

# AFSCME

## Retirees Bulletin

### Medicare and Medicaid: Giving America Peace of Mind

For more than half a century, the guaranteed health care coverage through Medicare and Medicaid has helped millions of Americans visit a doctor and get hospital care. Medicare, Medicaid and the Affordable Care Act (ACA) together provide millions of families with the peace of mind that comes with knowing you have health coverage. AFSCME fights to defend and improve these programs because health care is a right, not a privilege. Our fight to secure access to affordable, comprehensive, quality care is one of our highest priorities.

#### Five things you need to know about Medicare:

- It's a huge success story. Before Medicare, about half of America's older adults had no health insurance and one-third lived in poverty. As of 2019, nearly all older people have coverage and only about 12% live below poverty.
- Medicare is organized into four parts. Part A covers mostly inpatient hospital stays. Part B covers physician services, preventative services, durable medical equipment, and ambulance services. Part C is called Medicare Advantage. It is a private plan option that supplants traditional Medicare. Part D provides prescription drug coverage.
- Most Medicare beneficiaries have modest incomes. Each year prescription drug prices take a bigger bite out of their income. Drug corporations raise prices faster than the rate of inflation for all Americans because there is no law or enforceable policy to stop them. [From 2007 to 2018](#), net prescription drug prices increased every year 3.5 times faster than inflation. Even with the pandemic, [in January 2021](#), the list price of over 800 brand name and generic drugs increased by an average of 4.5 percent, nearly double the rate of inflation. **Bringing drug prices down will help seniors and working families. AFSCME supports legislation (H.R. 3) which directs Medicare to negotiate for lower drug prices for all Americans, whether they get health coverage through Medicare or their job. AFSCME wants Congress to stop drug corporations from raising prices above the rate of inflation for all Americans, not just Medicare.**
- In 2020, the global pandemic had catastrophic consequences for many Medicare beneficiaries and affected health care delivery for all. AFSCME advocated to make sure all Americans could get tests, treatment and vaccinated for COVID-19 for no out-of-pocket costs to Americans.



### **Four things you need to know about Medicaid:**

- Medicaid covers more than 72 million Americans, including 10.9 million Medicare beneficiaries. Medicaid helps those beneficiaries with their Medicare premiums and cost-sharing. Medicaid provides many of them with benefits not covered by Medicare, like long-term care services.
- Medicaid is vital to state budgets and local economies. Federal Medicaid matching funds are the largest source of federal revenue in state budgets. Medicaid funding is a significant economic driver for hospitals, physicians and jobs in the health care sector.
- The guarantee of Medicaid federal matching funds on an open-ended basis provides states with support to help individuals and communities when unemployment is high, a natural disaster strikes, or an epidemic hits and coverage needs to grow. It helps to stabilize a state's economy.
- Medicaid is the single largest payer in the United States for behavioral health services, including mental health and substance use treatment. Cuts to Medicaid would leave states to foot the total costs of addressing the opioid crisis.

May 6, 2021

*AFSCME's 1.4 million members provide the vital services that make America happen. With members in communities across the nation, serving in hundreds of different occupations — from nurses to corrections officers, childcare providers to sanitation workers — AFSCME advocates for fairness in the workplace, excellence in public services and freedom and opportunity for all working families.*