

GARLAND DEMOCRATIC VOICE

NEWS & INFORMATION FOR GARLAND AREA DEMOCRATS

June 8, 2011

Garland, Texas

Edition #22

Put the Nation to Work - Solve the Problems

Unemployment insurance is assistance for workers and families in need of employment. The unemployment insurance payments are spent on mortgages, food, car payments, utility bills, gasoline, and other essential items – the money is circulated through the economy. The grocer has to replenish the shelves, the utility companies buy fuel, etc. and taxes of various forms are paid as that money circulates. The result is the Government receives \$1.64 for every dollar of unemployment insurance payment and \$1.73 for each dollar of food stamps (*Source: Moody's Economy.com*). This statement is key to the following argument.

If unemployment insurance is beneficial to our fiscal health, then wages and salaries are even better. A paycheck from an employer, minus federal deductions plus employer contributions help the economy. Employee take home pay is spent and circulates through the economy benefitting the Government and is equivalent to the circulated unemployment dollar.

We can put people to work in the Government and in the private sector. Government can hire people to do community service jobs, improve neighborhoods, assist police with crime watch, perform data entry and record keeping especially where those functions delay others from doing more productive tasks. The beauty of the public works programs during the Depression was people performed useful tasks while receiving a paycheck until private industry recovered enough to include those people in the workforce.

One thing is clear, reducing Government spending results in laying off additional workers and is the wrong path to follow. We must not go deeper into debt to support a public works program. A portion of the wages would be offset by the reduction in unemployment insurance payments. The remainder would come from increased revenue to state, federal, and local governments and scaling back other subsidy programs such as food stamps and rent subsidies.

It is not bad to give businesses incentives to hire additional workers through tax relief or subsidies such as paying a portion of the employees wages for a specific length of the time. When people get in the door of a business, they are more likely to become part of the permanent workforce with benefits. Put people to work. Everyone wins!

Not one jobs bill has been introduced into the Texas Legislature. Not one.

GARLAND DEMOCRATIC VOICE

EDITORIAL

When is a lie a lie? And when is it just a thing? *

Originally, this editorial was to be a comparative study of the letter sent by Sen. Cornyn's office to reveal prevarication and truth. Skewed reality or lies? In previous editions of , **THE VOICE**, I have printed oxymorons to point out the ludicrous nature of information and laws coming out of Austin and Washington. Truth can be elusive if nonexistent. Many times, the statement with the most truth or most lies relies on a judgement call.

One of our **VOICE** writers said he had little use for History and Social Studies in school. In the same conversation, he revealed how some of the "real" stories of history were very interesting like George Washington's troubles with the Continental Congress. While writing an article on the budget and researching the Ryan plan, this same writer discovered the growth chart started in 1970 and concluded in 2080. "This long time frame [ed. history] means the variables are simply too vast to give the chart any meaning."

Current historical statements by the former half governor of Alaska regarding the ride of Paul Revere have been "verified." Verified on the Internet, at least. Even with the lack of radar, satellite surveillance, and Facebook, the British probably did know the colonists were being warned. Especially when Revere was captured and questioned. Fact? Skewed Information? Lies? If facts appear on Wikipedia are they necessarily the truth, the whole truth and nothing but the truth?

Like a "caught" schoolboy, Rep. Weiner (NY-D), confessed to, as he put it, "monumental stupidity." In panic and shame, Mr. Weiner tried to cover up via a lie. When cornered, he admitted he was guilty of this stupidity and had done so for several years. He could have benefitted from Delores Elder-Jones wise words to the Richland College Emeritus class on Social Media (Facebook): Remember: What you put out there on the Internet, stays forever. Bad stuff will come back to haunt you."

The GOP yells, "Shared Responsibility! Everyone must be part of the fix." "Medicare/Medicaid must go!" "We can't afford them anymore." The Texas Legislature has pushed through massive cuts in education, including per student spending, teacher furloughs, raiding the teacher retirement funds. Planned Parenthood funds have been cut because of the services of a completely separate division, using completely separate funds.

This is the tenth anniversary of the Bush Tax Cuts for the wealthy. Tax cuts passed because they would create jobs. Historical facts disprove this theory. Jobs have not been created. 30 years ago, Reagan's, "Trickle Down Economics," didn't provide jobs, either. Proponents of the tax cuts now say they must be continued because they will create jobs. Add to this the monstrous tax cuts to Big Oil for exploration to find more oil. The same companies report profits so large they are incomprehensible to ordinary taxpayers.

Both governing bodies, the US Congress and the Texas Legislature, were elected on the promise of improving the economy and especially to create jobs. Instead, Women's Rights and Health Care have been assaulted. Voter ID bills, trying to "cure" an undocumented problem have been passed. The attack on the environment is devastating. The gerrymandering of the electoral districts in Texas ignores the law.

To date, not one jobs bills has been passed. Not one.

When is a lie a lie and when is it just the Congress – Legislature?

Rachel Baker Ford, Editor
Garland, Texas

* "When Is a Lie a Lie?" from the musical, *The Dinosaurs Dilemma*, Rachel Baker Ford, Garland, Texas 1995

GARLAND DEMOCRATIC VOICE

One Winning Issue?

—Willa Kulhavy

In the movie, *City Slickers*, Mitch (Billy Crystal) asked the wrangler Curly (Jack Palance) for the meaning of life. His answer was a profoundly serious, “One thing.” Recently, a friend asked me to find her a one-issue candidate. She pledges to give her all to elect any liberal candidate who will study one issue, and learn to turn every question, every debate, and every attack back to their issue strengths. She believes this is how our Republican and Tea Party incumbents took power and how we good folks can have a chance to restore democracy in 2012.

After a year and a half of throwing my pennies and voice at campaigns and emergency actions trying to keep an alphabet list (Abortion to Voters to Women) of human rights and government services I care about but failing, concentrating on one thing sounds inviting.

What do you think? Like Mitch, I wish Curly had just told us what the one thing is. Do you know a one issue for winning in 2012?

There is a lot of buzz among commentators and Democratic Party spokespersons implying Ryan’s Medicare Ending plan may pave the victory road for 2012. Heck, Democrat Kathy Hochul won New York’s 26th Congressional District May 25th and Sarah Palin crashed the Rolling Thunder motorcycle rally on the 30th. Ryan and Boehner are benched while the talking heads let Medicaid sink into the deficit murk. Eventually, Ryan’s plan to save Medicare will be “clarified”.

Preserving Medicare is a good Democrat point but is it the one winning issue? Even if Palin weren’t handy to divert attention from Ryan’s Medicare plan, the next big fight is the one about raising the debt ceiling. The U.S. has until Aug. 2 to raise the debt ceiling, according to Treasury Secretary Tim Geithner. (*GOP-Democratic Debt Ceiling Showdown Looms*. SF Chron. 5/30). Raising the debt ceiling is a short term fix so it isn’t our 2012 issue. I think our issue is the deficit forcing the raising of the debt ceiling. Everything I love in my alphabet list of rights and services has been damaged in the name of the deficit by either our state or federal legislators this year.

The Republicans and Tea Party have squatted on the deficit issue yelling “cut!” very effectively for the benefit of their corporate interests. The Republicans obviously intend to stick Democrats on the increasing revenue side of the deficit fix and hoot, “Democrats will raise your taxes.” In reality, I’d vote for someone who said, “H***, Yes.” But I’m weird. I hate toll roads and calling a *de facto* tax a fee as if it made it cheaper. Raising taxes is not our issue unless you have a better title.

The Bush Tax Cuts created a huge part of the deficit. The Congressional Budget Office predicted this deficit and as a result the tax cuts were written to expire at the end of 2010. Is our issue Restoration of a Balanced Budget? Return to Responsible Government?

Or should we ask James Carville if our issue for winning is still, “It’s the economy stupid”?

If you have an answer to the question, what’s the one winning issue for 2012, please email me, willabk@yahoo.com. Include a brief statement of why it is the one issue and whether or not you or someone you know plans to run on it.

Taxpayers Foot Bills

Letters to the Editor
letterstoeditor@dallasnews.com
Thu., May. 19, 2011

Re: "House approves Dallas tycoon's nuclear dump -- Some fear West Texas site lacks space for waste from 36 states," Wednesday news story.

Gov. Rick Perry received contributions of about \$600,000 from Dallas billionaire Harold Simmons, who owns West Texas land where Waste Control Specialists will store nuclear waste from 36 states. Texas taxpayers pay for the roads that trucks full of radioactive material use on their way to the dump in Andrews County. Cleanup of spills from accidents and leakage both in transit and at the dump will be paid for by taxpayers.

No new taxes are necessary if we make some more cuts to Medicaid payments, public education and any benefits state employees might still have. Any people hurt by a nuclear mishap can go to Parkland Hospital.

Willa Kulhavy, Garland

GARLAND DEMOCRATIC VOICE

Jobs Return to the US - Good News, Folks

AreaDevelopment.com in Jan. 2010 published a survey by the Manufacturing Institute of the National Association of Manufacturers showed the two top priorities for government are labor costs and tax policy. Using only these factors, the manufacturing outlook in the United States looks bleak. But U.S. companies are starting to rethink their outsourcing strategies in light of rising labor costs abroad, long supply chain, higher inventory costs to keep the supply chain filled, and higher shipping costs.

China, once the lowest cost supplier, has slipped to number three behind India and Mexico. Tariffs, taxes, and employee salary and benefits laws that took effect in January 2009 have reduced China's manufacturing advantage to 5%. Another factor to consider is product quality. When a quality problem occurs there is most likely a quality problem throughout the entire supply chain back to the manufacturing operation in China.

- Hy-Lite blocks moved its molding operation back to Pensacola, florida because of the long, complex supply chain, complicated inventory planning, and increased shipping costs.
- Archstone consulting reported that 90% of the manufacturers surveyed had either modified their manufacturing and supply strategies or were planning to do so.
- Farouk Shami found out the hard way that intellectual property theft and quality issues are serious issues when a manufacturer of his CHI products subcontracted the molding to China. CHI products are now molded in Houston with the marking "Made in the U.S.A."
- Firestone Home products in Burnsville, Minnesota is returning 25% of its manufacturing to the U.S.

- Diagnostic Devices, a manufacturer of blood glucose monitoring systems in North Carolina, also returned its manufacturing to the U.S. to improve the quality control and protect its intellectual property.
- U.S. Airways has announced the return of the call center jobs to the United States by October.
- Exxel of Haleyville, Alabama has announced plans to return manufacturing to the United States.
- Artco-Bell of Temple Texas has switched production of steel and polypropylene parts to domestic suppliers.
- Caterpillar and GM have also been mentioned as reconsidering their outsourcing strategies for at least a portion of their manufacturing.

Millions of jobs are not going to appear overnight but at least the pendulum is starting to change direction.

NEWS RELEASE:

City of Garland Initiates Stage 1 Water Conservation Measures April 19th

Residents urged to conserve water, check for leaks around the house

Garland, Texas – April 19, 2011 -- Garland city officials announced today Stage 1 Drought Response measures are in effect April 19, 2011. Under Stage 1, the city will increase education efforts to reduce water use, and urge residents to detect & repair water leaks around the house. Garland residents are requested to voluntarily practice water conservation, minimize or discontinue water use for nonessential purposes, and voluntarily follow the designated landscape watering schedule:

Even-numbered street addresses water ☞Sundays & Thursdays
Odd-numbered street addresses water ☞ Saturdays & Wednesdays
Town homes and businesses (common irrigation system) ☞Mondays and Fridays
Apartments use the address of the business office for the property

The implementation of Stage 1 requested by the North Texas Municipal Water District (NTMWD), the city's water supplier. NTMWD initiated the Stage 1 of the NTMWD Water Conservation and Drought Contingency and Water Emergency Response Plan, March 2008, as a result of invasive zebra mussels found in Lake Texoma causing the temporary loss of Lake Texoma raw water supply.

GARLAND DEMOCRATIC VOICE SUPPLEMENT

Medicaid

- 1.) Texas HB13: Medicaid Vouchers – Analysis by Charles E. Ford, Jr.
- 2.) Impact of Republican Medicaid Cuts from
The United States House Ways and Means Committee

COMMITTEE ON ENERGY AND COMMERCE
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<http://democrats.energycommerce.house.gov/index.php?q=page/district-by-district-impact-of-republican-medicare-plan-and-medicaid-cuts>

Reprinted in the **VOICE**: Texas 3rd: Rep. Sam Johnson
Available on line:

Texas 5th: Reb Jeb Hensarling
Texas 32nd: Pete Sessions
Texas 4th: Rep Ralph M. Hall
Texas 6th Rep. Joe Barton

Where We Stand on Medicare

- 1.) A Report on Medicare – Article by Charles E. Ford, Jr.
- 2.) Impact of Republican Medicare Cuts from The US House
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GARLAND DEMOCRATIC VOICE SUPPLEMENT

Medicaid

A Report on Texas HB13: Medicaid Vouchers – Analysis by Charles E. Ford, Jr.
The Texas legislature using the budget as an excuse is trying to slip a voucher system along with other changes to Medicaid and Medicare by the citizens of Texas. Bill HB-13 will be “considered by the House” on Thursday (6/9/2011). The bill supposedly has bipartisan support. Section 2a requires the executive commissioner of the Health and Human Services Commission to seek a waiver of the federal Medicaid requirements.

The purpose of the waiver is:

1. to provide flexibility to determine Medicaid eligibility requirements
2. Encourage the use of private health insurance coverage
3. Create a culture of shared financial responsibility through copays, health savings accounts, and the use of vouchers
4. The waiver is also to consolidate the federal funds into one big bucket “to ensure the most effective and efficient use” of those funds
5. Allow intergovernmental transfers of the funds

The Health and Human Services commission “shall make efforts to obtain additional federal Medicaid funding for medicaid funding.

The bill creates the Medicaid Reform Waiver legislative Oversight Committee. The committee is staffed with 4 members of the Senate and 4 members of the house. “A member of the committee serves at the pleasure of the appointing official.”

According to the Dallas Morning News there are 6.6 million people enrolled in Medicaid and Medicare that could be affected by this legislation. 4 million of those people are Medicaid recipients. (Dallas Morning News, Texas poised to pass bills seeking wholesale change in Medicaid, Medicare, 6/7/2011)

We have seen the lack of concern for women’s health care in the majority of the bills passed by this legislature and now they want us to trust them with the medicaid program, a program intended to primarily provide health care for the poor.

We have also seen that they have no problem transferring federal funds from their intended program to wherever they see fit.

Complaints and concerns include the vague language. The 6 page bill completely revamps Medicaid, a \$76 billion program for two years. How’s that for efficiency?

Anne Dunkleberg defined the situation well when she told the Senate Finance Committee “I have no greater trust in you than I do in congress. There is nothing in our history that suggests we are ready to step into the fed’s shoes.” (The Texas Tribune, Lawmakers Renew Push to Take Over Medicaid, 6/3/2011)

How can this have bipartisan support? Doesn’t anyone represent Democratic interests?

Rep. Sam Johnson, Texas 3rd



June 2011

Impacts of Republican Medicaid Cuts in Texas's 3rd Congressional District

Committee on Energy and Commerce, Democratic Staff

Medicaid provides health care coverage for almost 60 million Americans of all ages, including 16 million seniors and people with disabilities and over 30 million children. Under Medicaid, the cost of this coverage is a combined responsibility of federal and state governments, with the federal government paying for over half of Medicaid's costs nationwide.

Under the budget passed by House Republicans, Medicaid's guarantee of coverage would be eliminated, Medicaid would be turned into a block grant program, and the federal contribution to Medicaid would be reduced by nearly \$800 billion over the next decade. Other changes proposed by House Republicans would allow states to eliminate coverage for seniors, individuals with disabilities, children, pregnant women, and others currently enrolled in Medicaid. These changes would have a profound impact on Medicaid's ability to provide health coverage to millions of Americans.

In the 3rd congressional district in Texas, which Rep. Sam Johnson represents, these provisions could:

- Reduce coverage for **7,000 dual eligible seniors and individuals with disabilities** who rely on Medicaid to supplement their Medicare coverage or pay their Medicare cost sharing.
- Jeopardize nursing home care for **900** whose expenses are paid by Medicaid.
- Impair the health care of **41,000 children**, including **2,500 newborns** each year, who receive coverage under Medicaid.
- Cut payments to hospitals for **12,000 emergency room visits** paid for by Medicaid each year.
- Cut payments to hospitals for **5,500 inpatient visits** paid for by Medicaid each year.
- Reduce jobs and hurt economic growth by eliminating **\$0.8 billion** in Medicaid spending.

Republican Medicaid Proposals

On April 15, 2011, House Republicans passed their budget proposal (H. Con. Res. 34) for FY 2012. This budget proposes to turn Medicaid from an entitlement into a block grant and reduce federal spending on the program by nearly \$800 billion over the next ten years. Under the Republican budget, federal spending on Medicaid in 2022 would be cut in half. According to the nonpartisan Congressional Budget Office, "Because of the magnitude of the reduction in federal Medicaid spending under the proposal ... states would face significant challenges in achieving sufficient cost savings." As a result, they "could reduce the size of their Medicaid

programs by cutting payment rates for doctors, hospitals, or nursing homes; reducing the scope of benefits covered; or limiting eligibility.”¹

On May 12, 2011, the Subcommittee on Health of the House Committee on Energy and Commerce reported legislation (H.R. 1683) to repeal Medicaid responsibility “maintenance of effort” provisions in Medicaid. These provisions prevent states from eliminating coverage for seniors, individuals with disabilities, children, pregnant women, and others currently enrolled in Medicaid. The full House of Representatives is expected to vote soon on this legislation. If it becomes law, this bill would allow states to make significant cuts immediately in Medicaid coverage.

Impacts in Rep. Johnson’s District

This analysis provides information on the impact of the Republican Medicaid proposals in the 3rd Congressional District of Texas, which is represented by Rep. Sam Johnson. Currently, 64,000 individuals in the district receive health care coverage under Medicaid.

Impacts on Seniors. Medicaid provides health care coverage for over 7,000 seniors and individuals with disabilities in the district who are “dual eligible” for both Medicare and Medicaid. The Medicaid benefits received by these individuals include payment of their Medicare Part B premiums, coverage of Medicare cost-sharing, dental and vision benefits, and long-term care. There are 900 nursing home residents in the district -- 60% of all nursing home residents -- whose care is paid for by Medicaid. Medicaid cuts of the magnitude proposed by House Republicans could lead to both eligibility and coverage restrictions for these seniors and individuals with disabilities, including reduced nursing home staffing and other cuts that affect quality of care and put seniors at risk.

Impacts on Infants and Children. Medicaid provides health care coverage, including vaccinations, well-child visits, and vision and dental benefits, for 41,000 children in the district. Last year, Medicaid also paid for the births of 2,500 children in the district. Cuts in Medicaid funding or eligibility could place coverage for these infants and children at risk.

Impacts on Hospitals. There are 275,000 emergency room visits each year in the 3rd Congressional District. Last year, Medicaid paid for 12,000 of these ER visits. If Medicaid eliminated coverage for these visits or reduced its reimbursement rates, local hospitals would experience a significant increase in uncompensated care, which could lead to cutbacks in the availability of emergency care and compromise readiness for terrorist events and other large-scale emergencies.

There are also 84,000 hospital visits annually in the district. An estimated 7% of these visits -- 5,500 hospital visits annually -- are paid for by Medicaid. If Medicaid payments were cut, hospitals would lose funds needed to maintain and provide critical services; if Medicaid eligibility were rolled back, many sick residents would be unable to pay for necessary care, increasing the amount of uncompensated care provided by hospitals.

¹ Letter from Douglas W. Elmendorf, Director, Congressional Budget Office, to Paul Ryan, Chairman, Committee on the Budget (April 5, 2011).

Impacts on the Economy. Under the Republican budget, federal Medicaid assistance would be cut by \$771 billion over the next decade, an average of over \$13,000 per enrollee for each of the almost 60 million Medicaid enrollees nationwide. In Rep. Johnson's district, cuts of this magnitude would mean a loss of \$0.8 billion in federal health care funding over the next decade. The impact of these cuts would ripple through the state and local economy, costing jobs for health care providers and suppliers, slowing economic recovery, and reducing income taxes and other revenues.

Data sources: Data on Medicaid enrollment and provision of services was obtained from the National Minority Quality Forum, which extrapolated the data at the district level from sources that include the Medicaid Analytic eXtract (MAX) system; the National Hospital Ambulatory Medical Care Survey (2008); Small Area Health Insurance Estimates for Counties (2007); Medicaid Enrollment Data by State, Kaiser Family Foundation (2008); the Nationwide Inpatient Sample, Healthcare Cost and Utilization Project; the 2000 U.S. Census; and the CDC Behavioral Risk Factor Surveillance System. Data on the number of dual eligible Medicaid enrollees and the number of nursing home residents was obtained from the Centers for Medicare and Medicaid Services.

GARLAND DEMOCRATIC VOICE SUPPLEMENT

Where We Stand on Medicare

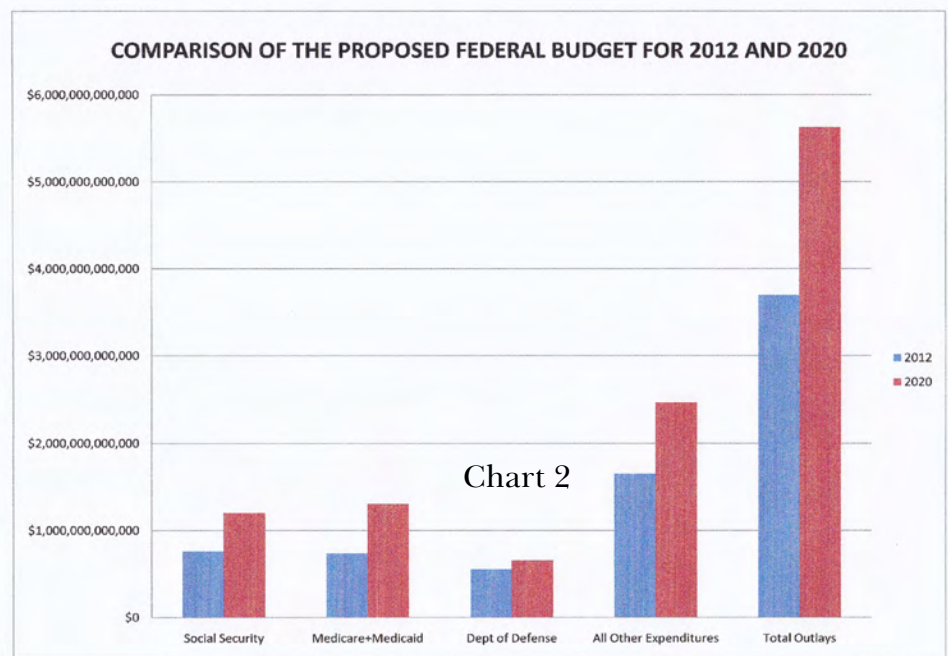
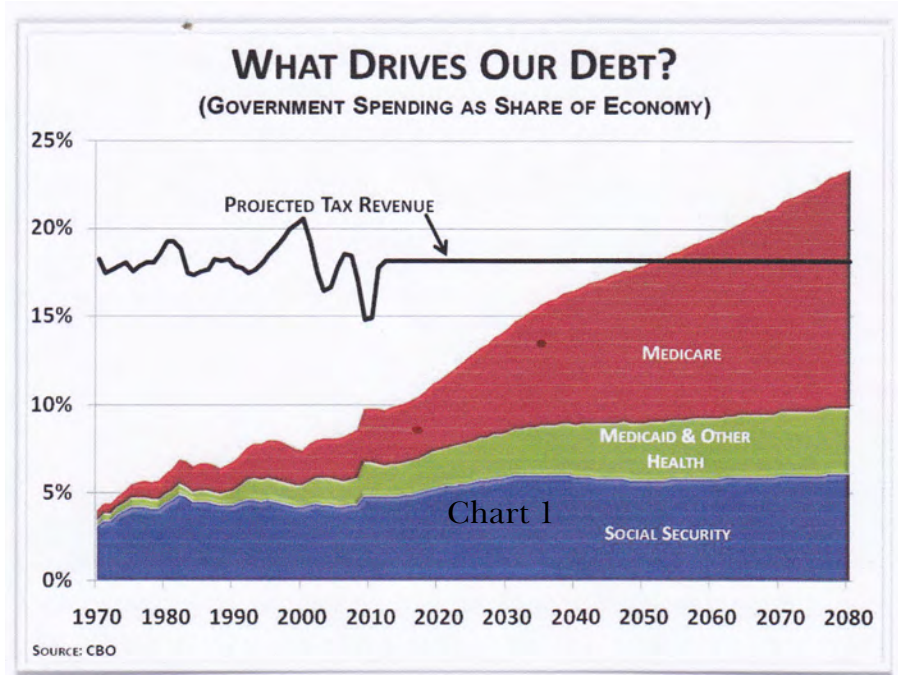
A Report on Medicare – Article by Charles E. Ford, Jr.

Medicare, Medicaid, and Social Security have been getting a lot of attention lately, mostly because politicians have been screaming “the sky is falling, the sky is falling”.

Paul Ryan’s House resolution put a formal stamp on the issue along with the budget deficit and national debt. But there is a little skulduggery involved in the presentation.

Chart 1 is copied directly from “The Path to Prosperity”. At first glance it appears the cost of all three major social programs are skyrocketing. Now, look closer. The chart begins 41 years ago and ends in the year 2080, 69 years from now. That is like predicting cell phones, flat panel TV, and space shuttles in 1941. (I will admit Dick Tracy came close.)

Chart 2 is generated from President Obama’s 2012 proposed budget that the republicans claim doesn’t exist although it has been available at <http://whitehouse.gov/omb> since February 2011. The chart shows the major budget items Social Security, Medicare and Medicaid combined, the Department of Defense, and All Other Expenditures combined as presented for 2012 and 2020. The final two bars depict the total budget for the same two years. That is 9 years and 9 budgets. The growth is not quite so frightening. Social Security increases by 56%, Medicare and Medicaid increase 77%, Defense is limited to a 20% increase, and All other expenditures increase by 50%. The overall budget increases from \$3.7 trillion to \$5.6 trillion dollars a growth of 52%.



GARLAND DEMOCRATIC VOICE SUPPLEMENT

Where We Stand on Medicare – Page 2

SOCIAL SECURITY

In **2012** the Federal Government anticipates \$660 billion dollars from Social security payroll taxes. \$761 billion dollars will be paid in Social Security benefits. \$101 billion dollars will have to come from the Governments pockets. Most likely that money will directly or indirectly be borrowed from other countries.

By **2020** Social Security will be short \$140 billion a year. The payroll tax will bring in \$1,059 billion but the Government will pay out \$1,199 billion

MEDICARE AND MEDICAID

Medicare and Medicaid are in a similar situation in **2012** but the differential is worse. Medicare payroll taxes will only supply \$202 billion. Expenses will total \$737 billion with a shortfall of \$535 billion.

In **2020** Medicare and Medicaid will need an additional income of \$980 billion a year. The payroll tax receipts will total \$325 billion but the expenses will be \$1,305 billion

Combined, in 2020 Social Security, Medicare, and Medicaid will require \$1.1 trillion more than collected in payroll taxes.

While these numbers support the political call for action, they do not support the solution outlined in “The Path to Prosperity”. If you step back and look at Paul Ryan’s plan. It does nothing to contain cost. Giving people a voucher is the same as Part A of current Medicare. Medicare subscribers paying for additional coverage is the current system except it sounds like Paul Ryan has combined Part B and the supplements. The biggest difference is the estimated bottom line for Medicare recipients, their costs are expected to balloon. If they didn’t there would be no savings for the Government. We all know the insurance companies are not going to provide health insurance for the elderly out of the goodness of their heart.

The problem isn’t confined to Medicare, Medicaid or the elderly. Health insurance costs need to be brought under control. The Government claims health care costs are rising at a rate of 7% per year, twice the increase for other sectors of the economy. To control the cost you have to understand what drives the cost. Malpractice lawsuits and malpractice insurance are certainly factors and they can be controlled but doctors and hospitals cannot be allowed off the hook when they amputate the wrong leg or operate on the wrong patient. The possibility of one patient infecting another has led hospitals to put more patients in private rooms. Analytical equipment such as MRI scan equipment is very expensive. Specialists such as open heart surgeons and their teams are very expensive but do you want the lowest bidder when they dig into your chest? Ordering excess tests or prescribing medication that the patient could do well without is another cost additive. Insurance companies and supply and service suppliers also make a significant contribution.

A Medicare for all system would give the Government some leverage over hospitals, doctors and insurance companies. They could be forced to become more efficient and compete for federal dollars. The frightening part is expanding the Government control of health care

Rep. Sam Johnson Texas 3rd



June 2011

Impacts of the Republican Medicare Plan In Texas's 3rd Congressional District

Committee on Energy and Commerce, Democratic Staff

The budget passed by House Republicans in April 2011 makes radical changes to Medicare. The Republican plan raises costs for seniors and individuals with disabilities enrolled in Medicare, reduces their benefits, and puts private insurance companies in charge of the program. For current beneficiaries, important benefits – such as closing the hole in Medicare's drug coverage – would be immediately eliminated. For individuals age 54 and under, Medicare's guarantee of comprehensive coverage would be replaced with a "voucher" or "premium support" to buy private health insurance. By design, this federal contribution does not keep pace with medical costs, shifting thousands of dollars in costs onto the individual.

This analysis shows the immediate and long-term impacts of these changes in the 3rd Congressional District in Texas, which is represented by Rep. Sam Johnson.

The Republican proposal would have adverse impacts on seniors and disabled individuals in the district who are currently enrolled in Medicare. It would:

- Increase prescription drug costs for **7,400 Medicare beneficiaries** in the district who enter the Part D donut hole, forcing them to pay an extra **\$73 million** for drugs over the next decade.
- Eliminate new preventive care benefits for **67,000 Medicare beneficiaries** in the district.

The Republican proposal would have even greater impacts on individuals in the district age 54 and younger who are not currently enrolled in Medicare. It would:

- Deny **730,000 individuals age 54 and younger** in the district access to Medicare's guaranteed benefits.
- Increase the out-of-pocket costs of health coverage by **over \$6,000 per year in 2022** and by almost **\$12,000 per year in 2032** for the **144,000 individuals in the district who are between the ages of 44 and 54**.
- Require the 144,000 individuals in the district between the ages of 44 and 54 to save an additional **\$33.6 billion** for their retirement – an average of **\$182,000 to \$287,000 per individual** – to pay for the increased cost of health coverage over their lifetimes. Younger residents of the district will have to save even higher amounts to cover their additional medical costs.
- Raise the Medicare eligibility age by at least one year to age 66 or more for **85,000 individuals** in the district who are age 44 to 49 and by two years to age 67 for **583,000 individuals** in the district who are age 43 or younger.

The Republican Medicare Proposal

On April 15, 2011, House Republicans passed their budget proposal (H. Con. Res. 34) for FY 2012. Their budget would make three major changes in Medicare.

First, the Republican budget significantly cuts spending on Medicare by eliminating benefits and shifting costs to seniors and individuals with disabilities. These reductions in benefits and cost shifts affect both current and future Medicare beneficiaries. By 2050, the Republican budget would cut Medicare nearly in half, corresponding to about \$20 trillion in cuts in today's dollars, according to projections by the nonpartisan Congressional Budget Office.

Second, the Republican budget ends traditional Medicare for individuals age 54 and younger. Seniors who become eligible for Medicare in 2022 would no longer be allowed to join the traditional Medicare program; instead, they would receive a federal contribution, sometimes called a "voucher" or "premium support," to use to purchase private insurance coverage. According to CBO, the private insurance coverage would cost 50% more than traditional Medicare in 2022. The value of the federal contribution would increase at the rate of inflation, which is a slower rate than the increase in health care costs. Over time, because of the higher cost of private plans and the reduced value of the federal contribution, beneficiaries would be forced to pay an ever-growing portion of their health care costs. By 2032, CBO estimates that beneficiaries would be required to pay 68% of their health care under the Republican plan, compared to about 25% under traditional Medicare.

Finally, the Republican budget increases the eligibility age for Medicare, which is currently 65. Beginning in 2022, the eligibility age increases by two months each year, until it reaches age 67 in 2033. These changes will mean that millions of Americans will have to wait an extra two years until they can receive Medicare benefits.

Impacts on Current Medicare Beneficiaries in the District

The Republican leadership has asserted that "if you're a person who is 55 years of age or older, there's no change in Medicare for you" and that "we protect Medicare for current seniors."¹ In fact, the Republican plan would immediately cut benefits for thousands of seniors and individuals with disabilities in the district.

Higher drug costs. The Affordable Care Act, which Congress enacted last year, reduces drug costs for seniors and the disabled on Medicare by closing the gap in prescription drug coverage known as the "donut hole." This year, beneficiaries who use between \$2,840 and \$6,450 worth of prescription drugs will receive a 50% discount on those brand-name drugs; by 2020, the donut hole is completely eliminated.

¹ Statement of Congressman Paul Ryan, Congressional Record, H2825 –H2826 (April 14, 2011),

The Republican budget repeals the provisions in the Affordable Care Act that close the donut hole. This will increase costs for the 7,400 Medicare beneficiaries in the district who entered the donut hole last year. For the average beneficiary, the cost increase will be \$520 this year and more than \$9,800 over the next decade. The total increase in drug costs for Medicare beneficiaries in the district will be \$3.8 million this year and \$73 million over the next decade.

Elimination of new preventive care benefits. The Affordable Care Act provides Medicare beneficiaries with free preventive care benefits starting January 1, 2011. The new preventive benefits include a free annual wellness visit and the elimination of any deductible or copayment for preventive services such as breast or colon cancer screening. The Medicare Actuary estimates that the free preventive care, combined with other cost saving measures in the Affordable Care Act such as changes in provider reimbursement, will save the average beneficiary \$2,500 over the next decade.

There are 67,000 seniors and individuals with disabilities in the district that are currently enrolled in Medicare. Under the Republican plan, they would no longer be entitled to free preventive care or benefit from the other cost-saving provisions in the Affordable Care Act. In the aggregate, the Republican plan would increase their spending by \$168 million over the next decade.

Impacts on Future Medicare Beneficiaries in the District

The implications of the Republican budget on individuals who are not yet enrolled in Medicare are even greater than the adverse impacts on current beneficiaries. In effect, the Republican budget eliminates Medicare as we know it for anyone age 54 or younger.

Elimination of Medicare's guaranteed benefits. Medicare provides essential guaranteed benefits for all who qualify and enroll – the right to basic health coverage, including coverage for doctor and hospital visits, stays in skilled nursing facilities, home health care, and other health care needs; the right to go to any doctor or hospital that accepts Medicare; and strict protections that do not require older Medicare enrollees to pay higher premiums.

The Republican budget eliminates these guaranteed benefits for anyone age 54 or younger. It replaces the entitlement of coverage with a federal contribution of diminishing value that the individual can use to purchase health insurance on the private market. This change will affect 730,000 individuals in the district, which is 84% of the district's population. Starting in 2022, all new enrollees in Medicare will be forced to buy private insurance using underfunded federal contributions, with no guarantees that they will receive the health care benefits they need.

Increased annual costs. The private health plans required under the Republican budget would cost more than today's Medicare, and the federal contribution provided to purchase the plans would not cover all costs of care. According to the nonpartisan Congressional Budget Office, a newly enrolled beneficiary in 2022 would face out-of-pocket costs that are

\$6,000 higher than their costs under traditional Medicare. By 2032, these out-of-pocket costs would be approximately \$12,000 more than traditional Medicare.

In the district, there are 144,000 individuals who will enroll in Medicare for the first time between 2022 and 2032. Under the Republican plan, their cumulative out-of-pocket costs for Medicare coverage during their first 20 years of program eligibility would increase by \$46.8 billion compared to their costs under traditional Medicare, an increase of 235%.

Increased retirement burdens. The Center for Economic and Policy Research did an analysis of the additional savings that today's 44 and 54 year-olds would need to cover their increased out-of-pocket costs for health coverage under the Republican budget. According to the Center, the average 54 year-old would need to save an extra \$180,000 by age 65 to pay for the extra costs. For today's 44 year-olds, the additional savings required would be \$287,000.

There are 144,000 individuals in the district between ages 44 and 54. Using the Center's methodology, they would have to save a total of \$33.6 billion more over their working lives to pay for the increased cost of their health coverage after they turn 65.

Increase the Medicare eligibility age. Beginning in 2022, the Republican budget increases the age at which seniors obtain Medicare eligibility, raising the eligibility age two months per year from its current level of 65 until the eligibility age reaches 67 in 2033. There are 668,000 individuals in the district age 49 or younger who would have to wait at least one extra year to join Medicare. There are 583,000 individuals age 43 or younger who would have to wait two extra years to join Medicare.

Data sources: Data on Medicare enrollment and the number of seniors in the Part D donut hole was obtained from the Centers for Medicare and Medicaid Services. Data on the age distribution of district residents was obtained from the U.S. Census. Data on increased costs for Medicare enrollees under the Republican plan was obtained from the Congressional Budget Office and the Medicare Actuary and the Center for Economic and Policy Research. Data on increased savings needed to pay for health care costs under the Republican budget was obtained from the Center for Economic and Policy Research (CEPR) and are based on CEPR analysis of CBO data.

GARLAND DEMOCRATIC VOICE

This bears repeating:
Reprint from May 2011 Voice

Accomplishments



President Obama Achievements in the Economy & International Relations

- Economic stimulus package: rescued the world economy from collapse. Created 780,000+ Jobs
- Fraud Enforcement and Recovery Act (FERA), protection against mortgage fraud
- Credit Card Accountability, Responsibility, and Disclosure Act, protecting against excessive charges
- Unemployment insurance up to 99 weeks for the unemployed. Modernized state UI programs covering more
- Large new investments in safety net, from food stamps (SNAP) to affordable housing to child care
- Auto Industry Bail Out, saved tens of thousands of jobs & stabilized economies of Mich & other auto states
- Billions in stimulus funding for broadband internet access
- Signed the HIRE Act, providing incentives for small businesses & other measures fostering job creation.

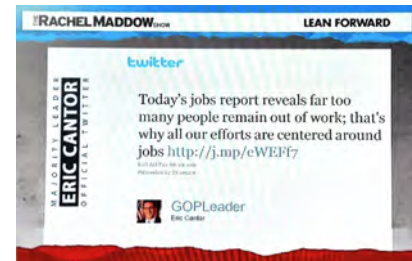
International Relations:

- End of bin Laden, No Amer.lives lost. •Withdrawal from Iraq on schedule, resources to Afghanistan-Pakistan
 - End of torture. Closure of CIA "black sites"
 - Transformation of relations with the Arab world. Reconnection with Latin America and other regions.
 - Restoration of the United States' ranking as the most admired country in the world
 - Nobel Peace Prize (donated the \$1.4 million to non-profits)
- (Source: <http://obamaachievements.org/>)



Accomplishments of the GOP
A Picture tells it all...

"If it costs jobs, SO BE IT!"



GARLAND DEMOCRATIC VOICE

Out & About



May GADC Meeting



Planned Parenthood needs our help!
Kelli Hart, Speaker



Robert Miklos spoke on Redistricting



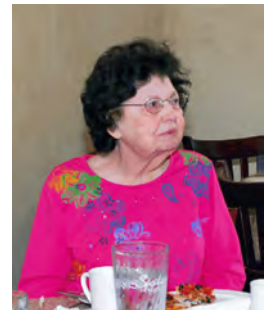
Pres Fran Donnell & Lori Barnett Dodson, newly elected Garland City Council District 6.



Dr. Theresa Daniels, SD16 Executive Board Update & towards 2012



**Garland Democratic Woman's Club
Pres. Martha Crump presents Mayor Jones
a Super Service to Garland Award May 2011 Meeting**



Welcome Elsie Spears!
(Julie Spears Mom)

Dallas County Democratic Party Executive



Darlene Ewing, Co Chair



Candidates for Dallas Mayor
Chief Kunkle & Spokesperson for Mike Rawlings



Dr. Theresa Daniels & David Bradley, SD 16

GARLAND DEMOCRATIC VOICE GADC BULLETIN BOARD



Garland Area Democratic Club Meeting

Thursday, June 9, 2011 7:00 pm Program: The Hon. Peggy Hoffman, Judge Dallas County Judge, County Court at Law #9 will be speaking on Diversion court; Prostitutes and Drug Addicts. Garland Women's Activities Building: 713 Austin Street Garland
Contact: Fran at 972-414-8822 frandonnell@verizon.net

Garland Democratic Woman's Club

Wednesday, June 15, 2011 at 11:30 am
Enjoy the fellowship of Democratic women over lunch! All are welcome, bring a friend. Siciliano's Taste of Italy, 2210 W Buckingham Garland, TX. Info: 972-226-3387

Election Receptions & Fundraisers:

Judge Ken Molberg 95th Civil District Court.
Wed, June 22 Bev. & Hors d'oeuvres. Call 214-544-0381
info 5:30 - 7:00 p.m., 1717 Main St# 3700, Dallas

Judge Don Adams, 2nd Criminal District Court
Thurs, June 23: Comp Beverages & Appetizers. RSVP by
email judgedonadams@yahoo.com
5-7 PM, The Angry Dog, 2726 Commerce St., Dallas

Judge Eric V. Moyer, 14th Civil District Court
Monday, June 27: Fundraiser Beverages & Hors
d'oeuvres. Comp. Valet Parking. Info: Call 214-544-0381
6:00 - 8:00 PM, 3930 Shorecrest Dr Dallas

Rowlett Democratic Club Saturday, June 25,
3-5 PM Rowlett Public Library, 3900 Main St., 75088.

ALERT!

It would appear the GOP is trying to do away with our public school system.

HB 17 will change the salary schedule for teachers. Instead of the 20 step salary schedule, there will only be one step salary floor of \$27,320 for all teachers.

HB 33 would provide vouchers for anyone who remove their children from public school. The reimbursement would be equal to the cost of tuition or 60 percent of the state's average per-pupil funding amount.

SB 1 and SB 2 are scheduled to come to the floor Thursday. These bills will determine how money is distributed to school districts.

Call your representative and tell them to vote NO!

PRESIDENT'S CORNER

Fran Donnell, President

In 2008, Texas was 47th in the voter turnout. This must never happen in the future. Let's get to work toward Democratic Victory in 2012. Become or volunteer to help your Precinct Chair. Be a block captain and get to know your neighbors. Write letters to the editor. Have a block party this summer. Talk to others. Make phone calls. Talk to the apartment management to arrange a time to register voters or hold a candidate meet and greet. Find 10 Democratic friends who will find 10 more Democratic voters to help spread the news and get out to vote. If each of us follows through on two or three of these areas, the Democratic Victory is certain.

We can do this. We can reclaim our precincts, city, county, state and country back from the abyss of destruction!

Attend the GADC meetings (2nd Thursday).

As I always say, "Drink plenty of tea and throw out the bags!"

Fran

Fran Donnell, RN, GADC President

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Attorney

WesleyJohnsonLawyer.com

GARLAND AREA DEMOCRATIC VOICE RATE CARD

The Garland Democratic Voice, News and Information for Garland Area Democrats.

Current Readership is over 1000 email subscriptions.

Delivery is primarily by email in PDF format. Permission to forward is granted in every issue.

Advertising Rates

(Subject to change)

Size	Frequency	Rates	Conditions
Business Card 2" by 3.5" (Horizontal, Only)	Single Issue 3 or more Issues	\$25.00 \$20.00 per issue - Same copy	Camera Ready File, JPG or Tiff 300 DPI
One Sixth Page 3" x 3.5" (Horizontal, Only)	Single Issue 3 or more Issues	\$50.00 \$40.00 per issue - Same Copy	Camera Ready Copy, JPG or Tiff 300 DPI
Quarter Page 3.5" by 5" (Vertical Only)	Single Issue 3 or more Issues	\$75.00 \$60.00 per issue - Same copy	Camera Ready File, JPG or Tiff 300 DPI
Half Page 5"x7" (Horizontal, Only)	Single Issue 3 or more Issues	\$150.00 \$100.00 per issue - Same copy	Camera Ready File, JPG or Tiff 300 DPI
Full Page 7"x 10" (Vertical Only)	Single Issue 3 or more Issues	\$300.00 \$200.00 per issue - Same copy	Camera Ready File, JPG or Tiff 300 DPI
Showcase Articles (Half Page, Text & Photo)	Single Issue	\$200.00	one issue Placed in body of Newsletter

Advertising Submission Requirements

- Showcase Article:** CD Rom (PC), Text and Photo submitted in separate files, Text in *.wpd, *.doc or ASCII format.
Photos cropped & publication ready 300 dpi *.JPG or TIF (preferred). Text & Photo file submitted on one disk.
- Advertisement Copy:** Camera Ready Files, *.JPG OR *.TIF format on CD Rom or DVD Disk, PC Platform (not MAC).
All camera ready copy must include "Paid for by" statement. Submission of copyrighted materials prohibited. Payment must accompany submission disk. Checks only; make payable to **The Garland Area Democratic Club**.
Charges for additional services, setup, mechanical, photos available upon request from Rachel Baker Ford, Editor.
Content subject to approval by the Staff of The Garland Area Democratic Voice.

Dates & Deadlines

Publication of the **GARLAND AREA DEMOCRATIC VOICE** is during the second week of every month.
Submission of advertisement and materials must be made by the first day of the month.

Advertising Order Form

Name: _____

Address: _____

Email: _____ Phone Number: _____

(We cannot accept corporate advertisement)

Size of Advertisement: (Use description listed above) _____

Frequency: Single Issue 3 or More Issues Rate: _____

Amount Enclosed: (Checks only) _____

(Make checks payable to: The Garland Area Democratic Club)

All inquires, submissions and payments directed to:

Peggy Henger, Business & Subscription Manager
(972) 276-5944 pjhenger@tx.rr.com
1405 McCallum Garland, TX 75042-4812

GARLAND DEMOCRATIC VOICE

ADVERTISEMENTS

Note: The Garland Area Democratic Club welcomes advertisement from area businesses and candidates.
Contact Peggy Henger (972) 276-5944 for information and rate sheet.

Publication Dates

Publication of the **GARLAND AREA DEMOCRATIC VOICE** will be during the second week of every month.
Submission of advertisement and materials must be made no later than the 1st day of the month.

Produced and Printed In House by Rachel Baker Ford, 3317 Knights Haven Lane Garland Texas 75044

GARLAND DEMOCRATIC VOICE

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Garland Democratic Voice Staff
Rachel Baker Ford, Editor & Publisher
Peggy Henger, Business & Subscription Manager
Willa Kulhavy, Columnist,
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pjhenger@tx.rr.com

GARLAND AREA DEMOCRATIC CLUB

Fran Donnell-President
Elizabeth Enteman-1st Vice President
Wesley Johnson-2nd Vice President
Jenee Whitener- Secretary
Richard Davis-Treasurer
Mark Edwards, *President Emeritus* & Membership
Garland is a northeastern suburb of Dallas, TX. The
GADC is a club, representing Democrats, in Garland
and the surrounding cities of Mesquite, Sachse,
Murphy, Rowlett, Rockwall and parts of Northeastern
Dallas. Meetings are held on the 2nd Thursday of
each month, at 7:00 PM.
The Women's Activity Building
713 Austin Street, Garland, TX 75040

GARLAND DEMOCRATIC VOICE

EDITION 22
JUNE 8, 2011

The Garland Area Democratic Club
Rachel Baker Ford, Editor & Publisher
Peggy Henger, Business & Subscription Manager
1405 McCallum, Garland, TX 75042-4812

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