

Voter Guide 2014: Health Care

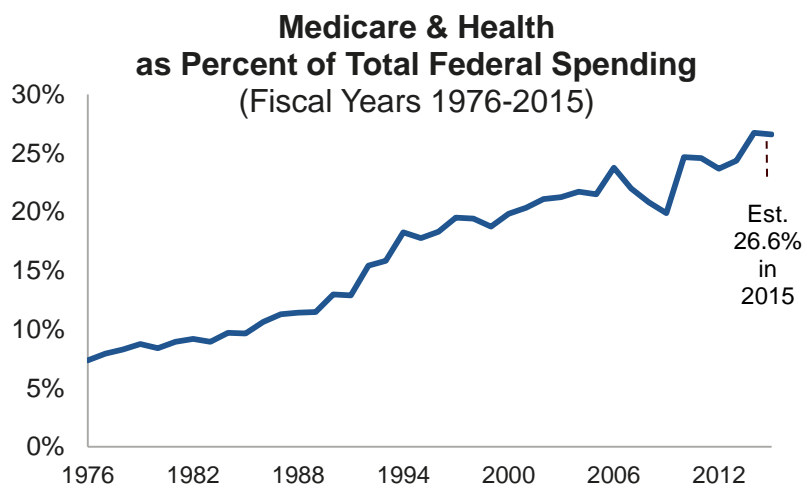
National Priorities Project examines issues related to the federal budget in time for the 2014 election.

The Major Health Care Programs

- **Medicare** is the federal health insurance program for nearly 50 million elderly and disabled Americans each year. That’s nearly one in six Americans.¹
- **Medicaid** is the federal-state health insurance program for lower-income Americans. It provides health coverage to more than one in five – or 66 million – Americans.²
- The **Children’s Health Insurance Program (CHIP)** is the federal-state program that serves more than 8.1 million children in families who do not qualify for Medicaid.³
- The **Affordable Care Act** – or Obamacare – is the health reform law that passed in 2010, which has so far helped 8 million Americans get health care coverage.⁴ (See [Voter Guide: Affordable Care Act](#))

Health Care Spending Trends

- Federal spending for health programs is projected to total nearly \$1.1 trillion in fiscal year 2015.⁵
- Health care is the fastest-growing type of federal spending, having risen from 7 percent of all federal spending in 1976 to more than a quarter in fiscal 2015⁶ as health care costs have risen in industrialized nations, especially the United States.⁷
- Initial studies suggest the Affordable Care Act is slowing the growth of health care costs.⁸



Source: OMB
 National Priorities Project

Medicare Is Not Going Bankrupt

Medicare is funded by general tax revenue as well as a trust fund that workers and employers pay into at a rate of 1.45 percent of payroll income. The trust fund finances Medicare Part A, also known as Hospital Insurance, the biggest part of Medicare that covers hospital, skilled nursing, and hospice stays. That part of the program is fully funded until 2030.⁹ To ensure the program remains on secure financial footing beyond that date, it will require some changes (either increased revenues,

reduced benefits, or some combination of the two). Meanwhile other components of Medicare – such as Part B, Medical Insurance, the second biggest part of Medicare that covers physician and outpatient care, and Part D, prescription drug benefits – are funded by general tax revenue.

Public Opinion

Fifty-six percent of Americans favor keeping the Affordable Care Act in place with “small modifications,” while 10 percent would like to leave the law as it is.¹⁰ The Affordable Care Act allows states to take advantage of an expansion of Medicaid that would be federally funded for three years. Seventy-four percent of Americans have a favorable view of this expansion.¹¹

What Americans Say

“Government assistance kept us and our children healthy until we could take care of ourselves again.”

-Brandi (Tampa, FL)

Meanwhile, 61 percent of Americans say keeping the Medicare system sound is a key issue facing Congress and the president this year.¹²

What to Ask Your Congressional Candidates

- How do you propose containing the ongoing rise in health care costs?
- How would you address the long-term solvency of Medicare?
- Would you keep the Affordable Care Act as it is, change it, or repeal it? If you would change or replace it, what changes would you make?

For More on Health Care Spending: bit.ly/NPPhealthcare

¹ Kaiser Family Foundation, [Total Number of Medicare Beneficiaries](#).

² Kaiser Family Foundation, [Medicaid Moving Forward](#).

³ Centers for Medicare and Medicaid Services, [FY 2012 Number of Children Ever Enrolled In Medicaid and CHIP](#).

⁴ U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, [Health Insurance Marketplace: Summary Enrollment Report For The Initial Annual Open Enrollment Period](#).

⁵ Office of Management and Budget, 2015 President’s Budget.

⁶ Office of Management and Budget, 2015 President’s Budget.

⁷ International Federation of Health Plans, [2013 Comparative Price Report](#).

⁸ See, for example, Congressional Budget Office, [Updated Estimates of the Effects of the Insurance Coverage Provisions of the Affordable Care Act, April 2014](#).

⁹ Centers for Medicare and Medicaid Services, [2014 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds](#).

¹⁰ Bloomberg [poll](#), conducted June 6-9, 2014.

¹¹ Kaiser Family Foundation [poll](#), conducted March 11-17, 2014.

¹² Gallup [poll](#), conducted Jan 15-19.