



Deficit Reduction Plans Threaten to Cut Social Security, Medicare & Medicaid

Update: Summer 2012

Unless Congress acts before the end of the year, **automatic cuts** in federal spending are scheduled to occur in January 2013 via a process known as **“sequestration.”** Both **Social Security and Medicaid are protected** from these automatic cuts, while Medicare fees to providers can be cut by two percent. Medicare recipients’ benefits would not be cut by sequestration.

Some in Congress are **working to stop the cuts by passing an alternative deficit reduction plan.** While nobody knows for sure what this plan will look like, many in Congress have started **looking back at proposals** included in the deficit reduction plans of Bowles-Simpson, Rivlin-Domenici and the Republican budget.

- The **Bowles-Simpson** report was put together by the co-chairs of the 2010 National Fiscal Commission, former White House Chief of Staff Erskine Bowles and former Republican Senator Alan Simpson. It did not receive the necessary support of 14 members of the commission that would have made it an official commission report.
- **Rivlin-Domenici** refers to a report issued by two members of the Fiscal Commission, former director of Congressional Budget Office Alice Rivlin and former Republican Senator Pete Domenici.
- **House Budget** refers to the budget resolution, introduced by Rep. Paul Ryan (R-WI) passed in the House in March, 2012, by a 228-191 vote. Only 10 GOP House members voted against the budget. No Democrats voted for this budget.

Congress may soon revisit these proposals when considering ways to avoid the automatic cuts and reduce the deficit. This is troublesome because **these plans cut Social Security, Medicare and Medicaid, while giving tax breaks to the wealthiest.** Congress needs to know that deficit reduction should include solutions that will re-start the economy, build jobs and stand up against cuts to these critically important programs.

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Social Security	<i>Bowles-Simpson</i>	<i>Rivlin-Domenici</i>	<i>House Budget</i>
Raise the Retirement Age	Yes, to 69	No	Silent ¹
Raise the Early Retirement Age	Yes, to 64	No	Silent ¹
Cut the COLA (Chained CPI)	Yes	Yes	Silent ¹
Cut Basic Benefits	Yes	Yes	Silent ¹

Medicare	<i>Bowles-Simpson</i>	<i>Rivlin-Domenici</i>	<i>House Budget</i>
End Traditional Medicare	Yes	Yes	Yes
Increase Out of Pocket Costs	Yes	Yes	Yes
Privatize Medicare Over Time	Yes	Yes	Yes
Repeal the Affordable Care Act	No	No	Yes
Raise Eligibility Age to 67	Yes	No	Yes

Medicaid	<i>Bowles-Simpson</i>	<i>Rivlin-Domenici</i>	<i>House Budget</i>
Cut Medicaid Funding	Yes	Yes	Yes

For further information on each plan, please visit:

- www.retiredamericans.org
- www.kff.org
- www.strengthensocialsecurity.org
- www.epi.org
- www.cbpp.org
- www.lcao.org

¹ The House budget, H. Con. Res. 112, is intentionally vague on its plans for Social Security. It simply calls for a “bipartisan path forward” and for the establishment of a fast-track procedure that would force cuts to the program. One could expect any Social Security reforms to mirror those that Rep. Paul Ryan (R-WI) included in his “Roadmap for America’s Future,” which called for ways to privatize Social Security, raise the retirement age, cut the COLA and cut benefits overall. For more, please visit, bit.ly/JQbEUh and <http://socialsecurity-works.org/wp-content/uploads/2010/10/RyansRoadmapforAmericaRuinsSS.pdf>