

On July 19, 2017, the House Budget Committee passed the fiscal year 2018 budget with a party line vote. Drafted by Chairwoman Diane Black, R-TN, the spending blueprint seeks to balance the budget on the backs of middle-income and working class Americans. While spending would be cut by \$5.4 trillion over 10 years, decimating domestic programs, the budget would not close any tax loopholes or require the wealthy to pay their fair share.

Perhaps most troubling, the measure requires at least \$203 billion in cuts from areas such as nutritional assistance, aid to needy families, seniors and people with disabilities, and would require just 51 votes to pass the Senate. It also lays the groundwork for a fast track process for Congress to begin overhauling the tax system. According to the Tax Policy Center, 96% of the reform proposals outlined by Speaker Paul Ryan would go to people making above \$1 million dollars.

## **ENDS MEDICARE AS WE KNOW IT**

The bill cuts Medicare by \$487 billion and increases premiums by 25%.

**Raises the Eligibility Age to 67.** This would increase out-of-pocket health care costs by \$2,200 a year for nearly 5 million individuals ages 65 and 66

**Voucherizes Medicare** – The budget calls for an end to Medicare’s guaranteed benefits. Instead, beneficiaries would receive a fixed stipend, e.g. a coupon they could use to either purchase insurance in the private market place or traditional Medicare. The coupon would not be sufficient to cover the premiums, deductibles and co-pays, and seniors and people with disabilities would have to spend more out-of-pocket each year.

**Raises Income Related Premiums** – Today 5% of Medicare beneficiaries (individuals with income over \$85,000 and couples incomes above \$170,000) pay higher Medicare Part B and D premiums. The Black budget calls for more seniors to be subject to means testing.

## **GUTS MEDICAID**

Medicaid, which provides health insurance for poor, elderly, and people with disabilities, would be cut by \$1 trillion and beneficiaries would be required to work to receive benefits. The cuts would shift health care costs to states, leading to rationing of care or changes in eligibility. This would be especially devastating for older Americans and their families who rely on Medicaid to cover long-term care costs.

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## **CUTS SOCIAL SECURITY**

The Black budget penalizes disabled individuals who attempt to work part-time in order to supplement their income, but -- through no fault of their own -- lose their jobs. This provision would reduce their SSDI benefits if they also receive Unemployment Insurance benefits. This provision cuts SSDI by \$5.4 billion.

## **INCREASES DEFENSE SPENDING**

Defense spending would increase by \$72 billion in 2018, \$19 billion above President Trump's request, with a total increase of \$929 billion over a decade.

## **GUTS NON-DEFENSE DISCRETIONARY SPENDING**

The Black Budget cuts non-defense discretionary (NDD) spending by \$893 billion. NDD includes funding for veterans, environment, transportation and many of the Older Americans Act programs that provide assistance to seniors. The Black budget set NDD funding at its lowest level relative to the share of the economy since 1962. Excluding funding for the Veterans Administration, NDD funding for FY 2018 would fall 20% below their 2010 levels.