

Health Reform Law & Deficit

What is the problem?

Give me the facts!

Affordable Care Act of 2010 which slowed the growth in Medicare spending by more than \$400 billion between 2010 and 2019 – reducing the

average annual growth rate from 6.8 percent to 5.9 percent during this 10-year period and extending the life of the Medicare Trust Fund by 12 years (from 2017 to 2029).

Yet, with Medicare spending at 15 percent of the federal budget in 2010, and projected to grow both as a share of the federal budget and the overall economy due to

rising health costs and an aging population, additional measures to reduce Medicare spending may be on the table once again.

<http://www.kff.org/medicare/upload/8124.pdf>

Lots of deficit proposals involving Medicare

There are 6 plans. Summary of two of them:

1. Erskine Bowles & former Sen. Alan Simpson - Dec. 2010 – more cost sharing, caps on spending, protections for out-of-pocket
2. Rep. Paul Ryan in January of 2010 – Voucher system, set amount of money to purchase insurance, no caps and protections

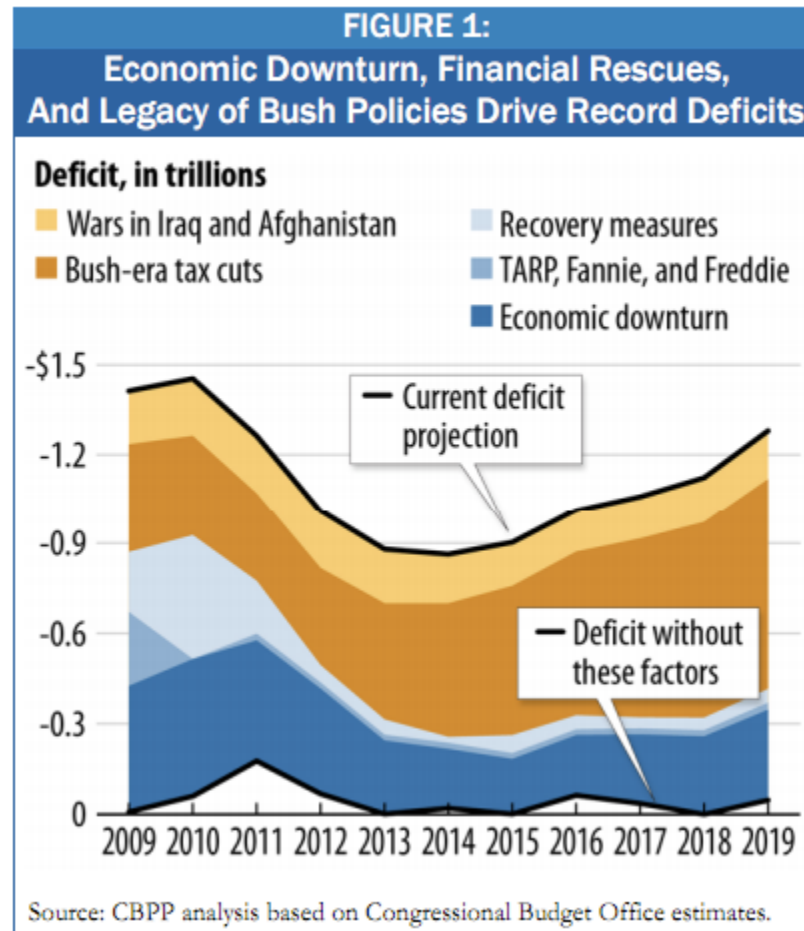
<http://www.kff.org/medicare/upload/8124.pdf>

NPR – Bush Tax Cuts

[http://www.npr.org/2011/06/07/137009472/
ten-years-of-bush-tax-cuts](http://www.npr.org/2011/06/07/137009472/ten-years-of-bush-tax-cuts)

CRITICS STILL WRONG ON WHAT'S DRIVING DEFICITS IN COMING YEAR

<http://www.cbpp.org/files/12-16-09bud.pdf>



National Academy of Social Insurance

Social Security: There are alternatives that merit consideration. Modest benefit improvements and revenue increases are affordable, have broad public support, and can close Social Security's long-term financing shortfall without further benefit cuts. June 2011 -

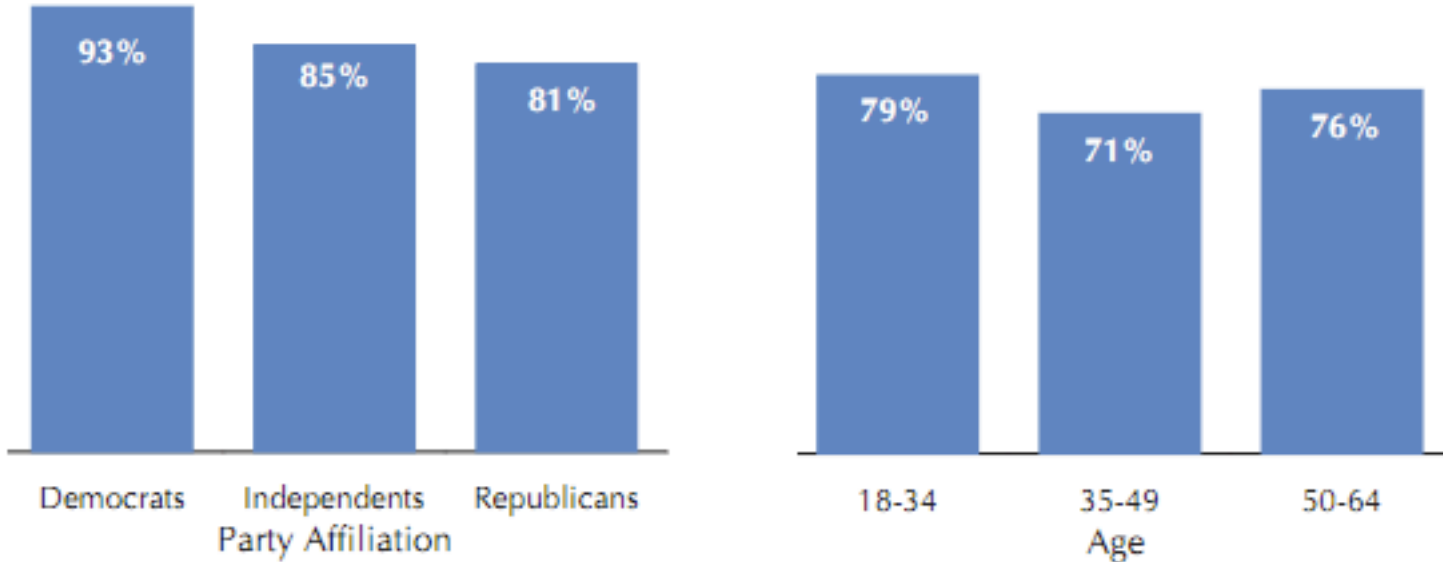
http://www.nasi.org/sites/default/files/research/SS_Brief_037.pdf?

Support is by partisan

Figure 4: Percent Agreeing:

"I don't mind paying Social Security taxes because it provides security and stability to millions of retired Americans, the disabled, and children and widowed spouses of deceased workers."

"It is critical that we preserve Social Security for future generations, even if it means increasing working Americans' contributions to Social Security taxes."



Source: Gregory et al., 2010. Social Security Survey sponsored by the National Academy of Social Insurance and the Rockefeller Foundation, July-August 2009. N=1488.

Need a Balance

- Revenue from tax cuts
- Savings from health care
- Cuts in military budget

Anton Gunn

Health and Human Services for Region IV,
Southeast Region.