

# **MEDICARE IN THE CROSS-HAIRS**

## **SOCIAL SECURITY NEXT?**

Politicians' Consensus:

### **Cutting Medicare-Medicaid is the #1 Budget Target**

- President Obama just proposed a \$248 billion cut in Medicare as a starter & another \$72 billion in Medicaid cuts.
- Obama indicated on September 19, he will support cutting more than \$320 Billion if Republicans agree with him on taxes.
- Vice-President Joe Biden last June, offered Republicans to cut \$400-\$500 billion in Medicare-Medicaid.
- Republicans last April, proposed raising seniors' out-of-pocket costs for Medicare by \$7,000 per year.
- The 'Supercommittee' of 12 in Congress said last week they want to cut even more than Obama proposed. They will report 'how much' more on November 19.
- Congress will vote on how much more in Medicare-Medicaid cuts before December 23.

**How Much Will Your Medicare Be Cut?**  
**How Much More Will You Have to Pay?**

**Come Hear the Facts**

**Open Discussion to Follow**

**SAN FRANCISCO LABOR COUNCIL TEACH-IN**

**MONDAY, OCTOBER 24, 2011, 7:00-8:30pm**

**Plumbers Union Hall, 1621 Market St., S.F.**

**(5 blocks from Civic Center BART station)**

**SF Labor Council Education Project - Information, call delegates Hene Kelly 415.533.5244 & Carl Finamore- 415-829-3816**

# OCTOBER 24 TEACH-IN SPEAKERS

Education project of the San Francisco Labor Council, AFL-CIO

**Plumbers' Hall, 7pm, 1621 Market St., SF**

5 blocks from Civic Center BART

## Dr. Jack Rasmus

*Professor of Economics, Santa Clara University; former National 1<sup>st</sup> Vice-President, Natl. Writers' Union, UAW 1981; former CWA Local 9415 Vice-President and organizer for SEIU 715 and HERE 19. Member AFT Local 1474 and lecturer, labor economics, Univ. of California, Berkeley*

## Tom Rankin

*Former president (ret) of 2.1 million member California Federation of Labor, AFL-CIO; Treasurer, California Alliance of Retired Americans (CARA)*

## Hene Kelly

*Vice-President & Legislative Director, California Alliance for Retired Americans; Chair, Calif. Federation of Teachers' Retirement Comm.; Sgt. At Arms, San Francisco Labor Council, AFL-CIO*

## **SOME FACTS ABOUT MEDICARE & SOCIAL SECURITY**

**(All data cited below from the 2011 Medicare and Social Security Trustees' Reports)**

- Social Security has a \$2.4 Trillion Surplus, \$3.7 Trillion by 2024;
- Medicare's Hospital Trust Fund has a \$272 Billion Surplus;
- The Hospital Trust Fund is projected to grow faster than expenditures over the next 10 years with Income growing 6% and Spending 4.9%;
- The 2010 Affordable Care Act already reduces Medicare costs;
- Medicare's Doctors' Fund (Part B) is projected to have a \$100 billion surplus by 2020;
- Medicare's Prescription Drug Fund (Part D) income is projected to cover all costs by 2020;
- The Doctors' and Prescription Drug have never been financed by payroll taxes; and
- According to Social Security Trustees, a mere 0.5% Medicare payroll tax (0.25% each for worker and employer) added to the current 2.9% Medicare payroll tax would cover all projected Medicare cost increases for the next ten years; another 0.5% levied in 2021 covers all costs for the second ten years to 2031;
- Spending will decline thereafter as users of Medicare decrease along with the decline in the 'boomers' population.