



Trump Doubles Down on Controversial Pledge to Leave Social Security, Medicare Untouched

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President Trump delivered his first speech Tuesday night to a joint session of Congress, discussing his budget blueprint for the coming fiscal year which includes a \$54 billion increase in defense spending, a large cut in funding for the Environmental Protection Agency-- and "no changes" to Social Security and Medicare.

As of January, 66 million Americans were receiving Social Security, Supplemental Security Income payments, or both, according to the program's website. As of 2015, there were 55.5 million Medicare beneficiaries, according to Centers for Medicare & Medicaid Services (CMS).

Meanwhile, the annual Social Security Trustees Report shows that by 2034, under current funding levels, Social Security will only be able to pay about 79% of promised benefits to recipients. After 2035, if left unchanged, the program will be able to deliver just 77% of benefits. The Trustees Report estimates Medicare "Part A," or hospital insurance, will be officially bankrupt by 2028.

While Trump is following through on his campaign promise to leave entitlements untouched, his decision is likely to provoke ire among some fiscal budget watchers.

"It is utterly irresponsible to continue ducking the need for entitlement reform," Michael Tanner, senior fellow at the Cato Institute, told FOX Business. "Medicare and Social Security alone constitute 38 percent of federal spending, and that percentage will only grow larger in the future. The unfunded liabilities of those two programs exceed \$80 trillion."

While Tanner says Trump is “playing to his base” by leaving entitlements unreformed, it could put him at odds with GOP leadership.

During an interview with Fox News in November, House Speaker Paul Ryan said “Obamacare rewrote Medicare, rewrote Medicaid, so if you’re going to repeal and replace Obamacare, you have to address those issues as well.”

In fact, Paul Ryan’s “Better Way” healthcare policy package included sweeping Medicare reforms, going so far as to propose overhauling the entire system into a “premium support” model; a fixed input for each beneficiary to purchase private insurance.

Health and Human Services Secretary Tom Price, who formerly chaired the House Budget Committee, said in November Republicans could use the budgetary process of reconciliation to begin reforming Medicare by summer, prior to being tapped for his new role.

In December 2016, Rep. Sam Johnson (R-TX), Chairman of the Social Security Subcommittee on the House Ways and Means Committee, introduced a bill to cut Social Security benefits, which Johnson told the Washington Examiner he hoped would serve as a starting point for reform discussions. So far, the proposal has been met with both praise and criticism.

During a press conference Monday, White House Press Secretary Sean Spicer did acknowledge that the budget process is a “back-and-forth” dialogue, and changes will be made to the initial proposal. However multiple administration officials, including Treasury Secretary Steve Mnuchin, have clearly articulated that entitlements are non-negotiable.

“We are not touching [Social Security and Medicare] now. So don't expect to see that as part of this budget,” Mnuchin told FOX Business’ Maria Bartiromo on Sunday.

Tanner said while both programs are in desperate need of reform, he believes it is possible to leave the benefits for current recipients in place, but he says the government must start reducing benefits for younger workers in order for the programs to survive.