



# The Health Care Power Grab

BY THE COMMITTEE ON THE BUDGET, REPUBLICAN CAUCUS

B-71 Cannon House Office Building  
Washington, DC 20515  
Representative Paul D. Ryan, *Ranking Republican*

Phone: (202)-226-7270  
Fax: (202)-226-7174  
Augustine T. Smythe, *Republican Staff Director*

## PART 1 – THE MEDICARE TRIGGER

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Despite their claims of fiscal responsibility, the Democratic leadership, in their Rules package for the 111<sup>th</sup> Congress, turned off the Medicare trigger, ensuring no proposal to address Medicare's long-term spending crisis would receive the special consideration provided by law in the Medicare Modernization Act [MMA] of 2003. The House would have needed to come up with just \$1.5 billion in savings in 1 year to satisfy the trigger requirements, but the Democratic leadership chose instead to actively defeat any effort to reform Medicare.

- **Medicare's Unsustainable Path.** The Medicare Trustees estimate the unfunded liability of the Medicare Program at \$36 trillion over 75 years, a per-household burden of approximately \$317,000. Without reform, this number skyrockets to nearly \$48 trillion in just 5 years, or about \$421,402 per household.
- **Consuming More Economic Resources.** The Congressional Budget Office [CBO] estimates that Medicare *alone* will constitute 17 percent of gross domestic product [GDP] by 2082 – a sixfold increase from 2006, and nearly the same percentage of GDP absorbed by the *entire* Federal budget today.
- **Medicare's Troubles Affect All Health Care.** Even President Clinton's former budget director, Alice M. Rivlin, has urged reforming Medicare as an important element in health care reform generally. As she testified to the House Budget Committee: "While restraining health spending growth should be a major feature of comprehensive health reform, Medicare is an ideal place to start the effort. Medicare is the largest payer for health services and should play a leadership role in collecting information on the cost and effectiveness of alternative treatments and ways of delivering services, and designing reimbursement incentives to reward effectiveness and discourage waste."
- **Another Step Away From Needed Reform.** While CBO has concluded that "changes in Federal law will be necessary to avoid or mitigate a substantial increase in Federal spending on Medicare," Democrats continue to kick the can down the road. Reform will only be more difficult the longer Congress delays.

Prepared by:  
Charlotte S. Ivancic  
Counsel and Budget Analyst

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*The Health Care Power Grab is a series by the Republican staff of the House Budget Committee noting the Majority's attempts to incrementally impose government control of health care.*