



Threats to Social Security, Medicaid and Medicare

Privatization

Background

Privatizing Social Security has been brought up repeatedly over the past several decades, including by George W. Bush in 2005. Currently, when we pay into the social security program, the government invests this money into secure investments like government bonds. Government bonds have low return rates, but they are extremely safe investment vehicles that are not impacted by stock market fluctuations. Supporters of privatization say that some or all of what we pay into Social Security should go into private retirement accounts that recipients can invest on their own. This sounds like it gives recipients more freedom, but it really means an end to guaranteed benefits, and a giveaway to the financial industry, which would benefit from the increase in personal investment accounts. If Social Security had already been privatized in 2008 when the stock market crashed, in addition to losing their retirement savings, Americans would have also lost a large percentage of their Social Security savings.

Current Threat

There is no current proposal to privatize Social Security. However, several leaders in the current administration, including Secretary of Health and Human Services Tom Price and Social Security Advisor Tom Leppert, have voiced their support for privatizing Social Security. Given the Republican Party's support for privatization in the past, there will likely be a proposal at some point before the next election.

Action

Use MHAction's online letter writing tool to write your representatives and ask them to stand against privatization of social security and let them know you support legislation that will change the COLA formula so that it more closely reflects seniors' expenses, and that ensures the long-term sustainability of Social Security by asking high income earners to contribute their fair share. <https://mhaction.org/action/social-security/>

Block Granting

Background

The idea of block granting Medicaid and Medicare comes up in policy proposals intended to reduce federal spending. Block granting changes the way funding is allocated for these programs so that states receive pre-set "blocks" of funding for Medicaid and Medicare. Since Medicaid and Medicare were created in 1965, states have received funding based on a "matching rate", where the federal government passes money to states based on how much they spend and how poor the state is. In a block granting system, the federal government decides in advance how much money it wants to spend, and passes that amount on to the states. If it is not enough money for states to cover the costs of everyone enrolled in Medicaid and Medicare, they would have to set aside additional state funding, or reduce qualifications so that less people receive benefits.

Current Threats

Current Republican House Leader Paul Ryan has a history of promoting block granting Medicaid, and as of March 2017, the proposed Republican health care legislation, the American Health Care Act, includes provisions to block grant Medicaid.

Action

Sign MHAction's petition to House Leader Paul Ryan and Senate Leader Mitch McConnell demanding that any changes to the Affordable Care Act don't result in cuts to Medicaid and Medicare. <https://mhaction.org/action/protect-medicaid/>

For more information, please contact MHAction at info@mhaction.org
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