

STRENGTHEN AND PROTECT SOCIAL SECURITY AND MEDICARE

The Issue

The 115th Congress is expected to take rapid, dramatic steps on tax reform, health care reform, reducing the deficit and debt reduction. As part of those efforts, many policymakers contend that spending in federal benefit programs – specifically Social Security, Medicare and Medicaid - must be reined in. Proposals are expected in the new Congress that will modify cost-of-living adjustments not only for Social Security but also for VA benefits, civilian pensions and military retirement pay, change the age of eligibility for Social Security and Medicare, change Medicare to a voucher program and block grant Medicaid.

Social Security, self-financed through the contributions of workers and employers, will be able to pay full benefits until 2038. Ironically, some legislation that is portrayed as a means to “save” Social Security would cut benefits more than if Congress does nothing. Social Security did not cause the federal deficit and should not be used as a tool for deficit reduction. Over the years, PVA has opposed reductions in COLAs for Social Security, VA compensation and pension and other federal benefit programs in addition to other cuts that would undermine these important safety net programs. Instead, PVA has supported measures to strengthen Social Security’s solvency through long-delayed updates in the system’s financing that don’t require benefit cuts or raising the retirement age.

Medicare is second only to the VA as a major payer of health care for PVA members and many low income, non-service-connected disabled veterans rely on Medicaid for their health care. Spending cuts in these programs that fall disproportionately on recipients will harm millions of veterans who rely on these benefits.

PVA’s Position:

- PVA urges Congress to keep Social Security out of any deficit and debt reduction plans. Efforts to strengthen Social Security and improve its long term solvency should be undertaken separately through regular Congressional order and should not leave beneficiaries in worse circumstances than before any changes were made. Among the proposals that PVA supports are those that would establish an inflation adjustment for benefits that more realistically reflects expenses of beneficiaries [CPI-E], update the amount of wages subject to the payroll tax and extend the life of the trust funds without slashing benefits.
- PVA also believes that the universal nature of Medicare must be preserved and that any proposals for drastic changes to that program and Medicaid should not be camouflaged in opaque budgetary processes. Furthermore, Congress and the administration must not pursue policies that would undermine health and long term services and supports that are vital to millions of people with disabilities.