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CBO: HEALTH CARE LEGISLATION INCREASES THE DEFICIT

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The House Democrats' health care legislation will increase the budget deficit by \$89 billion over the next 10 years, and would continue increasing thereafter, according to figures released today by the Congressional Budget Office [CBO] - a finding that directly contradicts the Democrats' claims of deficit reduction.

"[E]nacting both H.R. 3961 and H.R. 3962 would add \$89 billion to budget deficits over the 2010-2019 period," CBO wrote. The budget office also said "federal budget deficits during the decade following the 10-year budget window would increase relative to those projected under current law."

- Congress has typically increased Medicare payments to physicians from their scheduled rates, but has offset the cost in the past. This Medicare physicians' payment bill increases spending and deficits by \$210 billion over 10 years.
CBO also estimates the cost of a rule as adopted this year by the Department of Health and Human Services that removed physician-administered drugs from the physician reimbursement formula. This administrative action adds \$78 billion of additional Medicare spending - which would drive total physician increases to \$288 billion.
The administration has insisted on a deficit-neutral health care bill by CBO numbers:
- "[W]hat we are saying is that health care reform must be deficit neutral using CBO-scored, hard, scoreable offsets, over 10 years and in the 10th year." - Peter R. Orszag, Director of the Office of Management and Budget, at House Budget Committee hearing on statutory pay-as-you-go legislation, 25 June 2009.
- "I will not sign a plan that adds one dime to our deficits - either now or in the future." - President Obama, address to a Joint Session of Congress concerning health care legislation, 9 September 2009.
The press has noted the House Democrats' sleight-of-hand, including:
- "2.47 trillion dimes," The Washington Post, 19 October 2009: http://www.washingtonpost.com/wp-dyn/content/article/2009/10/18/AR2009101801995.html
- "A \$300 billion deception," The Washington Post, 15 November 2009: http://www.washingtonpost.com/wp-dyn/content/article/2009/11/14/AR2009111402278.html
- "The \$1.9 Trillion Gimmick," The Wall Street Journal, 18 November 2009. http://online.wsj.com/article/SB10001424052748704431804574539690123761078.html