45% Retirees Spend More Than One - Third Of Their Social Security On Medicare
Obamacare Repeal Could Make That Worse, Warns The Senior Citizens League

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(Washington, DC) – Forty-five percent of Medicare beneficiaries say they spend more than one-third of their Social Security benefits on healthcare costs, according to a recent survey by The Senior Citizens League (TSCL). "A complete repeal of the Affordable Care Act (ACA), without a replacement of the Medicare provisions, would force most older Americans to spend a much bigger percentage of their Social Security income on Medicare costs in the near future," says TSCL's senior policy analyst, Jessie Gibbons.

The percentage of Social Security that people spend on healthcare costs in retirement is important. The majority of retired households, 60 percent, depend on Social Security for at least half of their income. "A complete repeal of the ACA would hit retired and disabled Americans — people who can afford it the least— with steep increases in Medicare premiums, deductibles, and out-of-pocket costs," Gibbons explains. "Meanwhile the repeal would give the nation's wealthiest households a generous tax break because it eliminates new Medicare revenues provided under the ACA which affect only the highest income taxpayers," Gibbons points out.

According to annual surveys conducted by TSCL, the portion of Social Security benefits that older Americans report spending on Medicare and other medical costs has spiked since 2014. That year, only 26 percent of survey participants said they spent more than one-third of their Social Security benefit on healthcare costs versus the 45 percent in 2016. "We believe this illustrates the impact of extremely low growth in cost-of-living adjustments (COLAs) over the period," Gibbons says. "People wind up spending a bigger share of their Social Security on medical costs," she notes.

Inflation was so low in 2015, that the COLA for 2016 was zero. Yet according to TSCL's survey, retirees reported that their costs continued to grow. Some 72 percent of survey participants reported that their monthly expenses grew by more than $79 in 2015. Not only are healthcare costs, especially prescription drugs, rising several times faster than overall inflation, but retired and disabled Medicare beneficiaries must spend more on services and prescriptions as their health conditions worsen with age.

TSCL believes it's time to hit the brakes on a hasty repeal of the Affordable Care Act. "Older Americans have the right to know how Congress intends to replace the Medicare benefits that would be repealed," Gibbons says. "We believe that more thought needs to be given to ensuring that the oldest and sickest Americans will continue to have access to affordable Medicare prescription drugs and other benefits," she says. "Too many people are discovering that healthcare costs are taking an unsustainable portion of their Social Security today. An outright repeal of the ACA without a suitable replacement for Medicare benefits would shoulder tens of millions of retirees with bigger costs and less coverage," Gibbons adds.

Some 98 percent of TSCL survey participants are politically active, registered voters. To learn more and to participate in TSCL surveys, visit www.SeniorsLeague.org.

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