



April 11, 2018

The Honorable Paul Ryan
Speaker, U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader, U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader, U.S. Senate
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader, U.S. Senate
Washington, DC 20510

Dear Speaker Ryan, Leader Pelosi, Leader McConnell, and Leader Schumer:

On behalf of the Medicare Rights Center and the Center for Medicare Advocacy, we are writing to express our opposition to H.J. Res. 2 or any balanced budget amendment to the Constitution of the United States.

Our organizations share a commitment to promoting access to affordable, high-quality health care for older adults and people with disabilities. We are extremely concerned that a balanced budget amendment would undermine the programs—including Medicare and Social Security—that these individuals and other working families rely on to live with health and dignity.

In particular, we are troubled that a balanced budget amendment would require expenditures in any year to be offset by revenues collected *in that same year*. This would prevent the Medicare program from using the Part A trust fund for its intended purpose of paying beneficiary hospitalization costs, since most of its \$200 billion in Treasury securities were collected in prior years. Similarly, Social Security would be prohibited from using its \$2.9 trillion in reserves to pay out retirement benefits.

Such disruptions would end Social Security and Medicare as we know them. The programs would cease to be predictable sources of health and economic security for older adults, people with disabilities, and their families, the majority of whom cannot afford to pay more for basic needs like putting food on the table or visiting a doctor. Nearly half of all Medicare beneficiaries have incomes below \$26,200¹ and more than one in five older adults depend on Social Security for 90% of their retirement income.² A balanced budget amendment would leave these and countless more Americans—who contributed to Medicare and Social Security their entire working lives—with significant unanticipated expenditures, little peace of mind, and no ability to plan for the future.

¹ Gretchen Jacobson, Shannon Griffin, Tricia Neuman, & Karen Smith "Income and Assets of Medicare Beneficiaries, 2016-2035," Kaiser Family Foundation (April 21, 2017), <https://www.kff.org/medicare/issue-brief/income-and-assets-of-medicare-beneficiaries-2016-2035/>.

² AARP Public Policy Institute, "People Aged 65 and Older Who Rely on Social Security for 90% of Family Income (in 2013) and Average Monthly Benefit (December, 2014) by State" (November 12, 2015), <https://www.aarp.org/ppi/info-2015/people-aged-65-and-older-who-rely-on-social-security-for-90-percent-of-family-income-and-average-monthly-benefit-by-state.html>.

Thoughtfully and responsibly addressing our nation's federal deficit may be a worthy policy goal, but doing so must not put Medicare or Social Security at risk, or come at the expense of those who rely on the programs' guarantees. We urge you to oppose H.J. Res. 2 and any other effort to pursue a balanced budget amendment.

Thank you for your consideration. If you have questions, please contact Lindsey Copeland, Federal Policy Director, at lcopeland@medicarerights.org or 202-637-0961 and David Lipschutz, Senior Policy Attorney, at dlipschutz@medicareadvocacy.org or 202-293-5760.

Sincerely,



Joe Baker
President
Medicare Rights Center



Judith Stein
Executive Director
Center for Medicare Advocacy

cc:

The Honorable Orrin Hatch, Chair, Senate Committee on Finance
The Honorable Ron Wyden, Ranking Member, Senate Committee on Finance
The Honorable Mike Enzi, Chair, Senate Committee on Budget
The Honorable Bernie Sanders, Ranking Member, Senate Committee on Budget
The Honorable Steve Womack, Chair, House Committee on Budget
The Honorable John Yarmuth, Ranking Member, House Committee on Budget
The Honorable Greg Walden, Chair, House Committee on Energy & Commerce
The Honorable Frank Pallone, Ranking Member, House Committee on Energy & Commerce
The Honorable Kevin Brady, Chair, House Committee on Ways & Means
The Honorable Richard Neal, Ranking Member, House Committee on Ways & Means
The Honorable Susan Collins, Chair, Senate Special Committee on Aging
The Honorable Bob Casey, Ranking Member, Senate Special Committee on Aging