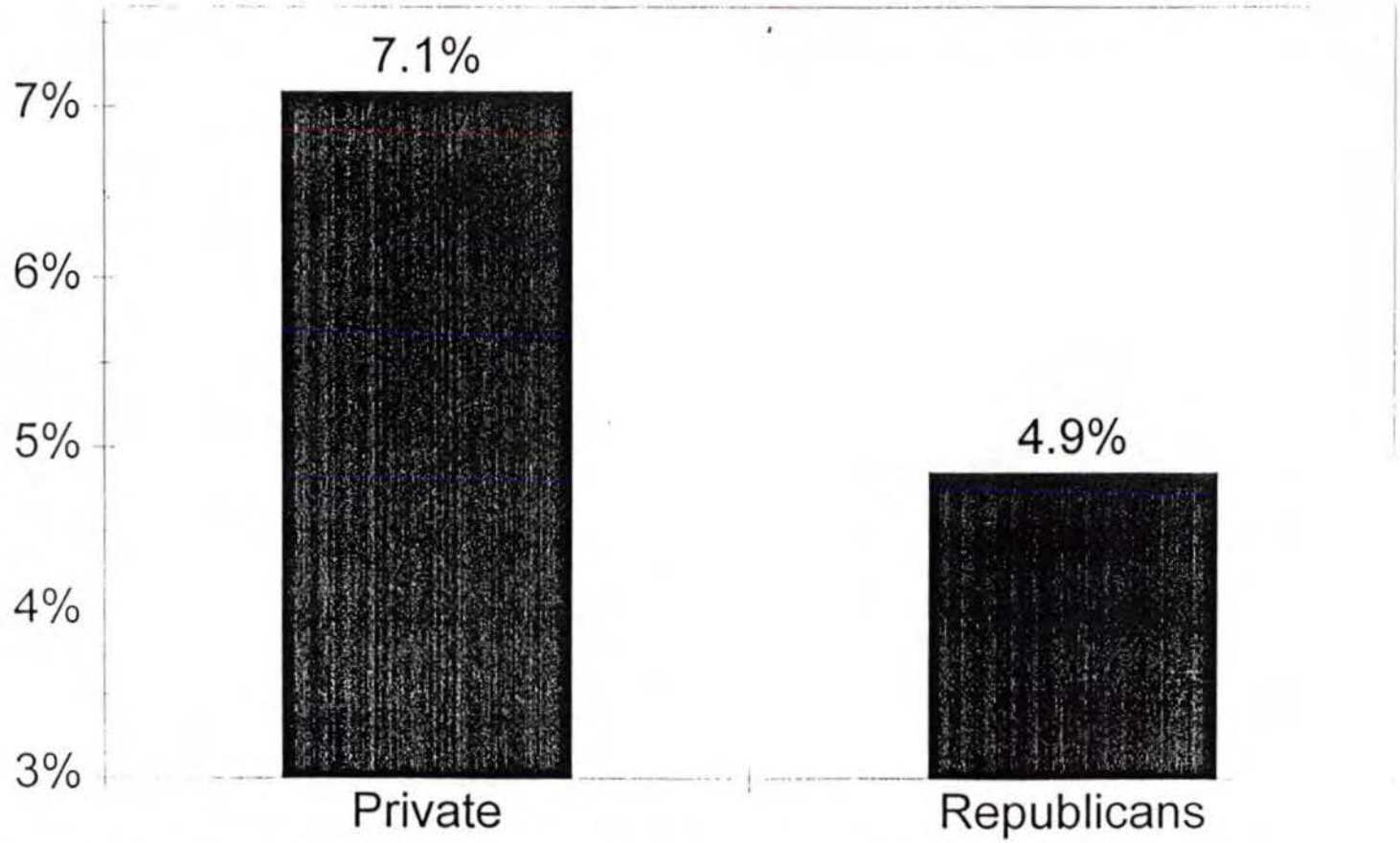
- And remember, the Congressional Majority wishes to constrain the growth rate well below the private sector even though Medicare beneficiaries are, by any definition, a much more difficult to manage and expensive population than those with private insurance.

- **To deny their proposal is a cut is like saying that reducing the Social Security cost-of-living adjustment (COLA) is not a cut.** To deny their proposal is a cut is like telling workers who get a 3% raise that their salary will remain sufficient to maintain their standard of living in an economy that has an inflation rate of 5%.

- **The real question is whether the $6,700 advocated by the Congressional Majority would be sufficient to pay for the same benefits in 2002 that Medicare beneficiaries have today. Clearly, it is not.**

* (NOTE: The 1996-2002 private sector per capita growth rate projection of 7.1% -- calculated from Congressional Budget Office data -- is 40% higher than the 4.9% growth rate the Republican budget allows for Medicare. Constraining the Medicare program to the 7.1% growth rate would reduce per beneficiary spending from its currently projected $8,400 to $7,600, and would produce substantial Federal savings. However, the Republican budget's 4.9% growth rate would reduce Federal spending per beneficiary by $1,700 to $6,630. This is $1,000 per person less than even the private sector growth rate would allow and could only be achieved through unprecedented cost-sharing increases on beneficiaries.)

# Private Sector Health Plan versus Republican Medicare Growth per Beneficiary, 1996-2002




All estimates are calculated by the Administration using CBO data.

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Divider Title: **Tab 5: Medicaid Talking Points**

## TAB 5: Medicaid Talking Points and Back–up Charts

- One–page talking points
- Chart illustrating growth per recipient under Republican proposal
- Chart breaking out impact of Medicaid cuts on Medicaid recipients, services, and health care providers

## MEDICAID

- **REPUBLICANS' UNPRECEDENTED CUTS:** The Republican Budget Resolution Conference Agreement would cut $182 billion from Medicaid over the next seven years by making the program a block grant to states.

- **HEAVY BURDENS TO FAMILIES FACING LONG-TERM CARE:** While most people think that Medicaid helps only low-income mothers and children, about two-thirds of Medicaid funds are spent on services for elderly and disabled Americans. Without Medicaid, working families with a parent or spouse who need long-term care would face nursing home bills that average $38,000 a year.

- **MANAGED CARE SAVINGS NOT NEARLY SUFFICIENT:** Savings from managed care cannot produce anywhere near the magnitude of cuts proposed by the Republicans. Two-thirds of Medicaid funds are spent on the elderly and disabled, and there is little evidence that putting them in managed care can produce savings. And because the baseline projections already assume that a growing number of mothers and children on Medicaid will be in managed care plans, there are little additional savings left in the remaining one-third of the program.

- **LIKELY IMPACTS:** The Republicans argue that they are not cutting Medicaid since states will get an increase in the block grant every year. But, given that CBO projects that the number of people covered will grow by 3 percent and that the Republicans block grant will grow by only 4 percent by 1998, the funding does not even keep up with inflation. It's a cut in real terms.

  - Assuming states would be forced to respond to these cuts by reducing services, provider payments and coverage:

    - **8.8 million children, elderly, and disabled individuals would lose coverage in 2002, according to the Urban Institute.** This would further worsen our nation's uncompensated care problem and create more incentives for cost-shifting to American businesses and families who still have insurance.

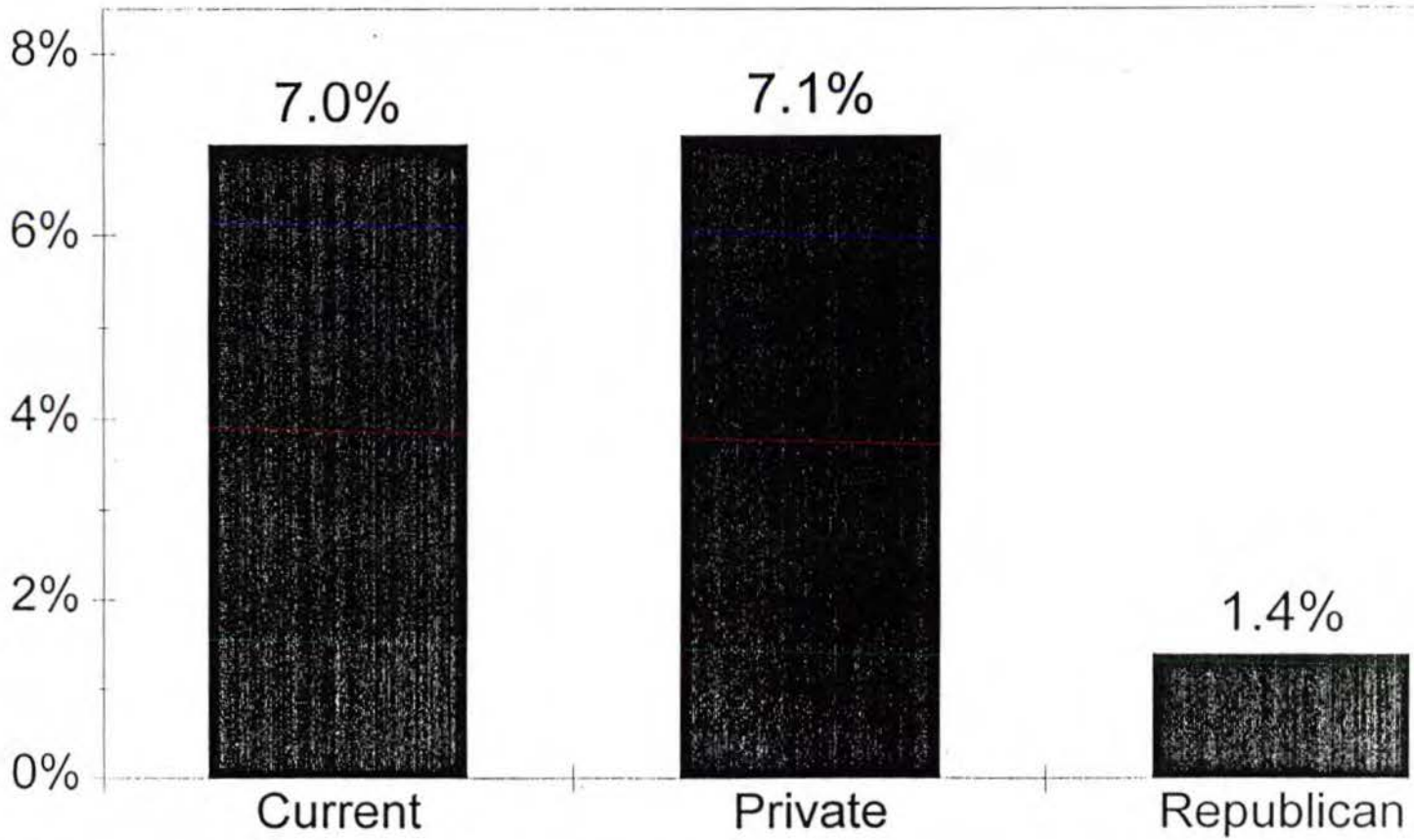
- **THE PRESIDENT'S PROPOSAL PROTECTS COVERAGE:** The President's proposal contains a mix of policies that save $54 billion between now and 2002 -- less than a third of the Republican proposal. It promotes efficiency and gives states more flexibility while protecting coverage. Every single Democratic Governor has endorsed the President's Medicaid target as a reasonable and achievable savings number.

  - Maintaining coverage under Medicaid is critical since it serves as a safety net for many Americans. Between 1989 and 1994, employer health coverage declined from 66 percent of the nonelderly population to 59 percent. Medicaid coverage increased from 9 to 14 percent during this same period.

# Medicaid Growth Per Recipient

## Effect of the Republican Proposal

## 1996-2002

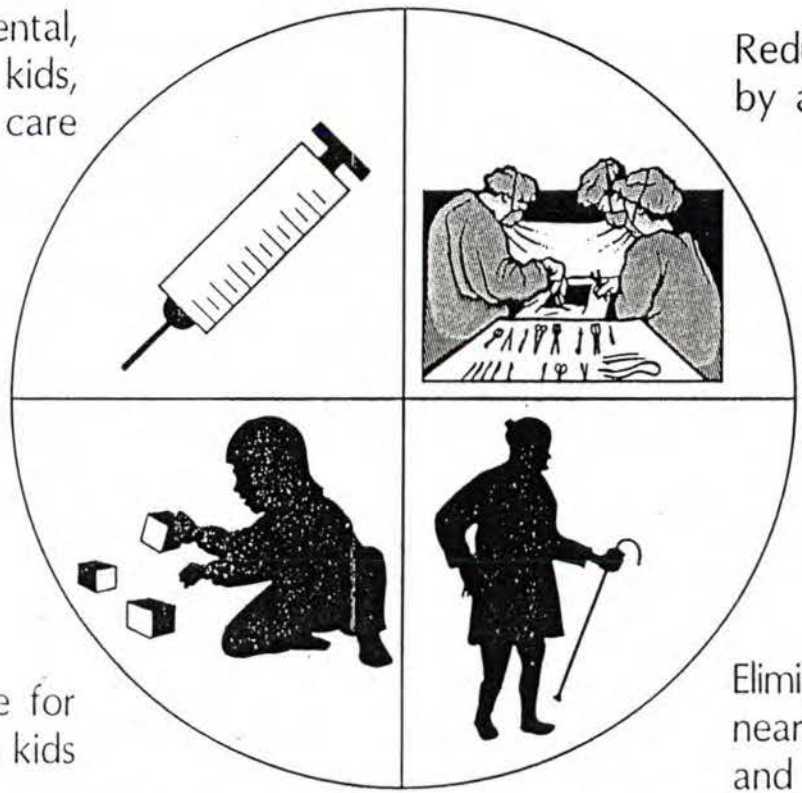



All estimates are calculated by the Administration using CBO data.

# Medicaid Cuts That States Would Be Forced to Make

## 2002

Eliminate coverage for dental, screening services for kids, and hospice and home care



Reduce provider payments by almost $13 billion

Eliminate coverage for 7 million kids

Eliminate coverage for nearly one million elderly and persons with disabilities

*NOTE: Assuming 25% cut in each of these categories.*

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Divider Title: **Tab 6: Clinton's Health Plan**

## TAB 6: President Clinton's Position on Health Care

- President Clinton's veto message regarding cuts in Medicare, Medicaid and Education

- President Clinton's health reform initiative

THE WHITE HOUSE

WASHINGTON

June 28, 1995

Dear Mr. Leader:

We share the goal of balancing the federal budget, and I look forward to working with you on this important matter.

But as we work together to reach our shared goal, we must ensure that we do so the right way -- the way that will raise the standards of living for average Americans.

My plan to balance the budget over 10 years will help raise average living standards by cutting unnecessary spending while investing in education and training, targeting tax relief to middle-income Americans, and taking incremental but serious steps toward health care reform. By contrast, the conference agreement cuts too deeply into Medicare and Medicaid and cuts education and training both to pay for a tax cut that is too large for too many who don't need it, and to meet the 7 year time frame.

Though I am determined to work with you to balance the budget, I cannot accept legislation that will threaten the living standards of American families.

I hope we can work together and avoid a situation in which I would have no choice but to use my veto authority broadly. The American people want us to work together to balance the budget and to do it the right way. I am ready to do that.

Sincerely,

Bill Clinton

The Honorable Bob Dole
Majority Leader
United States Senate
Washington, D.C. 20510

# The President's Health Reform Initiative

## 1. Reforming the Insurance Market

Insurance reforms, based on proposals that both Republicans and Democrats supported in the last Congress, will improve the fairness and efficiency of the insurance marketplace.

- **Portability and Renewability of Coverage** -- Insurers will be barred from denying coverage to Americans with pre-existing medical conditions, and plans will have to renew coverage regardless of health status.

- **Small Group Market Reforms** -- Insurers will be required to offer coverage to small employers and their workers, regardless of health status, and companies will be limited in their ability to vary or increase premiums on the basis of claims' history.

- **Consumer Protections** -- Insurers will be required to give consumers information on benefits and limitations of their health plans, including the identity, location, and availability of participating providers; a summary of procedures used to control utilization of services; and how well the plan meets quality standards. In addition, plans would have to provide prompt notice of claims denials and establish internal grievance and appeals procedures.

## 2. Helping Working Families Retain Insurance After a Job Loss

Families that lose their health insurance when they lose a job will be eligible for premium subsidies for up to 6 months. The premium subsidies will be adequate to help families purchase health insurance with benefits like the Blue Cross/Blue Shield standard option plan available to Federal employees.

## 3. Helping Small Business Afford Insurance

- **Giving Small Employers Access to Group Purchasing Options** -- Small employers that lack access to a group purchasing option through voluntary state pools would get that option through access to the Federal Employees Health Benefits Program (FEHBP) plans. This would increase the purchasing power of smaller businesses and make the small group insurance market more efficient. Small firms would get coverage from plans that also provide coverage to Federal employees through FEHBP, but the coverage would be separately rated in each state, leaving premiums for Federal and state employees unaffected.

- **Expanding the Self-Employed Tax Deduction** -- The President's plan provides a fairer system for self-employed Americans who have health insurance. Self-employed people would deduct 50 percent of the cost of their health insurance premiums, rather than 25 percent as under current law.

## 4. Reforming and Strengthening Medicare

- **Strengthening the Trust Fund** -- The President's plan would reduce Medicare's Part A by $79 billion over 7 years to ensure the solvency of the Medicare HI Trust Fund to 2005. The plan finds such savings by reducing provider cost growth, not raising beneficiary costs.

• **Eliminating the Co-Payment for Mammograms** -- Although coverage by Medicare began in 1991, only 14 percent of eligible beneficiaries without supplemental income tap this potentially lifesaving benefit. One factor is the required 20 percent co-payment. To remove financial barriers to women seeking preventive mammograms, the President's plan waives the Medicare co-payment.

• **Expanding Managed Care Choices** -- The President's plan expands the managed care options available to beneficiaries to include preferred provider organizations ("PPOs") and point-of-service ("POS") plans. The plan also implements initiatives to improve Medicare reimbursement of managed care plans, including a competitive bidding demonstration proposal. Also included in his plan are important initiatives to streamline regulation.

• **Combatting Fraud and Abuse** -- "Operation Restore Trust" is a five-state demonstration project that targets fraud and abuse in home health care, nursing home, and durable medical equipment industries. The President's budget increases funding for these critical fraud and abuse activities.

**5. Long-Term Care**

• **Expanding Home and Community-Based Care** -- The President's plan provides grants to states for home- and community-based services for disabled elderly Americans. Each state, will receive funds for home- and community-based care based on the number of severely disabled people in the state, the size of its low-income population, and the cost of services in the state.

• **Providing for a New Alzheimer's Respite Benefit within Medicare** -- The President's plan helps Medicare beneficiaries who suffer from Alzheimer's disease be providing respite services for their families for one week each year.

**6. Reforming Medicaid**

The President maintains Medicaid, expanding state flexibility, cutting costs, and assuring Medicaid's ability to provide coverage to the vulnerable populations it now serves.

• **Eliminating Unnecessary Federal Strings on States** -- To let states manage their Medicaid Programs more efficiently, the President's plan substantially reduces Federal requirements.

-- States will be allowed to pursue managed care strategies and other service delivery innovations without seeking Federal waivers; and

-- The "Boren Amendment" and other Federal requirements that set minimum payments to health care providers will be repealed and restructured.

• **Reducing Medicaid Costs** -- The President proposes a combination of policies to reduce the growth of Medicaid spending, including expanding managed care, reducing and better targeting Federal payments to states for hospitals that serve a high proportion of low-income people, and limiting the growth in federal Medicaid payments to states for each beneficiary. Per-person limits, as opposed to a block grant on total spending, promote efficiency while protecting coverage.

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Divider Title: **Tab 7: State/State Analysis**

## TAB 7: State by State Medicare/Medicaid Impact Analysis

THE WHITE HOUSE
Office of Media Affairs

FOR IMMEDIATE RELEASE
July 28, 1995

Contact: 202/456-7150

# THE UNITED STATES
## The Republican Budget Resolution Conference Agreement: Impact of Medicare and Medicaid Cuts on States

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. **Over one-third of these cuts would come from just four states: California ($54 billion), Florida ($38 billion), New York ($37 billion), and Texas ($28 billion).** In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans.

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

These cuts will affect all states, but some states more so than others. States such as Florida and Texas, where there are high numbers of beneficiaries, will be particularly hard hit. **California, Florida, Texas, New York and Pennsylvania, for instance, will bear more than 40% of all the Medicare cuts. On a per beneficiary basis, Massachusetts, Tennessee, Alabama and Rhode Island would also have higher than average increases in the out-of-pocket costs.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

The Medicaid cuts have enormously different impacts on states. While all states will see about a one-third reduction in their Federal Medicaid spending, states with high growth -- for any reason, including recessions or an increase in their elderly population -- will be particularly hard hit. **New York and California alone will bear 20% of the total Medicaid cuts, while West Virginia, Florida, and Georgia will see the largest reductions as a proportion of their current Federal grant.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost-sharing increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

## Effects of the Republicans' Balanced Budget Proposal (Conference Agreement)
## Loss of Medicare and Medicaid Funding by State
(Dollars in Millions, Fiscal Years)

| | 2002 | | | 1996-2002 | | |
|---|---|---|---|---|---|---|
| | *Medicare* | *Medicaid* | Combined | *Medicare* | *Medicaid* | Combined |
| U.S. | 71,000 | 51,150* | 122,150* | 270,000 | 171,803* | 441,803* |
| Alabama | 1,661 | 542 | **2,203** | 5,890 | 1,733 | **7,623** |
| Alaska | 42 | 121 | **163** | 166 | 429 | **595** |
| Arizona | 1,247 | 792 | **2,039** | 4,626 | 2,672 | **7,297** |
| Arkansas | 525 | 696 | **1,221** | 2,108 | 2,444 | **4,553** |
| California | 9,893 | 5,477 | **15,371** | 36,371 | 18,032 | **54,403** |
| Colorado | 959 | 475 | **1,434** | 3,434 | 1,654 | **5,088** |
| Connecticut | 1,042 | 486 | **1,528** | 3,968 | 1,423 | **5,391** |
| Delaware | 235 | 98 | **334** | 865 | 331 | **1,196** |
| District of Columbia | 1,197 | 259 | **1,456** | 3,778 | 863 | **4,641** |
| Florida | 7,789 | 2,704 | **10,493** | 28,098 | 9,691 | **37,789** |
| Georgia | 1,737 | 1,692 | **3,429** | 6,519 | 6,093 | **12,612** |
| Hawaii | 362 | 161 | **523** | 1,253 | 572 | **1,825** |
| Idaho | 125 | 160 | **285** | 520 | 542 | **1,062** |
| Illinois | 2,218 | 1,847 | **4,065** | 9,078 | 6,120 | **15,197** |
| Indiana | 1,312 | 1,290 | **2,602** | 5,092 | 4,269 | **9,361** |
| Iowa | 414 | 384 | **798** | 1,751 | 1,235 | **2,986** |
| Kansas | 697 | 228 | **925** | 2,650 | 663 | **3,313** |
| Kentucky | 809 | 1,121 | **1,930** | 3,227 | 3,828 | **7,056** |
| Louisiana | 1,330 | 1,511 | **2,841** | 5,062 | 5,151 | **10,213** |
| Maine | 193 | 236 | **429** | 807 | 675 | **1,483** |
| Maryland | 891 | 800 | **1,691** | 3,664 | 2,702 | **6,366** |
| Massachusetts | 2,569 | 1,305 | **3,874** | 9,464 | 4,291 | **13,755** |
| Michigan | 1,827 | 1,778 | **3,605** | 7,540 | 5,935 | **13,476** |
| Minnesota | 1,264 | 687 | **1,951** | 4,534 | 2,134 | **6,669** |
| Mississippi | 563 | 705 | **1,268** | 2,232 | 2,457 | **4,689** |
| Missouri | 1,280 | 433 | **1,714** | 5,073 | 1,235 | **6,308** |
| Montana | 131 | 211 | **342** | 538 | 766 | **1,303** |
| Nebraska | 283 | 224 | **506** | 1,126 | 728 | **1,854** |
| Nevada | 533 | 157 | **690** | 1,861 | 516 | **2,377** |
| New Hampshire | 244 | 40 | **284** | 924 | 51 | **975** |
| New Jersey | 1,940 | 1,188 | **3,129** | 7,727 | 3,701 | **11,428** |
| New Mexico | 208 | 389 | **598** | 844 | 1,352 | **2,196** |
| New York | 4,481 | 5,863 | **10,345** | 18,058 | 18,924 | **36,982** |
| North Carolina | 1,810 | 1,830 | **3,640** | 6,749 | 6,764 | **13,513** |
| North Dakota | 133 | 118 | **251** | 537 | 382 | **919** |
| Ohio | 2,161 | 2,124 | **4,285** | 8,868 | 7,088 | **15,956** |
| Oklahoma | 633 | 642 | **1,275** | 2,558 | 2,250 | **4,808** |
| Oregon | 844 | 516 | **1,360** | 3,092 | 1,838 | **4,930** |
| Pennsylvania | 3,785 | 1,906 | **5,691** | 15,053 | 6,123 | **21,175** |
| Rhode Island | 403 | 264 | **667** | 1,451 | 861 | **2,312** |
| South Carolina | 923 | 672 | **1,594** | 3,361 | 2,281 | **5,642** |
| South Dakota | 128 | 123 | **251** | 516 | 396 | **912** |
| Tennessee | 1,989 | 1,455 | **3,444** | 7,248 | 5,090 | **12,338** |
| Texas | 4,539 | 3,316 | **7,855** | 16,991 | 11,135 | **28,126** |
| Utah | 277 | 302 | **580** | 1,061 | 1,035 | **2,096** |
| Vermont | 88 | 99 | **187** | 356 | 318 | **673** |
| Virginia | 879 | 798 | **1,677** | 3,625 | 2,844 | **6,469** |
| Washington | 818 | 1,053 | **1,870** | 3,289 | 3,719 | **7,008** |
| West Virginia | 394 | 919 | **1,313** | 1,586 | 3,321 | **4,907** |
| Wisconsin | 765 | 883 | **1,648** | 3,182 | 2,903 | **6,085** |
| Wyoming | 41 | 72 | **112** | 179 | 245 | **424** |

MEDICARE ESTIMATES: Source: US DHHS. Savings estimates from Conference Agreement, as scored off of the CBO Medicare baseline. Based on historical state share of Medicare outlays, trended forward with growth in the states' share of outlays. Estimates based on Medicare outlays by location of service delivery. Thus, certain state estimates may be affected by part-year residency and state border crossing to obtain care (e.g., Florida & Minnesota).

MEDICAID ESTIMATES: Source: The Urban Institute. Assumes growth rates of 7.2% in 1996, 6.8% in 1997, and 4% for 1998 and subsequent years. Estimates do not correspond exactly to the CBO estimates of this proposals since the Urban Institute has independently constructed the states' baselines.

* Because the Medicaid estimates are not based on the CBO baseline, the totals are not equal to those in the Conference Agreement.

**Effects of the Republican Resolution Agreement's Medicare Proposal On States**
**Losses by State Under the Proposal Relative to the President's Proposal**
(Excluding Premium Extenders in President's Budget, Fiscal years)

| | Increased Out-of-Pocket Cost Per Beneficiary (Increase in dollars per beneficiary) |
|---|---|
| | 1996-2002 |
| US | $2,825 |
| Alabama | 3,775 |
| Alaska | 1,350 |
| Arizona | 2,775 |
| Arkansas | 1,875 |
| California | 4,100 |
| Colorado | 3,000 |
| Connecticut | 3,250 |
| Delaware | 3,350 |
| District of Columbia | NA |
| Florida | 4,400 |
| Georgia | 3,025 |
| Hawaii | 3,050 |
| Idaho | 1,075 |
| Illinois | 2,200 |
| Indiana | 2,400 |
| Iowa | 1,300 |
| Kansas | 2,850 |
| Kentucky | 2,075 |
| Louisiana | 3,575 |
| Maine | 1,350 |
| Maryland | 2,275 |
| Massachusetts | 4,300 |
| Michigan | 2,100 |
| Minnesota | 2,900 |
| Mississippi | 2,175 |
| Missouri | 2,425 |
| Montana | 1,425 |
| Nebraska | 1,700 |
| Nevada | 3,000 |
| New Hampshire | 2,175 |
| New Jersey | 2,625 |
| New Mexico | 1,225 |
| New York | 2,825 |
| North Carolina | 2,400 |
| North Dakota | 2,025 |
| Ohio | 2,000 |
| Oklahoma | 2,000 |
| Oregon | 2,525 |
| Pennsylvania | 2,975 |
| Rhode Island | 3,650 |
| South Carolina | 2,425 |
| South Dakota | 1,625 |
| Tennessee | 3,850 |
| Texas | 3,125 |
| Utah | 1,925 |
| Vermont | 1,475 |
| Virginia | 1,500 |
| Washington | 1,675 |
| West Virginia | 1,800 |
| Wisconsin | 1,500 |
| Wyoming | 800 |
| Puerto Rico | 875 |

Source: US DHHS. Savings estimates from Conference Agreement, as scored off of the CBO Medicare baseline. Rounded to the nearest $25.
Variation in the costs per beneficiary across states reflects factors such as: (1) practice pattern differences,
(2) cost differences; (3) differences in health status and the number of very old persons in a state;
and (4) differences in the supply of health care providers.

NOTES: Assumes that increases in beneficiary out-of-pocket costs (e.g., premiums and coinsurance) are equal to 50% of the total cuts.
Based on historical state share of Medicare outlays & enrollment, trended forward with growth in the states' share of outlays & enrollment.
Estimates based on Medicare outlays by location of service delivery. Thus, certain state estimates may be affected by
part-year residency and state border crossing to obtain care (e.g., Florida & Minnesota).
State border crossing makes the District of Columbia estimates unreliable.
REVISED: July 12, 1995

**States' Losses Under a Medicaid Block Grant, 1996 - 2002**
**Republicans' Balanced Budget Proposal (Conference Agreement)**
(Dollars in Millions, Fiscal Years)

| Losses in Dollars (1996-2002) | | Losses as a Percent of Spending in 2002 | |
|---|---|---|---|
| U.S. | (171,803) | U.S. | -28.9% |
| New York | (18,924) | West Virginia | -35.5% |
| California | (18,032) | Florida | -35.2% |
| Texas | (11,135) | Georgia | -34.5% |
| Florida | (9,691) | New Mexico | -33.9% |
| Ohio | (7,088) | North Carolina | -33.8% |
| North Carolina | (6,764) | Arkansas | -33.4% |
| Pennsylvania | (6,123) | Montana | -33.2% |
| Illinois | (6,120) | Virginia | -32.8% |
| Georgia | (6,093) | Arizona | -32.5% |
| Michigan | (5,935) | Kentucky | -32.4% |
| Louisiana | (5,151) | Alaska | -32.3% |
| Tennessee | (5,090) | Tennessee | -31.7% |
| Massachusetts | (4,291) | Hawaii | -31.7% |
| Indiana | (4,269) | Maryland | -31.6% |
| Kentucky | (3,828) | Utah | -31.5% |
| Washington | (3,719) | Oregon | -31.3% |
| New Jersey | (3,701) | Colorado | -31.2% |
| West Virginia | (3,321) | Oklahoma | -31.2% |
| Wisconsin | (2,903) | Washington | -31.1% |
| Virginia | (2,844) | District of Columbia | -30.7% |
| Maryland | (2,702) | California | -30.5% |
| Arizona | (2,672) | Delaware | -30.5% |
| Mississippi | (2,457) | Wyoming | -30.3% |
| Arkansas | (2,444) | Mississippi | -30.1% |
| South Carolina | (2,281) | Indiana | -29.9% |
| Oklahoma | (2,250) | Illinois | -29.8% |
| Minnesota | (2,134) | Michigan | -29.7% |
| Oregon | (1,838) | Idaho | -29.4% |
| Alabama | (1,733) | Texas | -29.2% |
| Colorado | (1,654) | Nevada | -29.0% |
| Connecticut | (1,423) | Wisconsin | -28.8% |
| New Mexico | (1,352) | Ohio | -28.3% |
| Missouri | (1,235) | South Dakota | -27.8% |
| Iowa | (1,235) | Massachusetts | -27.7% |
| Utah | (1,035) | Nebraska | -27.3% |
| District of Columbia | (863) | Vermont | -27.0% |
| Rhode Island | (861) | Pennsylvania | -26.8% |
| Montana | (766) | Iowa | -26.6% |
| Nebraska | (728) | New York | -26.6% |
| Maine | (675) | Rhode Island | -26.3% |
| Kansas | (663) | North Dakota | -25.8% |
| Hawaii | (572) | Minnesota | -25.4% |
| Idaho | (542) | Louisiana | -24.6% |
| Nevada | (516) | South Carolina | -24.4% |
| Alaska | (429) | New Jersey | -23.3% |
| South Dakota | (396) | Alabama | -21.8% |
| North Dakota | (382) | Maine | -21.6% |
| Delaware | (331) | Kansas | -21.1% |
| Vermont | (318) | Connecticut | -20.7% |
| Wyoming | (245) | Missouri | -16.5% |
| New Hampshire | (51) | New Hampshire | -6.3% |

Source: The Urban Institute. Assumes growth rates of 7.2% in 1996, 6.8% in 1997, and 4% for 1998 and subsequent years. Estimates do not correspond exactly to the CBO estimates of this proposals since the Urban Institute has independently constructed the states' baselines.

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FOR IMMEDIATE RELEASE
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Contact: 202/456-7150

# ALABAMA

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Alabama

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Alabama by $8 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Alabama's over 630,000 Medicare beneficiaries would pay as much as $3,775 more in premiums and copayments over the seven years; couples would pay at least $7,550 more. Overall, the state of Alabama would lose $2 billion in Medicare funding in 2002, and $6 billion over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Alabama would lose $542 million in Federal Medicaid funding in 2002 and $2 billion over the seven years, a reduction of 22% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 544,000 recipients. According to this study, these cuts would mean that Alabama could have to cut off coverage for 102,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# ALASKA

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Alaska

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Alaska by $595 million.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Alaska's over 32,000 Medicare beneficiaries would pay as much as $1,350 more in premiums and copayments over the seven years; couples would pay at least $2,700 more. Overall, the state of Alaska would lose $42 million in Medicare funding in 2002, and $166 million over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Alaska would lose $121 million in Federal Medicaid funding in 2002 and $429 million over the seven years, a reduction of 32% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 69,000 recipients. According to this study, these cuts would mean that Alaska could have to cut off coverage for 22,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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ARIZONA

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Arizona**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Arizona by $7 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Arizona's over 577,000 Medicare beneficiaries would pay as much as $2,775 more in premiums and copayments over the seven years; couples would pay at least $5,550 more. Overall, the state of Arizona would lose $1 billion in Medicare funding in 2002, and $5 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Arizona would lose $792 million in Federal Medicaid funding in 2002 and $3 billion over the seven years, a reduction of 33% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 510,000 recipients. According to this study, these cuts would mean that Arizona could have to cut off coverage for 110,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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ARKANSAS

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Arkansas**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Arkansas by $5 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Arkansas's over 416,000 Medicare beneficiaries would pay as much as $1,875 more in premiums and copayments over the seven years; couples would pay at least $3,750 more. Overall, the state of Arkansas would lose $525 million in Medicare funding in 2002, and $2 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Arkansas would lose $696 million in Federal Medicaid funding in 2002 and $2 billion over the seven years, a reduction of 33% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 340,000 recipients. According to this study, these cuts would mean that Arkansas could have to cut off coverage for 122,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# CALIFORNIA

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on California

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to California by $54 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of California's over 3.6 million Medicare beneficiaries would pay as much as $4,100 more in premiums and copayments over the seven years; couples would pay at least $8,200 more. Overall, the state of California would lose $10 billion in Medicare funding in 2002, and $36 billion over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of California would lose $5 billion in Federal Medicaid funding in 2002 and $18 billion over the seven years, a reduction of 31% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 5.0 million recipients. According to this study, these cuts would mean that California could have to cut off coverage for 1.2 million recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# COLORADO

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Colorado

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Colorado by $5 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Colorado's over 409,000 Medicare beneficiaries would pay as much as $3,000 more in premiums and copayments over the seven years; couples would pay at least $6,000 more. Overall, the state of Colorado would lose $959 million in Medicare funding in 2002, and $3 billion over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Colorado would lose $475 billion in Federal Medicaid funding in 2002 and $2 billion over the seven years, a reduction of 31% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 289,000 recipients. According to this study, these cuts would mean that Colorado could have to cut off coverage for 97,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# CONNECTICUT

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Connecticut

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Connecticut by $5 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Connecticut's over 497,000 Medicare beneficiaries would pay as much as $3,250 more in premiums and copayments over the seven years; couples would pay at least $6,500 more. Overall, the state of Connecticut would lose $1 billion in Medicare funding in 2002, and $4 billion over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Connecticut would lose $486 million in Federal Medicaid funding in 2002 and $1 billion over the seven years, a reduction of 21% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 354,000 recipients. According to this study, these cuts would mean that Connecticut could have to cut off coverage for 74,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# DELAWARE

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Delaware

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Delaware by $1 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Delaware's over 98,000 Medicare beneficiaries would pay as much as $3,350 more in premiums and copayments over the seven years; couples would pay at least $6,700 more. Overall, the state of Delaware would lose $235 million in Medicare funding in 2002, and $865 million over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Delaware would lose $98 million in Federal Medicaid funding in 2002 and $331 million over the seven years, a reduction of 30% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 75,000 recipients. According to this study, these cuts would mean that Delaware could have to cut off coverage for 21,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# DISTRICT OF COLUMBIA

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on the District of Columbia

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to the District of Columbia by $5 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Overall, the District of Columbia would lose $1 billion in Medicare funding in 2002, and $4 billion over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the District of Columbia would lose $259 million in Federal Medicaid funding in 2002 and $863 million over the seven years, a reduction of 31% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the District's current 127,000 recipients. According to this study, these cuts would mean that District of Columbia could have to cut off coverage for 20,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

THE WHITE HOUSE
Office of Media Affairs

FOR IMMEDIATE RELEASE
July 28, 1995

Contact: 202/456-7150

# FLORIDA

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Florida

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Florida by $38 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Florida's over 2.6 million Medicare beneficiaries would pay as much as $4,400 more in premiums and copayments over the seven years; couples would pay at least $8,800 more. Overall, the state of Florida would lose $8 billion in Medicare funding in 2002, and $28 billion over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Florida would lose $3 billion in Federal Medicaid funding in 2002 and $10 billion over the seven years, a reduction of 35% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 1.7 million recipients. According to this study, these cuts would mean that Florida could have to cut off coverage for 706,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# GEORGIA

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Georgia

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Georgia by $13 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Georgia's over 811,000 Medicare beneficiaries would pay as much as $3,025 more in premiums and copayments over the seven years; couples would pay at least $6,050 more. Overall, the state of Georgia would lose $2 billion in Medicare funding in 2002, and $7 billion over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Georgia would lose $2 billion in Federal Medicaid funding in 2002 and $6 billion over the seven years, a reduction of 35% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 1.1 million recipients. According to this study, these cuts would mean that Georgia could have to cut off coverage for 383,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# HAWAII

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Hawaii

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Hawaii by $2 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Hawaii's over 146,000 Medicare beneficiaries would pay as much as $3,050 more in premiums and copayments over the seven years; couples would pay at least $6,100 more. Overall, the state of Hawaii would lose $362 million in Medicare funding in 2002, and $1 billion over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Hawaii would lose $161 million in Federal Medicaid funding in 2002 and $572 million over the seven years, a reduction of 32% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 121,000 recipients. According to this study, these cuts would mean that Hawaii could have to cut off coverage for 36,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# IDAHO

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Idaho

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Idaho by $1 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Idaho's over 146,000 Medicare beneficiaries would pay as much as $1,075 more in premiums and copayments over the seven years; couples would pay at least $2,150 more. Overall, the state of Idaho would lose $125 million in Medicare funding in 2002, and $520 million over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Idaho would lose $160 million in Federal Medicaid funding in 2002 and $542 million over the seven years, a reduction of 29% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 110,000 recipients. According to this study, these cuts would mean that Idaho could have to cut off coverage for 34,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# ILLINOIS

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Illinois

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Illinois by $15 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Illinois's over 1.6 million Medicare beneficiaries would pay as much as $2,200 more in premiums and copayments over the seven years; couples would pay at least $4,400 more. Overall, the state of Illinois would lose $2 billion in Medicare funding in 2002, and $9 billion over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Illinois would lose $2 billion in Federal Medicaid funding in 2002 and $6 billion over the seven years, a reduction of 30% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 1.4 million recipients. According to this study, these cuts would mean that Illinois could have to cut off coverage for 274,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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INDIANA

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Indiana**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Indiana by $9 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Indiana's over 813,000 Medicare beneficiaries would pay as much as $2,400 more in premiums and copayments over the seven years; couples would pay at least $4,800 more. Overall, the state of Indiana would lose $1 billion in Medicare funding in 2002, and $5 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Indiana would lose $1 billion in Federal Medicaid funding in 2002 and $4 billion over the seven years, a reduction of 30% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 605,000 recipients. According to this study, these cuts would mean that Indiana could have to cut off coverage for 112,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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IOWA

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Iowa**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Iowa by $3 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Iowa's over 472,000 Medicare beneficiaries would pay as much as $1,300 more in premiums and copayments over the seven years; couples would pay at least $2,600 more. Overall, the state of Iowa would lose $414 million in Medicare funding in 2002, and $2 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Iowa would lose $384 million in Federal Medicaid funding in 2002 and $1 billion over the seven years, a reduction of 27% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 303,000 recipients. According to this study, these cuts would mean that Iowa could have to cut off coverage for 69,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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KANSAS

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Kansas**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Kansas by $3 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Kansas's over 380,000 Medicare beneficiaries would pay as much as $2,850 more in premiums and copayments over the seven years; couples would pay at least $5,700 more. Overall, the state of Kansas would lose $697 million in Medicare funding in 2002, and $3 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Kansas would lose $228 million in Federal Medicaid funding in 2002 and $663 million over the seven years, a reduction of 21% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 252,000 recipients. According to this study, these cuts would mean that Kansas could have to cut off coverage for 40,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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KENTUCKY

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Kentucky**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Kentucky by $7 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Kentucky's over 575,000 Medicare beneficiaries would pay as much as $2,075 more in premiums and copayments over the seven years; couples would pay at least $4,150 more. Overall, the state of Kentucky would lose $809 million in Medicare funding in 2002, and $3 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Kentucky would lose $1 billion in Federal Medicaid funding in 2002 and $4 billion over the seven years, a reduction of 32% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 638,000 recipients. According to this study, these cuts would mean that Kentucky could have to cut off coverage for 171,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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LOUISIANA

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Louisiana**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Louisiana by $10 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Louisiana's over 572,000 Medicare beneficiaries would pay as much as $3,575 more in premiums and copayments over the seven years; couples would pay at least $7,150 more. Overall, the state of Louisiana would lose $1 billion in Medicare funding in 2002, and $5 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Louisiana would lose $2 billion in Federal Medicaid funding in 2002 and $5 billion over the seven years, a reduction of 25% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 778,000 recipients. According to this study, these cuts would mean that Louisiana could have to cut off coverage for 154,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# MAINE

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Maine

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Maine by $1 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Maine's over 198,000 Medicare beneficiaries would pay as much as $1,350 more in premiums and copayments over the seven years; couples would pay at least $2,700 more. Overall, the state of Maine would lose $193 million in Medicare funding in 2002, and $807 million over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Maine would lose $236 million in Federal Medicaid funding in 2002 and $675 million over the seven years, a reduction of 22% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 177,000 recipients. According to this study, these cuts would mean that Maine could have to cut off coverage for 34,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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MARYLAND

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Maryland**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Maryland by $6 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Maryland's over 591,000 Medicare beneficiaries would pay as much as $2,275 more in premiums and copayments over the seven years; couples would pay at least $4,550 more. Overall, the state of Maryland would lose $891 million in Medicare funding in 2002, and $4 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Maryland would lose $800 million in Federal Medicaid funding in 2002 and $3 billion over the seven years, a reduction of 32% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 415,000 recipients. According to this study, these cuts would mean that Maryland could have to cut off coverage for 116,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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MASSACHUSETTS

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Massachusetts**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Massachusetts by $14 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Massachusetts's over 923,000 Medicare beneficiaries would pay as much as $4,300 more in premiums and copayments over the seven years; couples would pay at least $8,600 more. Overall, the state of Massachusetts would lose $3 billion in Medicare funding in 2002, and $9 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Massachusetts would lose $1 billion in Federal Medicaid funding in 2002 and $4 billion over the seven years, a reduction of 28% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 710,000 recipients. According to this study, these cuts would mean that Massachusetts could have to cut off coverage for 210,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

THE WHITE HOUSE
Office of Media Affairs

FOR IMMEDIATE RELEASE
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Contact: 202/456-7150

# MICHIGAN

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Michigan

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Michigan by $13 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Michigan's over 1.3 million Medicare beneficiaries would pay as much as $2,100 more in premiums and copayments over the seven years; couples would pay at least $4,200 more. Overall, the state of Michigan would lose $2 billion in Medicare funding in 2002, and $8 billion over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Michigan would lose $2 billion in Federal Medicaid funding in 2002 and $6 billion over the seven years, a reduction of 30% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 1.2 million recipients. According to this study, these cuts would mean that Michigan could have to cut off coverage for 215,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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MINNESOTA

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Minnesota**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Minnesota by $7 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Minnesota's over 623,000 Medicare beneficiaries would pay as much as $2,900 more in premiums and copayments over the seven years; couples would pay at least $5,800 more. Overall, the state of Minnesota would lose $1 billion in Medicare funding in 2002, and $5 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Minnesota would lose $687 million in Federal Medicaid funding in 2002 and $2 billion over the seven years, a reduction of 25% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 426,000 recipients. According to this study, these cuts would mean that Minnesota could have to cut off coverage for 88,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# MISSISSIPPI

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Mississippi

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Mississippi by $5 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Mississippi's over 390,000 Medicare beneficiaries would pay as much as $2,175 more in premiums and copayments over the seven years; couples would pay at least $4,350 more. Overall, the state of Mississippi would lose $563 million in Medicare funding in 2002, and $2 billion over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Mississippi would lose $705 million in Federal Medicaid funding in 2002 and $2 billion over the seven years, a reduction of 30% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 537,000 recipients. According to this study, these cuts would mean that Mississippi could have to cut off coverage for 141,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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MISSOURI

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Missouri**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Missouri by $6 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Missouri's over 823,000 Medicare beneficiaries would pay as much as $2,425 more in premiums and copayments over the seven years; couples would pay at least $4,850 more. Overall, the state of Missouri would lose $1 billion in Medicare funding in 2002, and $5 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Missouri would lose $433 million in Federal Medicaid funding in 2002 and $1 billion over the seven years, a reduction of 17% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 669,000 recipients. According to this study, these cuts would mean that Missouri could have to cut off coverage for 83,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# MONTANA

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Montana

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Montana by $1 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Montana's over 127,000 Medicare beneficiaries would pay as much as $1,425 more in premiums and copayments over the seven years; couples would pay at least $2,850 more. Overall, the state of Montana would lose $131 million in Medicare funding in 2002, and $538 million over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Montana would lose $211 million in Federal Medicaid funding in 2002 and $766 million over the seven years, a reduction of 33% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 96,000 recipients. According to this study, these cuts would mean that Montana could have to cut off coverage for 27,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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NEBRASKA

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Nebraska**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Nebraska by $2 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Nebraska's over 247,000 Medicare beneficiaries would pay as much as $1,700 more in premiums and copayments over the seven years; couples would pay at least $3,400 more. Overall, the state of Nebraska would lose $283 million in Medicare funding in 2002, and $1 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Nebraska would lose $224 million in Federal Medicaid funding in 2002 and $728 million over the seven years, a reduction of 27% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 164,000 recipients. According to this study, these cuts would mean that Nebraska could have to cut off coverage for 41,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# NEVADA

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Nevada

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Nevada by $2 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Nevada's over 182,000 Medicare beneficiaries would pay as much as $3,000 more in premiums and copayments over the seven years; couples would pay at least $6,000 more. Overall, the state of Nevada would lose $533 million in Medicare funding in 2002, and $2 billion over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Nevada would lose $157 million in Federal Medicaid funding in 2002 and $516 million over the seven years, a reduction of 29% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 95,000 recipients. According to this study, these cuts would mean that Nevada could have to cut off coverage for 26,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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NEW HAMPSHIRE

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on New Hampshire**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to New Hampshire by $975 million.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of New Hampshire's over 152,000 Medicare beneficiaries would pay as much as $2,175 more in premiums and copayments over the seven years; couples would pay at least $4,350 more. Overall, the state of New Hampshire would lose $244 million in Medicare funding in 2002, and $924 million over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of New Hampshire would lose $40 million in Federal Medicaid funding in 2002 and $51 million over the seven years, a reduction of 6% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 88,000 recipients. According to this study, these cuts would mean that New Hampshire could have to cut off coverage for 1,100 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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NEW JERSEY

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on New Jersey**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to New Jersey by $11 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of New Jersey's over 1.2 million Medicare beneficiaries would pay as much as $2,625 more in premiums and copayments over the seven years; couples would pay at least $5,250 more. Overall, the state of New Jersey would lose $2 billion in Medicare funding in 2002, and $8 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of New Jersey would lose $1 billion in Federal Medicaid funding in 2002 and $4 billion over the seven years, a reduction of 23% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 790,000 recipients. According to this study, these cuts would mean that New Jersey could have to cut off coverage for 166,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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NEW MEXICO

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on New Mexico**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to New Mexico by $2 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of New Mexico's over 205,000 Medicare beneficiaries would pay as much as $1,225 more in premiums and copayments over the seven years; couples would pay at least $2,450 more. Overall, the state of New Mexico would lose $208 million in Medicare funding in 2002, and $844 million over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of New Mexico would lose $389 million in Federal Medicaid funding in 2002 and $1 billion over the seven years, a reduction of 34% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 268,000 recipients. According to this study, these cuts would mean that New Mexico could have to cut off coverage for 80,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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NEW YORK

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on New York**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to New York by $37 billion.**

**Medicare**

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of New York's over 2.6 million Medicare beneficiaries would pay as much as $2,825 more in premiums and copayments over the seven years; couples would pay at least $5,650 more. Overall, the state of New York would lose $4 billion in Medicare funding in 2002, and $18 billion over seven years.**

**Medicaid**

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of New York would lose $6 billion in Federal Medicaid funding in 2002 and $19 billion over the seven years, a reduction of 27% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 2.9 million recipients. According to this study, these cuts would mean that New York could have to cut off coverage for 645,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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NORTH CAROLINA

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on North Carolina**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to North Carolina by $14 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of North Carolina's over 999,000 Medicare beneficiaries would pay as much as $2,400 more in premiums and copayments over the seven years; couples would pay at least $4,800 more. Overall, the state of North Carolina would lose $2 billion in Medicare funding in 2002, and $7 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of North Carolina would lose $2 billion in Federal Medicaid funding in 2002 and $7 billion over the seven years, a reduction of 34% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 985,000 recipients. According to this study, these cuts would mean that North Carolina could have to cut off coverage for 455,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# NORTH DAKOTA

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on North Dakota

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to North Dakota by $919 million.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of North Dakota's over 102,000 Medicare beneficiaries would pay as much as $2,025 more in premiums and copayments over the seven years; couples would pay at least $4,050 more. Overall, the state of North Dakota would lose $133 million in Medicare funding in 2002, and $537 million over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of North Dakota would lose $118 million in Federal Medicaid funding in 2002 and $382 million over the seven years, a reduction of 26% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 63,000 recipients. According to this study, these cuts would mean that North Dakota could have to cut off coverage for 18,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

THE WHITE HOUSE
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FOR IMMEDIATE RELEASE
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Contact: 202/456-7150

**OHIO**

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Ohio**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Ohio by $16 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Ohio's over 1.6 million Medicare beneficiaries would pay as much as $2,000 more in premiums and copayments over the seven years; couples would pay at least $4,000 more. Overall, the state of Ohio would lose $2 billion in Medicare funding in 2002, and $9 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Ohio would lose $2 billion in Federal Medicaid funding in 2002 and $7 billion over the seven years, a reduction of 28% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 1.5 million recipients. According to this study, these cuts would mean that Ohio could have to cut off coverage for 292,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# OKLAHOMA

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Oklahoma

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Oklahoma by $5 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Oklahoma's over 479,000 Medicare beneficiaries would pay as much as $2,000 more in premiums and copayments over the seven years; couples would pay at least $4,000 more. Overall, the state of Oklahoma would lose $633 million in Medicare funding in 2002, and $3 billion over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Oklahoma would lose $642 million in Federal Medicaid funding in 2002 and $2 billion over the seven years, a reduction of 31% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 391,000 recipients. According to this study, these cuts would mean that Oklahoma could have to cut off coverage for 125,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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OREGON

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Oregon**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Oregon by $5 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Oregon's over 460,000 Medicare beneficiaries would pay as much as $2,525 more in premiums and copayments over the seven years; couples would pay at least $5,050 more. Overall, the state of Oregon would lose $844 million in Medicare funding in 2002, and $3 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Oregon would lose $516 million in Federal Medicaid funding in 2002 and $2 billion over the seven years, a reduction of 31% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 411,000 recipients. According to this study, these cuts would mean that Oregon could have to cut off coverage for 118,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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PENNSYLVANIA

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Pennsylvania**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Pennsylvania by $21 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Pennsylvania's over 2.1 million Medicare beneficiaries would pay as much as $2,975 more in premiums and copayments over the seven years; couples would pay at least $5,950 more. Overall, the state of Pennsylvania would lose $4 billion in Medicare funding in 2002, and $15 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Pennsylvania would lose $2 billion in Federal Medicaid funding in 2002 and $6 billion over the seven years, a reduction of 27% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 1.3 million recipients. According to this study, these cuts would mean that Pennsylvania could have to cut off coverage for 308,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# RHODE ISLAND

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Rhode Island

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Rhode Island by $2 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Rhode Island's over 166,000 Medicare beneficiaries would pay as much as $3,650 more in premiums and copayments over the seven years; couples would pay at least $7,300 more. Overall, the state of Rhode Island would lose $403 million in Medicare funding in 2002, and $1 billion over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Rhode Island would lose $264 million in Federal Medicaid funding in 2002 and $861 million over the seven years, a reduction of 26% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 115,000 recipients. According to this study, these cuts would mean that Rhode Island could have to cut off coverage for 51,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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SOUTH CAROLINA

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on South Carolina**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to South Carolina by $6 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of South Carolina's over 495,000 Medicare beneficiaries would pay as much as $2,425 more in premiums and copayments over the seven years; couples would pay at least $4,850 more. Overall, the state of South Carolina would lose $923 million in Medicare funding in 2002, and $3 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of South Carolina would lose $672 million in Federal Medicaid funding in 2002 and $2 billion over the seven years, a reduction of 24% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 486,000 recipients. According to this study, these cuts would mean that South Carolina could have to cut off coverage for 149,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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SOUTH DAKOTA

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on South Dakota**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to South Dakota by $912 million.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of South Dakota's over 116,000 Medicare beneficiaries would pay as much as $1,625 more in premiums and copayments over the seven years; couples would pay at least $3,250 more. Overall, the state of South Dakota would lose $128 million in Medicare funding in 2002, and $516 million over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of South Dakota would lose $123 million in Federal Medicaid funding in 2002 and $396 million over the seven years, a reduction of 28% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 72,000 recipients. According to this study, these cuts would mean that South Dakota could have to cut off coverage for 19,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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TENNESSEE

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Tennessee**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Tennessee by $12 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Tennessee's over 753,000 Medicare beneficiaries would pay as much as $3,850 more in premiums and copayments over the seven years; couples would pay at least $7,700 more. Overall, the state of Tennessee would lose $2 billion in Medicare funding in 2002, and $7 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Tennessee would lose $1 billion in Federal Medicaid funding in 2002 and $5 billion over the seven years, a reduction of 32% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 939,000 recipients. According to this study, these cuts would mean that Tennessee could have to cut off coverage for 246,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# TEXAS

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Texas

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Texas by $28 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Texas's over 2.0 million Medicare beneficiaries would pay as much as $3,125 more in premiums and copayments over the seven years; couples would pay at least $6,250 more. Overall, the state of Texas would lose $5 billion in Medicare funding in 2002, and $17 billion over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Texas would lose $3 billion in Federal Medicaid funding in 2002 and $11 billion over the seven years, a reduction of 29% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 2.5 million recipients. According to this study, these cuts would mean that Texas could have to cut off coverage for 687,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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UTAH

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Utah**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Utah by $2 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Utah's over 182,000 Medicare beneficiaries would pay as much as $1,925 more in premiums and copayments over the seven years; couples would pay at least $3,850 more. Overall, the state of Utah would lose $277 million in Medicare funding in 2002, and $1 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Utah would lose $302 million in Federal Medicaid funding in 2002 and $1 billion over the seven years, a reduction of 31% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 157,000 recipients. According to this study, these cuts would mean that Utah could have to cut off coverage for 53,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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VERMONT

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on Vermont**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Vermont by $673 million.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Vermont's over 81,000 Medicare beneficiaries would pay as much as $1,475 more in premiums and copayments over the seven years; couples would pay at least $2,950 more. Overall, the state of Vermont would lose $88 million in Medicare funding in 2002, and $356 million over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Vermont would lose $99 million in Federal Medicaid funding in 2002 and $318 million over the seven years, a reduction of 27% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 90,000 recipients. According to this study, these cuts would mean that Vermont could have to cut off coverage for 20,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# VIRGINIA

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Virginia

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Virginia by $6 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Virginia's over 798,000 Medicare beneficiaries would pay as much as $1,500 more in premiums and copayments over the seven years; couples would pay at least $3,000 more. Overall, the state of Virginia would lose $879 million in Medicare funding in 2002, and $4 billion over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Virginia would lose $798 million in Federal Medicaid funding in 2002 and $3 billion over the seven years, a reduction of 33% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 643,000 recipients. According to this study, these cuts would mean that Virginia could have to cut off coverage for 236,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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## WASHINGTON

### The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Washington

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Washington by $7 billion.**

**Medicare**

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Washington's over 671,000 Medicare beneficiaries would pay as much as $1,675 more in premiums and copayments over the seven years; couples would pay at least $3,350 more. Overall, the state of Washington would lose $818 million in Medicare funding in 2002, and $3 billion over seven years.**

**Medicaid**

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Washington would lose $1 billion in Federal Medicaid funding in 2002 and $4 billion over the seven years, a reduction of 31% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 668,000 recipients. According to this study, these cuts would mean that Washington could have to cut off coverage for 183,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

THE WHITE HOUSE
Office of Media Affairs

FOR IMMEDIATE RELEASE
July 28, 1995

Contact: 202/456-7150

WEST VIRGINIA

**The Republican Budget Resolution Conference Agreement:**
**Impact of the Medicare and Medicaid Cuts on West Virginia**

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to West Virginia by $5 billion.**

Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of West Virginia 's over 325,000 Medicare beneficiaries would pay as much as $1,800 more in premiums and copayments over the seven years; couples would pay at least $3,600 more. Overall, the state of West Virginia would lose $394 million in Medicare funding in 2002, and $2 billion over seven years.**

Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of West Virginia would lose $919 million in Federal Medicaid funding in 2002 and $3 billion over the seven years, a reduction of 35% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 367,000 recipients. According to this study, these cuts would mean that West Virginia could have to cut off coverage for 140,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# WISCONSIN

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Wisconsin

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Wisconsin by $6 billion.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Wisconsin's over 753,000 Medicare beneficiaries would pay as much as $1,500 more in premiums and copayments over the seven years; couples would pay at least $3,000 more. Overall, the state of Wisconsin would lose $765 million in Medicare funding in 2002, and $3 billion over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Wisconsin would lose $883 million in Federal Medicaid funding in 2002 and $3 billion over the seven years, a reduction of 29% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 474,000 recipients. According to this study, these cuts would mean that Wisconsin could have to cut off coverage for 94,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.

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# WYOMING

## The Republican Budget Resolution Conference Agreement: Impact of the Medicare and Medicaid Cuts on Wyoming

Republicans are proposing to cut more than $450 billion from health care between 1996 and 2002 -- $270 billion from Medicare and $182 billion from Medicaid. In combination, these cuts are more than four times anything ever enacted. Most of the $270 billion in Medicare cuts would not be necessary without the Republicans' $245 billion tax cut for well-off Americans. **Over the seven-year period, the combined Medicare and Medicaid cuts of the Republicans would reduce Federal health care dollars to Wyoming by $424 million.**

### Medicare

Nationally, the $270 billion in Medicare cuts means that the average beneficiary would pay at least $2,825 more in premiums and copayments over seven years; couples would pay at least another $5,650. Under a recent House Republican proposal, in 2002 alone an average beneficiary in a nursing home would face an increase of at least $1,400. Beneficiaries using home health care services would pay on average an additional $1,700 in 2002.

**Each of Wyoming's over 59,000 Medicare beneficiaries would pay as much as $800 more in premiums and copayments over the seven years; couples would pay at least $1,600 more. Overall, the state of Wyoming would lose $41 million in Medicare funding in 2002, and $179 million over seven years.**

### Medicaid

The Medicaid cuts proposed by Republicans would force states to slash services, provider payments, and eliminate coverage for 8.8 million children, elderly, and disabled individuals in 2002, according to the Urban Institute. The only way to avoid these reductions in coverage would be for states to increase their spending by 40% -- by raising property or sales taxes, or cutting other critical state spending.

**Overall, the state of Wyoming would lose $72 million in Federal Medicaid funding in 2002 and $245 million over the seven years, a reduction of 30% in the year 2002 alone, according to the Urban Institute. This will have a devastating impact on the state's current 51,000 recipients. According to this study, these cuts would mean that Wyoming could have to cut off coverage for 15,000 recipients in 2002, likely adding them to the ranks of the uninsured.**

### The President's Balanced Budget Proposal

The President shows how it is possible to balance the budget, assure that the Medicare Trust Fund remains solvent for at least another decade, and expand benefits and choice of plans without imposing any new Medicare beneficiary cost increases. His Medicare savings, which are less than half ($124 billion) of the Republican proposal ($270 billion), come from health care providers and through a major new fraud and abuse initiative.