

Real Reform

The president's health care reform proposal is a bipartisan plan for health security

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Community Catalyst, Inc.
30 Winter St. 10th Floor
Boston, MA 02108
617.338.6035
Fax: 617.451.5838
www.communitycatalyst.org

About Community Catalyst

Community Catalyst is a national non-profit advocacy organization dedicated to making quality, affordable health care accessible to everyone. Since 1997, Community Catalyst has worked to build consumer and community leadership to transform the American health system. With the belief that this transformation will happen when consumers are fully engaged and have an organized voice, Community Catalyst works in partnership with national, state and local consumer organizations, policymakers, and foundations, providing leadership and support to change the health care system so it serves everyone – especially vulnerable members of society.

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Introduction

President Obama's bipartisan health care reform summit on February 25 continues a year-long national dialogue about how best to transform our health care system. Although Democrats and Republicans may argue over specific policies, it is clear the status quo is unsustainable. The country's current health care system harms our families, our business owners and our economy. America needs real health care reform that will:

- End insurance company abuses
- Secure coverage for the millions of uninsured individuals
- Control skyrocketing insurance premiums and out-of-pocket costs
- Reduce the national deficit while extending the solvency of Medicare

Any health care reform policy – whether Democrat or Republican – should be evaluated based on how effectively it accomplishes these goals. This paper outlines the key provisions of leading health care reform proposals from both parties and assesses how well they address these challenges. Both parties have released several different health care reform proposals, but this paper primarily focuses on: 1) the proposal released by President Obama on Feb. 22, 2010 for discussion at the summit, which is based on the health care reform legislation that passed the Senate in December 2009,¹ and 2) the legislation that House Minority Leader John Boehner presented in November 2009 as an alternative to the House Democrat health care reform proposal.²

1. End insurance company abuses

Too often, health care coverage fails families when they need it the most. Insurers cancel policies when people get sick, and they deny coverage altogether to those with a history of illness. In too many states, insurers are free to discriminate based on gender, to charge people higher premiums based on their health status, or to deny treatments because of enrollees' pre-existing conditions. Health care reform should give families the peace of mind of knowing that meaningful coverage will be there for them when they need it.

The president's proposal would end insurers' most egregious practices, like denying coverage to individuals because of pre-existing conditions. The president's proposal establishes strong consumer protections to make insurance more secure, and it puts an end to insurer abuses. For example, it:

- Requires insurers to offer coverage to everyone and to renew all policies, regardless of health status or other factors
- Prohibits insurers from denying treatments because of pre-existing conditions
- Bars insurers from canceling people's policies when they get sick
- Prohibits lifetime and annual benefit limits in all plans
- Bars insurers from basing premiums on health status or gender. The bill also limits how much more insurers can charge based on someone's age; it restricts insurers from charging their oldest enrollee more than three times what they charge their youngest enrollee
- Guarantees that all health plans cover essential health services, like preventive care, hospital and outpatient services, prescription drugs, mental health services, maternity care and rehabilitation
- Requires Members of Congress to choose their coverage from the same plans as their constituents

The House Republican plan would allow insurers to continue denying coverage to those who need it most. The House Republican bill endorses some of the insurance reforms in the president's proposal, such as eliminating lifetime and annual benefit caps and strengthening regulations to stop insurers from canceling policies when beneficiaries get sick. However, the House Republican bill lets insurers continue some of their worst practices: denying coverage to those who need insurance the most, refusing treatments because of their enrollees' pre-existing conditions, offering plans that don't provide coverage for basic health care services like prescription drugs and cancer screenings, and charging higher prices based on health status or gender.

Insurer Abuses: Key Differences

- The president's reform package puts an **end to insurance company abuses**. The Republican proposal allows insurers to **continue denying coverage** to those who need it most and to charge higher rates based on gender and health status.
- The president's proposal guarantees that your coverage is there for you when you need it by **requiring plans to cover all essential health benefits** like preventive care, hospital services and prescription drugs. The Republican proposal allows insurers to continue selling **insurance that does not cover people's basic health care needs**.

2. Secure coverage for the millions of uninsured Americans

Forty-six million people in the United States are uninsured, and another 44,000 lose their coverage each week.³ Lack of coverage has real consequences: countless families without coverage delay and forgo needed health care treatments, and 45,000 people die prematurely each year because they do not have insurance.⁴ Americans deserve better. Health care reform should support families and offer meaningful coverage to the millions of uninsured Americans.

The president's proposal provides significant financial assistance to low- and middle-income families, helping 31 million otherwise uninsured people gain coverage.⁵ The president's proposal expands coverage partially by providing premium assistance to families earning up to 400 percent of the federal poverty level (FPL) – or \$73,240 for a family of three – who are not offered affordable coverage through their employer. Since the president's proposal prohibits insurers from denying coverage to anyone based on health status or other factors, families are free to use these subsidies to buy any plan that best suits their needs.

These subsidies would cover approximately two-thirds the cost of an average premium, bringing the cost of coverage within the reach of low- and moderate-income families.⁶ The president's proposal also offers additional subsidies to help reduce out-of-pocket costs, so all families with insurance can afford to use their coverage when they get sick.

The House Republican proposal covers only three million people and leaves many with no insurance option except their state high risk pool, which could cost them up to one and a half times the average premium.⁷ The House Republican bill covers only a sliver of the tens of million uninsured Americans.

The only insurance option for those who aren't offered coverage through their employer and who are denied coverage on the individual market under the House Republican bill is to enroll in their state's high risk pool. But fifteen states do not run high risk pools, and residents in those states may be left with no coverage option whatsoever.

The House Republican bill offers additional funding to boost the high risk pools in the thirty-five states that already run them. While these high risk pools provide important last-resort coverage to some, they have not been successful at significantly expanding coverage; high risk pools currently only cover 200,400 people nationwide.⁸

The House Republican bill would eliminate the waiting lists that exist in some states, but the bill does nothing to address the biggest barrier to enrollment in state high risk pools: unaffordable premiums. Under the House Republican bill, people buying insurance through the high risk pool could be charged one and a half times as much as the standard rate for insurance. Since the average annual premium on the individual market is \$2,985⁹, those with pre-existing conditions

Senate Bill Includes a Compromise on Republican-Endorsed High Risk Pools

The Senate bill does include funding for high risk pools to provide coverage for those with a pre-existing condition, but only as a temporary coverage option until its insurance reforms are fully implemented in 2014.

would have to pay about \$4,500 for their coverage on average. These premiums will be simply unaffordable for millions of uninsured families.

Expanding Coverage: Key Differences

- The president's proposal expands coverage to **31 million** people. The Republican proposal covers only **three million** people.
- The president's proposal offers subsidies to low- and moderate-income families, who can use them to purchase whichever plan best suits their families' needs. These subsidies will **lower the cost of premiums on average by nearly two-thirds**. Under the Republican proposal, families with a pre-existing condition will only be able to buy coverage in their state high risk pool, in which they can be **charged one and a half times the average premium**.

3. Control skyrocketing premiums and out-of-pocket costs

Runaway health care costs are bankrupting our families. Over the last decade, premiums grew over three times faster than wages,¹⁰ eating up more and more of the average American's paycheck. Meanwhile, rising deductibles and out-of-pocket costs are preventing even families *with* insurance from getting the care they need. Health care reform should make insurance affordable for hard-working families by lowering their premiums and out-of-pocket costs.

Health care costs are also bankrupting America's businesses. Small businesses are the key to economic growth and recovery, but rising health care costs hamper innovation and entrepreneurial efforts. Health care reform should offer direct relief to small businesses to help them afford coverage for themselves and their employees.

The president's proposal provides immediate relief from health care costs for families and small businesses, and it invests in reforms that will slow the growth of health care costs in the long term. The president's proposal employs numerous strategies to help lower health care costs for families and small businesses in the short term. In addition to providing families with subsidies that will cover nearly two-thirds of their total premiums on average (see page 5), the president's proposal also sets minimum standards to ensure consumers are getting more for their health care dollar. For example, the president's proposal:

- Protects families from unreasonable rate hikes by empowering the Secretary of Health and Human Services to block unjustified premium increases
- Requires insurers to devote at least 80 percent of premiums to medical benefits rather than to administrative costs and CEO salaries
- Protects insured families against medical bankruptcy by directing all plans to cap out-of-pocket expenses for their enrollees at \$5,800 per individual and \$11,600 per family annually. Once a family hits that cap, all of their cost-sharing (deductibles, copayments, etc.) will be waived for the remainder of the year

The president's proposal also offers tax credits to small businesses and non-profit organizations that provide coverage to their employees. These tax credits will offset up to half of employers' costs of covering their workers, freeing them to offer meaningful coverage to their employees at a reasonable cost.

To slow the growth of health care costs in the long run, the president's proposal invests in strategies that improve the quality of care while cutting the waste in our health care system. For example, the president's proposal:

- Increases primary and preventive care, so health care providers can diagnose and treat illnesses early
- Rewards doctors and hospitals for coordinating their patients' care and for avoiding costly medical errors
- Tests and evaluates payment and delivery system reforms to improve quality of care and to lower long-term costs. When successful reforms have been identified through this process, the bill provides ways to expand these reforms throughout Medicare and Medicaid

There is inherent uncertainty about the potential of any reform to reduce health care costs in the long term. However, the president's proposal is built on provisions that will improve patients' quality of care at a minimum, and it incorporates many of the proposals health care experts believe hold the most promise for slowing costs in the long run.¹¹

The House Republican bill is likely to raise premiums for vulnerable Americans and increase out-of-pocket costs in the short term. The bill's long-term cost-containment proposal is unlikely to result in significant savings, and it may lead to lower quality of care. The bill features two of Republican's most common cost-containment proposals: interstate insurance sales and medical malpractice reform.

Allowing insurers to sell products across state lines will raise premiums for higher-risk families, and it will leave all enrollees more vulnerable to burdensome out-of-pocket costs. States currently have the authority to set rules and regulations governing insurance products, and some states have much stricter consumer protections than others. Allowing plans to be sold across state lines would likely induce insurers to move to states with: 1) few requirements to cover specific benefits, and 2) no limitations on how much more they can charge high-risk enrollees than low-risk enrollees.

Some states require insurers to cover a relatively comprehensive set of benefits, while others allow insurers to offer products that don't cover basic health care services like cancer screenings or prescription drugs. Evidence suggests that the premium savings achieved by avoiding comprehensive benefit mandates is minimal. In a 2005 report on the effects of a previous bill to allow insurers to sell policies across state lines, the Congressional Budget Office (CBO) estimated that "if only those benefit mandates imposed by the states with the lowest-cost mandates were in effect in all states, the price of individual health insurance would be reduced by about five percent on average."¹² Since the average premium on the individual market in 2009 was \$249 per month,¹³ these CBO estimates indicate that allowing everyone to purchase products complying with the nation's weakest benefit mandates would save individuals only \$12 per month on average in premiums.

Even these meager premium savings likely overstate overall savings associated with reduced benefit mandates, since families will have to pay out of pocket for services not covered under their plans. For example, Utah does not require plans to cover breast cancer screenings or maternity care.¹⁴ Women with those plans have to pay the full price for their annual mammograms and for any pregnancy-related care; these costs are likely to exceed the estimated average premium savings of \$12 per month. Plans with fewer benefits simply shift costs to when families need care and are at their most vulnerable.

Some states regulate pre-existing condition exclusions and how much insurers can charge older or sicker people, while others do not. The CBO predicts that if plans can be sold across state lines, low-risk individuals will drop their coverage in highly regulated states and purchase coverage in states with no rate regulations, where they will be charged much lower premiums.¹⁵

The President's Proposal Includes a Compromise on Republican-Endorsed Interstate Insurance Sales

The president's proposal allows states to form interstate compacts with one another, so that insurance could be sold across state lines but only if both states consent. This prevents a race to the bottom in consumer protections, since only states that are comfortable with each other's consumer protections will enter into compacts with one another.

But as healthy people leave the insurance market in more highly regulated states, premiums will rise for older and sicker enrollees who are left behind. These more vulnerable Americans could be priced out of the insurance market entirely.

Medical malpractice reform will reduce health care costs by 0.5 percent at most, but it may also lead to increased injury and mortality from medical errors. The tort reforms in the House

The President's Proposal Includes a Compromise on Republican-Endorsed Tort Reform

By encouraging states to develop their own malpractice reforms, the president's proposal recognizes the potential savings from malpractice reform while also acknowledging the lack of hard evidence of savings. It authorizes the federal government to fund successful state experiments.

Republican bill include capping rewards that can be granted for non-economic damages in medical malpractice cases to \$250,000, limiting the circumstances in which claimants can pursue punitive damages, and requiring cases to be filed within three years of injury.

While there is consistent evidence that tort reforms lower premiums for medical liability insurance, the overall effect on health care costs is small, because medical liability insurance accounts for only two percent of total health care expenditures.¹⁶ The CBO estimates that these direct effects of tort reform “would reduce total national health care expenditures by about 0.2 percent.”¹⁷

The evidence that tort reform reduces costs indirectly (by reducing “defensive medicine”) is less solid. The most recent CBO report concludes that tort reform would slightly reduce total health care services, inducing a 0.3 percent drop in overall health care spending.¹⁸ However, a CBO report from just 10 months earlier stated that it “has not found consistent evidence” that tort limits would reduce unnecessary tests or procedures.¹⁹ The inconsistency between these two closely timed reports suggests the evidence of tort reform’s indirect effect on health care costs is still relatively young and controversial.

While the effect of malpractice reform on premiums is uncertain and likely to be small, there is also some evidence that suggests that reducing liability for medical errors could lead to increased preventable injuries and death. Between 44,000 and 98,000 people already die each year due to preventable medical errors, and medical errors add to the cost of care.²⁰ The recent CBO report warns that more research is needed before we can conclude what effect medical malpractice reform will have on the quality of patient care.²¹

Key Differences on Lowering Premiums and Out-of-Pocket Costs

- The president’s proposal **cracks down on unreasonable rate hikes and offers immediate financial assistance to help families and small businesses afford coverage.** The Republican proposal allows insurers to sell plans across state lines, which encourages the sale of bare-bones plans that only **shift costs to when patients need care and are the most vulnerable.**
- The president’s proposal **caps annual out-of-pocket costs.** The Republican proposal **fails to protect insured families from substantial medical debt.**
- The president’s plan tackles growing health care costs over the long term through numerous **strategies that will improve patients’ quality of care,** like investing in primary care and encouraging safer patient care. The Republican proposal reforms the medical malpractice system, which is unlikely to significantly reduce health care costs and **could increase medical errors.**

4. Reduce the deficit while extending the solvency of Medicare

Rising health care costs are contributing to our nation's soaring debt. These costs have also put solvency of the Medicare program at risk. Under current law, the Medicare trust fund will be exhausted sometime during fiscal year 2017.²²

Health care reform should be fully funded, and it should help to reduce America's growing deficit. It should also slow the growth of Medicare costs while strengthening the program to help ensure this essential program will be there for all Americans when they need it.

The president's proposal slashes the federal deficit by \$100 billion,²³ nearly fifty percent more than the House Republican bill. The House Republican bill reduces the deficit by \$68 billion.²⁴

The president's proposal saves hundreds of billions of dollars in Medicare²⁵ while preserving and strengthening it. The president's proposal extends the life of the Medicare program and adds important benefits for seniors. For example, the proposal:

- Reduces seniors' prescription drug expenses by eliminating the Medicare Part D "doughnut hole," the gap in Medicare prescription drug coverage that leaves seniors paying the full cost of medicines when they need it most
- Eliminates cost-sharing for preventative care
- Increases payments to Medicare primary care doctors
- Adds hundreds of billions of dollars to the Medicare trust fund over the next ten years and leaves it with a positive balance at the end of 2019²⁶

The president also reduces the costs associated with Medicare by hundreds of billion dollars over ten years by weeding out waste in the system, while leaving enrollees' benefit packages and cost-sharing protections intact. For example, the president's proposal:

- Improves health delivery system efficiency. Specifically, the president's proposal eliminates payments to hospitals, skilled nursing facilities and home health agencies for harmful care and other unnecessary expenses²⁷
- More fairly reimburses private plans such as Medicare Advantage. Currently, the Federal government reimburses Medicare Advantage (a private insurance option for enrollees), 14 percent more than traditional Medicare per person.²⁸ By reducing these payments, the president's proposal saves the Medicare program over a hundred billion dollars over ten years²⁹

The House Budget Committee Ranking Minority Member's proposal turns Medicare into a voucher program, shifting costs onto America's seniors. The House Republican bill makes very few changes to Medicare – it neither cuts the program nor extends its solvency. But House Budget Committee Ranking Minority Member Paul Ryan's 2010 budget proposal, the [Roadmap for America's Future Act of 2010](#), is the most recent Republican proposal for addressing Medicare's solvency. This proposal ends Medicare as we know it.

Under Rep. Ryan's blueprint, those turning age 65 after 2021 would no longer be covered by the Medicare program that has served seniors for over forty years and that enjoys overwhelming popular support. Instead, they would be offered a voucher to purchase insurance on the private

market. Very low-income seniors (those earning less than 150% FPL) would also be given Medical Savings Account contributions, which they could use toward their out-of-pocket costs.

By turning Medicare into a voucher program, Rep. Ryan’s blueprint would harm seniors’ financial stability and jeopardize the quality of their care.

- **The initial vouchers will be for much less than the value of the benefits the traditional Medicare program offers.** The average voucher in the program’s first year of operation in 2021 will equal Medicare’s *current* spending per enrollee, indexed for the average of regular inflation and medical inflation. Since medical costs grow significantly faster than other costs, the CBO predicts that in 2021, the voucher will be “less than expected Medicare spending per enrollee,” leaving seniors to cover a higher portion of their health care costs out of their own pockets.³⁰
- **The vouchers are tied to a growth formula that continually erodes their value over time, shifting more and more of the financial risk from the federal government onto vulnerable seniors.** The vouchers will be indexed in each subsequent year to the average of regular inflation with medical inflation, leaving seniors to pick up an increasingly large portion of their health care costs. The CBO predicts that “after 75 years, annual Medicare spending under the Roadmap would be less than one quarter of that projected” under the current Medicare program.³¹ Seniors will be forced to pick up the tab for the remainder of those costs, or to forgo needed health care treatments and exams.
- **Rep. Ryan’s proposal mandates seniors to purchase coverage on the private insurance market, which is ill-suited for caring for America’s elders.** Under Rep. Ryan’s proposal, the private market could continue denying care for seniors’ pre-existing conditions, and it would not be required to cover the same benefits as Medicare or limit out-of-pocket costs. By requiring seniors to buy their coverage on the private market, Rep. Ryan’s blueprint risks leaving seniors uncovered for critical health care services, exposed to current insurance company abuses and vulnerable to unlimited out-of-pocket costs.

Key Differences on Reducing the Deficit and Preserving Medicare

- President Obama’s proposal will reduce the federal deficit by **\$100 billion**. The Republican proposal will reduce the deficit by **\$68 billion**.
- President Obama’s proposal **preserves and strengthens Medicare** by reducing seniors’ drug costs, by eliminating cost-sharing for preventive care, and by improving compensation for Medicare primary care physicians. The leading Republican on the House Budget Committee proposes to **end Medicare as we know it, turning it into a voucher program that forces seniors to buy coverage on the private market**.

Conclusion

The president's proposal tackles the health care system's biggest challenges head-on. It puts an end to insurance company abuses, making insurance more secure when families need it. It provides coverage to 31 million people who would otherwise be uninsured. It helps struggling families afford their premiums and out-of-pocket costs, provides immediate relief from health care costs for America's small businesses, and invests in reforms that will bring down the cost of coverage in the long term. The president's proposal also reduces the federal deficit by \$100 billion, while preserving and strengthening the Medicare program. It does so while incorporating many Republican ideas.

On the other hand, the House Republican health care bill allows insurers to continue some of their most egregious practices; provides coverage to three million people – just a tiny sliver of the people covered under the president's proposal; and does little to bring down long-term health care costs. The House Republican bill also reduces the deficit by just a portion of the savings in the president's proposal. In contrast to the president's proposal, which improves the Medicare program by lowering seniors' drug costs and investing in primary care, the House Budget Committee Ranking Republican Paul Ryan has proposed ending Medicare as we know it, forcing seniors to buy more expensive coverage in the private market.

Bipartisanship is not an end unto itself. Real reform must address the pressing problems Americans face in obtaining and keeping affordable health care coverage. The president's proposal, building on the work of the House and Senate, meets this test.

¹ The president's proposal can be found [here](#). It adopts the Senate-passed health care reform bill, [the Patient Protection and Affordable Care Act](#), as the basis of the proposal, though it does specify several specific changes to that legislation.

² The House Republican health care reform package can be found [here](#).

³ <http://www.familiesusa.org/assets/pdfs/health-reform/clock-is-ticking.pdf>

⁴ <http://content.hks.harvard.edu/journalistsresource/pa/society/health/health-and-health-insuranc/>

⁵ The CBO found that the Senate-passed health care reform bill would expand coverage to 31 million people. See http://www.cbo.gov/ftpdocs/108xx/doc10868/12-19-Reid_Letter_Managers_Correction_Noted.pdf. The president's proposal does little to change the Senate bill's coverage provisions, so it is reasonable to assume that the president's proposal would cover approximately the same number of people.

⁶ The CBO found that the subsidies in the Senate-passed health care reform bill would cover nearly two-thirds of premiums on average. See <http://www.cbo.gov/ftpdocs/107xx/doc10781/11-30-Premiums.pdf>. The president's proposal largely maintains the Senate bill subsidy structure, and even increases the amount of subsidies for many families; it is therefore reasonable to assume that the CBO analysis for the Senate bill holds true for the president's proposal.

⁷ <http://www.cbo.gov/ftpdocs/107xx/doc10705/hr3962amendmentBoehner.pdf>

⁸ <http://www.ncsl.org/default.aspx?tabid=14329>

⁹ <http://www.ahipresearch.org/pdfs/2009IndividualMarketSurveyFinalReport.pdf>

¹⁰ <http://www.kff.org/healthreform/upload/7951.pdf>

¹¹ http://www.brookings.edu/~media/Files/rc/reports/2009/0826_btc/0826_btc_fullreport.pdf

¹² <http://www.cbo.gov/doc.cfm?index=6639&type=0>

¹³ <http://www.ahipresearch.org/pdfs/2009IndividualMarketSurveyFinalReport.pdf>

¹⁴ <http://statehealthfacts.org/profileind.jsp?cat=7&sub=114&rgn=46>

¹⁵ <http://www.cbo.gov/doc.cfm?index=6639&type=0>

¹⁶ http://www.cbo.gov/ftpdocs/106xx/doc10641/10-09-Tort_Reform.pdf

¹⁷ http://www.cbo.gov/ftpdocs/106xx/doc10641/10-09-Tort_Reform.pdf

¹⁸ http://www.cbo.gov/ftpdocs/106xx/doc10641/10-09-Tort_Reform.pdf

¹⁹ <http://www.cbo.gov/ftpdocs/99xx/doc9924/12-18-KeyIssues.pdf>

²⁰ <http://www.nap.edu/openbook.php?isbn=0309068371>

²¹ http://www.cbo.gov/ftpdocs/106xx/doc10641/10-09-Tort_Reform.pdf

²² Congressional Budget Office. Analysis for Honorable Jeff Sessions, January 22 2010.

http://www.cbo.gov/ftpdocs/110xx/doc11005/01-22-HI_Fund.pdf

²³ As of the date of this writing, the CBO had not yet scored the president's proposal. However, the CBO found that the Senate-passed health care reform bill reduce the deficit by \$131 billion over the next ten years. See http://www.cbo.gov/ftpdocs/108xx/doc10868/12-19-Reid_Letter_Managers_Correction_Noted.pdf. The president's proposal makes changes to the Senate bill that would reduce its deficit-savings. The president estimates that his proposal would reduce the deficit by \$100 billion over the next ten years.

²⁴ <http://www.cbo.gov/ftpdocs/107xx/doc10705/hr3962amendmentBoehner.pdf>

²⁵ The CBO scored the Senate bill as reducing projected Medicare spending by more than \$400 billion dollars over the past ten years. See http://www.cbo.gov/ftpdocs/108xx/doc10868/12-19-Reid_Letter_Managers_Correction_Noted.pdf. The president's proposal is based largely on the Senate bill, but it does make some changes to the that bill that will affect Medicare savings. It is reasonable to expect that the president's proposal will still save hundreds of billions of dollars.

²⁶ The CBO projected that the Senate bill would add \$358 billion to the Medicare trust fund over the next ten years. See http://www.cbo.gov/ftpdocs/110xx/doc11005/01-22-HI_Fund.pdf. As the president's proposal is largely based on the Senate bill, it is reasonable to assume that his bill will also add hundreds of billions of dollars to the Medicare trust fund.

²⁷ The CBO projected that the Senate bill's cuts to Fee-For-Service payments would reduce Medicare expenditures by \$186 billion over ten years. See http://www.cbo.gov/ftpdocs/108xx/doc10868/12-19-Reid_Letter_Managers_Correction_Noted.pdf. Since the president's proposal does not alter these payments, this paper assumes that the Senate bill's savings will be retained by the president's proposal.

²⁸ http://www.medpac.gov/documents/Mar09_March%20report%20testimony_WM%20FINAL.pdf

²⁹ The CBO projected that the Senate bill would cut Medicare Advantage payments by \$118 billion dollars over ten years. See http://www.cbo.gov/ftpdocs/108xx/doc10868/12-19-Reid_Letter_Managers_Correction_Noted.pdf

³⁰ <http://www.cbo.gov/ftpdocs/108xx/doc10851/01-27-Ryan-Roadmap-Letter.pdf>

³¹ <http://www.cbo.gov/ftpdocs/108xx/doc10851/01-27-Ryan-Roadmap-Letter.pdf>