

## **Medicare Projections Talking Points**

- The Weiner amendment kills the Medicare program. We are **STRONGLY OPPOSED**.
- Congressman Weiner is offering this amendment to make a point that government run health care is a good thing because people like Medicare. However, although people like Medicare, the program has huge future liabilities, financial problems, and is wrought with fraud.
- According to the Medicare Trustees, by 2012 the deficits in Social Security and Medicare will require one out of every 10 income dollars. They will continue by claiming one in every four general revenue dollars by 2020 and almost one in two by 2030.
- Of the two programs, Medicare is by far the most burdensome-with an unfunded liability five times that of Social Security.
- The Congressional Budget Office notes that health care costs overall have been rising for many years at twice the rate of growth of our incomes. Furthermore, on the current path, health care spending (mainly Medicare and Medicaid) will crowd out every other activity of the federal government by midcentury.
- The Medicare Trustees project that the Medicare Hospital Insurance (Part A) Trust Fund will become insolvent by 2017 – two years earlier than last year. This deterioration in the program’s financing is due largely to the economic slowdown, and a concurrent reduction in payroll tax revenues, during calendar year 2008.
- For the fourth straight year, the trustees have issued a general revenue funding warning, noting that general revenue spending on Medicare—that is, Medicare spending not funded by payroll taxes or beneficiary premiums and co-payments—is expected to exceed 45% of all Medicare spending within the next seven fiscal years.

- Medicare's overall unfunded liabilities also increased when compared to the 2008 report. Unfunded obligations for the government-run Parts A and B have increased in both dollar terms and as a percentage of economic GDP, projected liabilities for the privately-provided Part D prescription drug benefit continue to decline.
- Some Members may also believe that in the current entitlement programs should receive precedence over creating a new government-run health plan resulting in as many as 120 million Americans losing access to their current coverage.
- The Medicare trustees project total unfunded liabilities of nearly \$38 trillion, and project that the Hospital Insurance (Part A) Trust Fund will be exhausted in 2017, two years earlier than last year's estimate.
- President Obama's budget actually proposed an overall increase in Medicare spending-by failing to find any offsets for increases in physician reimbursement levels that Congress has frequently paid for in the past.
- The President's full budget submission to Congress did not include legislative proposals on how to address Medicare's funding shortfalls-even though according to the Medicare Modernization Act, the President is required to submit such legislation every year the Medicare trustees have issued a funding warning for the program.
- While Republicans have offered a budget alternative that fully resolved Medicare's long-term funding shortfalls, Democrat proposals for "entitlement reform" have thus far focused around spending over \$1 trillion to create a new government-run health plan.