

The Federal Tax Code: Medicare and Latinos

The “Tax Cuts and Jobs Act,” the latest tax bill from Congressional Republicans, would result in a massive tax cut for the richest Americans and big corporations, while providing little, if any, tax relief to working- and middle-income families.¹ Revenue lost through these massive tax cuts would add at least \$1.5 trillion to the national debt over the next decade, and lead to devastating budget cuts on important programs like healthcare, nutrition, education, and housing, jeopardizing the well-being of Latino families.

Medicare—a critical program that provides health coverage for some of the most vulnerable, including seniors age 65 and older, and certain young people with disabilities or serious illnesses—will be one of the programs facing automatic cuts if this bill is signed into law. Specifically, the Congressional Budget Office estimates that statutory PAYGO—a law that requires automatic cuts in spending when the deficit increases—will trigger \$400 billion in cuts to Medicare. In 2018 alone, Medicare funding will drop by \$25 billion to partially pay for the large, permanent tax breaks Congressional Republicans are providing to the rich and large corporations. This would jeopardize the health and well-being of millions of Americans.

Who Benefits from Medicare?

Medicare ensures health care access for millions of Americans. Seniors make up the largest group of beneficiaries and are automatically eligible for the program at age 65. Certain individuals younger than 65-years-old can enroll, including disability benefits recipients, those with Lou Gehrig’s disease or end-stage kidney disease. About 16% of the U.S. population (53.3 million Americans) are enrolled in Medicare and the average Medicare beneficiary is 75-years-old.^{2,3} The majority of people enrolled—76%—are White (40.5 million people).⁴ Another 10% are Black (5.5 million people), 8% are Latino (4.4 million people), and 6% are individuals of other races or ethnicities (3 million people).⁵

How Would Cutting Medicare Affect Latinos?

Medicare provides coverage to about 4.4 million Hispanics, a small but significant share of the community. Cuts of this magnitude could lead to reduced coverage and jeopardize access to critical health care services for seniors and those with debilitating illnesses. States with large Latino populations such as California, Texas, and Florida—where more than 1.1 million, 753,000, and 681,000 Latinos are enrolled in Medicare, respectively—would be hit the hardest.

Congress should oppose a tax agenda that disproportionately benefits the rich and large corporations at the expense and health of our most vulnerable Americans. Instead, Congress should enact true tax reform that supports more Americans, including seniors and children, by reducing poverty, promoting economic mobility, and improving the health and prosperity of our communities.

All sources accessed November 2017.

¹ TPC Staff, *Distributional Analysis of the Tax Cuts and Jobs Act as Passed by the Senate Finance Committee*, (Washington, DC: Tax Policy Center, 2017), <http://www.taxpolicycenter.org/publications/distributional-analysis-tax-cuts-and-jobs-act-passed-senate-finance-committee/full>.

² “Public Use File: State Table – Beneficiaries 65 and older”, (Baltimore, MD: Centers for Medicare and Medicaid Services 2017), https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Medicare-Geographic-Variation/GV_PUF.html.

³ “Distribution of Medicare Beneficiaries by Race/Ethnicity,” (Washington, DC: Henry J. Kaiser Family Foundation 2016), <https://www.kff.org/medicare/state-indicator/medicare-beneficiaries-by-raceethnicity/?dataView=1¤tTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

⁴ Ibid.

⁵ Ibid.