

OCTOBER 25, 2005

SCHAKOWSKY WARNS OF DISASTROUS EFFECTS OF REPUBLICAN BUDGET CUTS

WARNS CUTS TO MEDICAID WILL COST LIVES; CONSUMERS WILL BE CHARGED FOR DIGITAL UPGRADE

WASHINGTON, DC - Today, the House of Representatives began considering the Republican Majority's resolution on budget reconciliation. In a mark-up before the House Energy and Commerce Committee, Representative Schakowsky warned that cutting Medicaid will cost lives and raise health care costs. Schakowsky also expressed her opposition to charging consumers for industry upgrades to digital television.

Representative Schakowsky's full opening statement from today's mark-up is below:

According to a poll this summer by the Henry Kaiser Family Foundation, nearly three-fourths of those polled oppose cuts in Medicaid programs. They are demanding we look at the facts and protect Medicaid.

Most of us were taught as children that when we approach a danger zone or when a natural disaster is on the horizon, we should stop, look, and listen.

Today, I urge my colleagues on the other side of the aisle to stop what you are doing, look at the facts and listen to our constituents so that we can prevent a disaster of the majority's own making: Medicaid cuts that will cost lives and damage the health of Americans across the nation.

Look at the facts:

Last year, 1.1 million Americans fell into poverty and another 800,000 joined the ranks of the uninsured. Medicaid is needed now more than ever.

Medicaid is more efficient than private health insurance - its administrative costs are 3 percent, it costs less per person and per capita costs are growing at half the rate of private insurance. If we're interested in cost-effectiveness, Medicaid is the answer.

Out-of-pocket medical costs for adult Medicaid recipients rose twice as fast as incomes

(9.4% compared to 4.6%) from 1997 to 2002. State experiments in increasing cost-sharing have prevented nearly 1 in 5 Medicaid recipients from getting the care they need.

We need to address the deficit but the facts show that Medicaid is not the culprit for our fiscal disaster. The Bush tax cuts account for 48% of the deficit, more than three times the impact of all domestic spending. We should be rolling back those tax cuts, not cutting Medicaid to pay for even more tax breaks for those who don't need them.

Second, listen to our constituents who have been jamming the phone lines over the past weeks to oppose Medicaid cuts. I know that my colleagues are hearing the same pleas that I am getting.

Michael from Chicago: Medicaid makes it possible for 53 million seniors, children, pregnant women, working families, and people with disabilities to receive critical health and long-term care services. If it was not for Medicaid, 5 million more people would be uninsured. I am counting on you as a leader to put families first by opposing these Medicaid cuts that will make the health care crisis even worse. Please help assume people get needed health care.

Kathleen from Skokie: All America's children should have health care. If Congress cuts billions of dollars out of our most important child health program, more children will join the ranks of the uninsured. We already know that when children lack insurance, they are less likely to get medical care for common conditions like ear infections or when they are injured. We want all our children to grow up to be strong, healthy, and productive adults. Please vote against any cuts in Medicaid.

Felipe, Chicago: I am a constituent calling about the proposed Medicaid cuts. This is a life-and-death issue for people living with AIDS and HIV here in the Illinois community. I am really concerned about the new copay that would hit the hardest on people who need health care the most.

Jill, Chicago: I am concerned about the Administration's proposals for the Medicaid program, which is the single most important public funder of mental health services. Without strong protections for adults with mental illnesses and others in Medicaid's optional eligibility categories, many Americans will be denied access to the services they desperately need. Individuals with mental illness are already disproportionately represented in the homeless population and in prisons and jails. Any decrease to Medicaid funding will serve to further marginalize this vulnerable population.

Laura, Wilmette: In Illinois, Medicaid provided essential health services to more than 1.7 million people, including children, elderly, and people with disabilities. Medicaid provides access to healthcare to those in Illinois who would otherwise be without and it is important that they continue to receive these valuable services. Medicaid is the primary payer for 63% of Illinois' certified nursing facility residents. Any cuts in Medicaid will have a profound effect on the economic future of these facilities and care

of the frail and disabled.

Mary, Rolling Meadows: Cuts to critical domestic programs, including Medicaid, are unthinkable at this time. Needs are growing, not shrinking. Medicaid has long been a primary health care lifeline for millions of Americans with mental retardation. They are counting on you to make the right choice.

Philippe Largent, Illinois Primary Health Care Association: The revenue from Medicaid allows health centers to provide the fully array of services to both the Medicaid and uninsured population. Any disruption would put services to both populations at risk. Protection of the safety net provided by health centers should trump state flexibility.

Ralph Martire, executive director of the Center for Tax and Budget Accountability ("CTBA") in Illinois.: To finance tax cuts that benefit the privileged few, Congress is considering cutting programs that help the least fortunate, do not consume a large portion of the budget, did not contribute significantly to the deficit, and address demonstrated needs. Belt tightening indeed. This is one case where the numbers really don't lie. If Congress implements the cuts to domestic programs that are on the table, it will leave America bankrupt - both fiscally and morally.

According to a poll this summer by the Kaiser Family Foundation, nearly three-fourths of those polled oppose cuts in Medicaid programs. They are demanding we look at the facts, protect the ability of Medicaid to meet their needs and stop this insane process. I sincerely hope that we will listen to them.

We also need to proceed with caution as we consider the Republican proposal for the digital television transition.

Once again, in order to offset the costs for their tax cuts for millionaires program, the Republicans are asking consumers to foot the bill.

Instead of using the money from the spectrum auction to ease the cost of buying converter boxes, the Republicans are creating a TV Transition Tax for the nearly 30 million consumers, many of them low-income, who will be left behind by the Republicans proposal that funds only 1 in 4 households. And, the proceeds from the spectrum action will pad the pockets of millionaires one more time.

The decision to impose the Transition Tax shines a bright spotlight on the majority's poor choice of priorities for America: leaving many families' television screens permanently dark in order to finance tax cuts for multi-millionaires. We should all reject this approach.