



Fact Sheet

BYRON L. DORGAN
CHAIRMAN

DPC Staff Contact: Jacqueline Garry Lampert (202) 224-3232
DPC Press Contact: Barry Piatt (202) 224-0577

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Senate Democrats Are On Your Side: Committed to Strengthening and Improving Medicare and Medicaid

This week marks the 45th anniversary of the creation of Medicare and Medicaid. Signed into law by President Lyndon Johnson in 1965, together these two programs provide health coverage for nearly 107 million elderly, disabled, or low-income Americans who would otherwise likely be uninsured. [Kaiser Family Foundation, [4/10](#); [6/10](#)] Democrats fought Republican opposition to create Medicare and Medicaid in 1965 and have spent the last 45 years fighting Republican efforts to undermine these vital sources of health coverage for millions of Americans. Democrats' most recent effort, the *Affordable Care Act* (**P.L. 111-148** and **P.L. 111-152**), strengthens and improves both programs, making Medicare a stronger, more sustainable program and increasing coverage under Medicaid to provide needed health care to millions of vulnerable Americans.

Medicare and Medicaid Improve Americans' Health and Wellbeing

Medicare improves seniors' health and helps them get the health care they need

This year, Medicare will provide health insurance coverage to 47 million elderly or permanently disabled Americans. [Kaiser Family Foundation, [4/10](#)] In 1965, the year Medicare was established, only about one half of the nation's seniors had health insurance, which generally covered only inpatient hospital costs. [Congressional Research Service, [3/10/09](#)] Today, virtually all seniors have health insurance through Medicare, which covers far more than just hospital costs. [Kaiser Family Foundation, [4/10](#)] Increased health coverage has improved life expectancy for America's seniors, which in 1960, was 14.3 years for Americans at age 65; in 2006, life expectancy at age 65 had risen to 18.5 years. [Centers for Disease Control and Prevention, [1/10](#)] Together, Medicare and Social Security benefits have dramatically reduced the number of American seniors living in poverty. In 1966, 28.5 percent of Americans aged 65 and older lived in poverty; in 2008, 9.7 percent of elderly Americans lived in poverty. [U.S. Census Bureau, Table 3, accessed [7/27/10](#)]

Medicaid ensures health coverage for the poorest and sickest Americans

In 2007, Medicaid provided health and long-term care services for nearly 60 million Americans, including more than one in four children and some of the poorest and sickest in our country. [Kaiser Family Foundation, [6/10](#)] Medicaid fills gaps in our current health insurance system, providing coverage for millions of low-income families, individuals with chronic disease or disabilities, and low-income seniors who are dually-eligible for Medicare and Medicaid – Americans who would likely be uninsured without the critical coverage Medicaid provides. Because eligibility is generally tied to income level, Medicaid is designed to expand during economic recessions like the current

one, helping to offset the loss of employer-sponsored health insurance coverage due to higher levels of unemployment. In fact, it is estimated that every one percentage point increase in the unemployment rate is associated with a Medicaid enrollment increase of one million people. [Kaiser Family Foundation, [6/10](#)] Between June 2008 and June 2009, Medicaid enrollment increased by nearly 3.3 million, about 7.5 percent.

Republicans Were Wrong on Medicare from the Beginning

Despite the clear benefits of the Medicare and Medicaid programs for the American people, when the legislation creating Medicare and Medicaid passed in July 1965, the majority of Republican Senators voted against both Senate passage of Medicare and the final conference report.

[Congressional Record, 7/9/1965; Social Security Administration, accessed [9/16/2009](#)] One of those Senators, Robert Dole, later bragged about his vote against the two programs. In a 1995 speech to the American Conservative Union while campaigning for the Republican Party's presidential nomination, after Medicare had successfully lifted millions of seniors out of poverty and assured them access to affordable health care, then-Senate Majority Leader Dole continued his party's opposition to Medicare. Dole boasted, "I was there, fighting the fight, voting against Medicare...because we knew it wouldn't work in 1965." [*Washington Post*, [10/26/1995](#)]

Republican opposition to Medicare continued through the mid-1990s. Then-Speaker of the House Newt Gingrich, in remarks to a Blue Cross Blue Shield conference on October 24, 1995, said of Medicare, "Now, we don't get rid of it in round one because we don't think that that's politically smart, and we don't think that's the right way to go through a transition. But we believe it's going to wither on the vine because we think people are voluntarily going to leave it -- voluntarily." [*New York Times*, [7/20/1996](#)] In a 1995 meeting with reporters, then-House Majority Leader Dick Armey said, "We need to wean our old people away from Medicare." [*Newsday*, [12/09/2006](#)]

Even as recently as last year, Republicans continued their assault on Medicare. Last July, former House Minority Whip and Senate candidate Representative Roy Blunt said in a radio interview, "You could certainly argue that government should have never gotten into the health care business." [Radio interview with *The Eagle* 93.9, accessed [9/20/2009](#)] The following month, RNC Chairman Steele said, "The reality of it is that, you know, this single payer program known as Medicare is a very good example of what we should not have happen with all of our health care." [*Newsweek*, [8/25/2009](#)] House Republicans put this philosophy into practice last year, offering a budget that "would eventually end the Medicare programs as it is presently known." [*AP*, [4/1/2009](#)]

Democrats Continue to Strengthen and Improve Medicare and Medicaid

Despite Republican opposition, Democrats know that Medicare is a sacred trust with the American people and Medicaid provides vital health coverage to millions of vulnerable Americans. For years, Democrats have fought for these programs and the Americans who rely upon them. Most recently, through the *Affordable Care Act*, Democrats strengthened and improved both Medicare and Medicaid, making them stronger, more sustainable programs.

Medicare Improvements in the *Affordable Care Act*

The *Affordable Care Act* increases benefits and strengthens the program to ensure Medicare's sustainability for years to come, extending Medicare solvency by twelve years. [Centers for Medicare & Medicaid Services, [4/22/10](#)] The new health reform law preserves all guaranteed Medicare benefits and improves the quality of care Medicare patients receive by:

- **Making premiums more affordable**, eliminating unnecessary federal spending like substantial overpayments to Medicare Advantage plans;
- **Filling in the Medicare Part D “donut hole,”** providing a \$250 rebate check to seniors who do not receive Medicare Extra Help and hit the “donut hole” this year, and a 50 percent discount on brand-name drugs and biologics purchased in the “donut hole” starting next year, until the “donut hole” is filled in by 2020;
- **Providing seniors with free annual wellness visits**, to help seniors and their doctors develop personalized prevention plans;
- **Eliminating out-of-pocket costs for recommended preventive care and screenings;**
- **Encouraging doctors and other health care providers to work together** to better serve a patient’s needs, coordinate care across health care settings, and create “health homes” to better care for seniors with chronic illnesses;
- **Supporting seniors in rural and frontier areas**, by protecting access to care; and
- **Establishing an Innovation Center** to develop and expand patient-centered payment models to encourage evidence-based, coordinated care.

[Medicaid Improvements in the Affordable Care Act](#)

The *Affordable Care Act* increases coverage under Medicaid and improves health care benefits for Medicaid enrollees by:

- **Increasing Medicaid eligibility** to people with income up to 133 percent of the Federal Poverty Level;
- **Continuing the successful Children’s Health Insurance Program (CHIP)**, that provides health care to 7 million American children;
- **Simplifying the enrollment process and streamlining income standards** to facilitate the use of a single application for Medicaid, CHIP, or private insurance tax credits;
- **Establishing the Community First Choice option** to provide community-based supports and services to individuals with disabilities;
- **Creating a new office for vulnerable Americans who are eligible for both Medicare and Medicaid**, within the Centers for Medicare & Medicaid Services, to coordinate their coverage and services;
- **Improving coverage of and access to recommended preventive services** by encouraging states to improve coverage and increasing federal funding to states that provide these services without cost-sharing;
- **Offering incentives to Medicaid beneficiaries** who successfully complete certain healthy lifestyle programs targeting chronic disease risk factors; and

- **Modernizing and improving Medicaid through delivery system reforms**, such as the development and expansion of quality measures, testing a bundled payment program for acute and post-acute care, establishing a demonstration project for accountable care organizations for children, and creating a medical home state option for chronically ill beneficiaries.

Despite Republican opposition, Senate Democrats remain committed to strengthening and improving Medicare and Medicaid, two critical health care programs on which millions of Americans rely for vital health care services.