National Committee to Preserve
Social Security and Medicare

Barbara B. Kennelly, President and CEO
Max Richtman, Executive Vice President

PRESS RELEASE

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Contact:
Lee Goldberg
202/216-8376

Seniors, Disabled Face Loss of Services As Medicaid Budgets Cut

Financial Aid to States Needed to Keep Medicaid Safety Net Strong

Washington, D.C. — "Our most vulnerable Americans, the old who are poor and sick, have but one alternative for health care and that is Medicaid," Barbara B. Kennelly, the president and CEO of the National Committee to Preserve Social Security and Medicare said today in conjunction with hearings held by the House Energy & Commerce Committee on Medicaid restructuring.

The National Committee wrote to Representatives William J. Tauzin (R-LA), chairman of committee, and John Dingell (D-MI), the ranking member of the committee, urging them to give states financial aid specifically tied to health and social services.

The National Committee letter expressed concern about any Medicaid proposal that would give states a significant financial incentive to drop coverage for seniors. "Medicaid is a safety net for low-income seniors and seniors with catastrophic health care costs. If optional benefits like coverage for prescription drugs and nursing home care are reduced, then we leave millions of seniors stranded," she said.

The current economic downturn has led states either to restrict Medicaid eligibility or reduce the benefits that the program offers, including long-term care services for seniors. Medicaid pays for approximately two-thirds of the cost of nursing home care. Medicaid also pays the Medicare deductibles, copayments and premiums for low-income seniors on Medicare.

Reduced Medicaid budgets will impact seniors and the disabled who, together, account for two-thirds of the program's spending. Between one million and two million individuals are predicted to lose coverage because of changes in eligibility requirements already approved. "Last year, 49 states cut Medicaid spending and 32 states say they need to take further action. This is disastrous for people with no other way to pay for long-term care," Mrs. Kennelly said.

Mrs. Kennelly commended Chairman Tauzin and Rep. Dingell for holding this hearing. "We hope Congress acts before people lose access to care," she said.

The National Committee, a nonprofit, nonpartisan organization, acts in the interests of its membership through advocacy, education, services, grassroots efforts and the leadership of the Board of Directors and professional staff. The work of the National Committee is directed toward developing better-informed citizens and voters.

10 G Street, N.E., Suite 600, Washington, D.C. 20002
Phone: (202) 216-0420 ♦ Fax: (202) 216-0449 ♦ www.ncpssm.org