



## **Myth vs. Fact: Affordable Care Act and Medicare**

*GOP Myth – Obamacare cuts over \$700 billion from Medicare to pay for a new government program.*

Fact – Health reform does not make any benefit cuts. Seniors will get improved care and new benefits.

- **The law specifically forbids Medicare benefit cuts.** According to the law, "Nothing in...this Act shall result in a reduction of guaranteed benefits under [Medicare]." [[P.L. 111-148](#); 3/23/10]
- **Republicans' myth has been debunked by independent fact-checkers and experts:**
  - **Politifact dubbed the claim "false."** Politifact found the claim false, stating, "the cuts don't come from the current Medicare budget, they put a leash on future growth...The health care law does not reduce benefits – in fact, it enhances them." [[Politifact](#), 12/12/11]
  - **Republican CMS Administrator: "No reductions in the Medicare benefits."** "There are no reductions in the Medicare benefits promised in law,' said Gail Wilensky, who served as administrator of [CMS] under President George H.W. Bush..." [[Bloomberg](#), 6/28/12]
  - **ABC News: "Basic Benefits Will Not Be Cut."** In an ABC news fact check, the independent Kaiser Family Foundation confirmed that there will be no Medicare benefit cuts and Medicare will offer new benefits like free preventive care and closing the prescription drug "doughnut hole." [[ABC News](#), 6/28/12]
- **ACA strengthens and protects Medicare for seniors by adding new benefits.** As a result of health reform, seniors will pay less for their prescription drugs, have access to new preventive services, and receive higher-quality of care.
  - The law will save the average person in Medicare \$4,200 over 10 years; [[HHS](#), 3/5/12];
  - 5.2 million seniors in the 'donut hole' have already saved \$3.7 billion on the prescription drugs, an average of \$651 per senior [[CMS](#), 6/25/12];
  - In 2011, 32.5 million seniors received free preventive services, including mammograms, diabetes screenings, and annual wellness visits. [[WH](#), 3/5/12]

Fact - Republicans voted for the same \$700 billion in savings as part of their budget but didn't strengthen Medicare – they called for more budget-busting millionaire tax breaks.

- **Republicans adopted the same Medicare savings in their own budget.** Republicans actually maintain \$700 billion in savings resulting directly from health reform provisions like reducing overpayments to private Medicare plans – the very same ones they attack as cutting Medicare. [[Path to Prosperity](#), 3/20/12; [Washington Post](#), 8/14/12]
- **Senate Republicans voted twice to sustain the same \$700 billion in Medicare savings.** [H. Con. Res. 34, [Vote 77](#), 5/25/11; H. Con. Res. 112, [Vote 98](#), 5/16/12]

- **Rep. Paul Ryan confirms that the Republican budget maintains the same Medicare savings.** Asked on ABC News if his proposals preserve the Medicare savings established under health reform, Rep. Ryan responded, “Well, our budget keeps that money...” But instead of strengthening Medicare, the GOP budget makes room for a budget-busting \$265,000 tax break for millionaires. [[ABC News](#), 7/1/12; [Tax Policy Center](#), 3/23/12]

Fact – The Affordable Care Act (ACA) saves over \$700 billion and makes Medicare stronger by cutting waste, fraud, and abuse, ending taxpayer handouts to insurance companies.

- **Health reform strengthens Medicare and saves over \$700 billion by fighting health care fraud, encouraging better coordination of care, and eliminating overpayments to private plans.**<sup>1</sup> [[CMS](#), 4/23/12; [CBO](#), 3/20/10; [CBO](#), 7/24/12]
  - **Improving care for seniors.** Health reform improves care by rewarding quality, coordination and safety of care over quantity. *Rewarding quality saves \$415 billion over the next decade. Improving care coordination and patient safety will save \$4.9 billion through 2019 and \$10 billion through 2013 respectively.* [[CBO](#), 7/24/12; [CMS](#), 4/23/12]
  - **Cracking down on waste, fraud and abuse in Medicare.** ACA includes new, powerful tools to fight fraud and abuse. *In 2011 anti-fraud efforts recovered a record-breaking \$4.1 billion and will save \$7.8 billion through 2016.* [[OIG](#), 4/21/09; [White House](#), 5/8/12; [CMS](#), 4/23/12]
  - **Ending taxpayer handouts to insurance companies.** ACA stops paying private insurers substantially more than it would cost Medicare to cover seniors. *Eliminating excess payments will save Medicare \$156 billion over the next decade.* [[CMS](#), 4/23/12; [CBO](#), 7/24/12]
  - **Savings from Medicare premiums for the wealthiest seniors.** ACA makes modest adjustments to premiums for people with the highest incomes, estimated to be only 2.2% of all households. *These adjustments will save Medicare \$35.7 billion through 2019.* [[CBO](#), 3/20/10]
- **Health reform savings extended the life of Medicare by 8 years.** [[CMS](#), 4/23/12]

Fact - Republicans doubled down on their plan to end Medicare as we know it and shift costs to seniors.

- **Republicans end Medicare as we know it and raise health care costs for seniors by thousands of dollars.** The same Republican plan will end Medicare as we know it by turning it into a voucher program and double senior costs – raising them by nearly \$6,400 per year. [[New York Times](#), 8/11/12; [CBO](#), 4/5/11]
- **The Republican plan will unravel the Medicare guarantee.** Although the plan calls for private benefits to be actuarially similar to Medicare, private insurers would not be required to offer standardized benefits – letting them skim the healthiest beneficiaries from the market and leaving the sicker, more expensive patients for Medicare. Without proper compensation, Medicare would have to raise premiums, driving away more healthy beneficiaries and setting off a premium spiral that could unravel the program. [[Kaiser Health News](#), 3/8/12; [CBPP](#), 12/21/11]
- **The Republican budget will re-open the “donut hole.”** By repealing the Affordable Care Act, the Republican budget would weaken Medicare and raise drug costs for the 5.2 million seniors who have already benefited from \$3.7 billion in savings. [[CMS](#), 6/25/12]

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<sup>1</sup> The most recent CBO estimate does not break out all specific sources of the Medicare savings, but “presumably they are roughly proportional to those in the original estimate” and total \$716 billion. [[Congressional Quarterly](#), 8/17/12]