

THE WHITE HOUSE
WASHINGTON

\$9 B LTC

\$14 B Temp. Unemp.

\$5 B New Benefits

\$2 B ^{Self emp} SET Deduction

Medicare \$98

6.3% US per capita

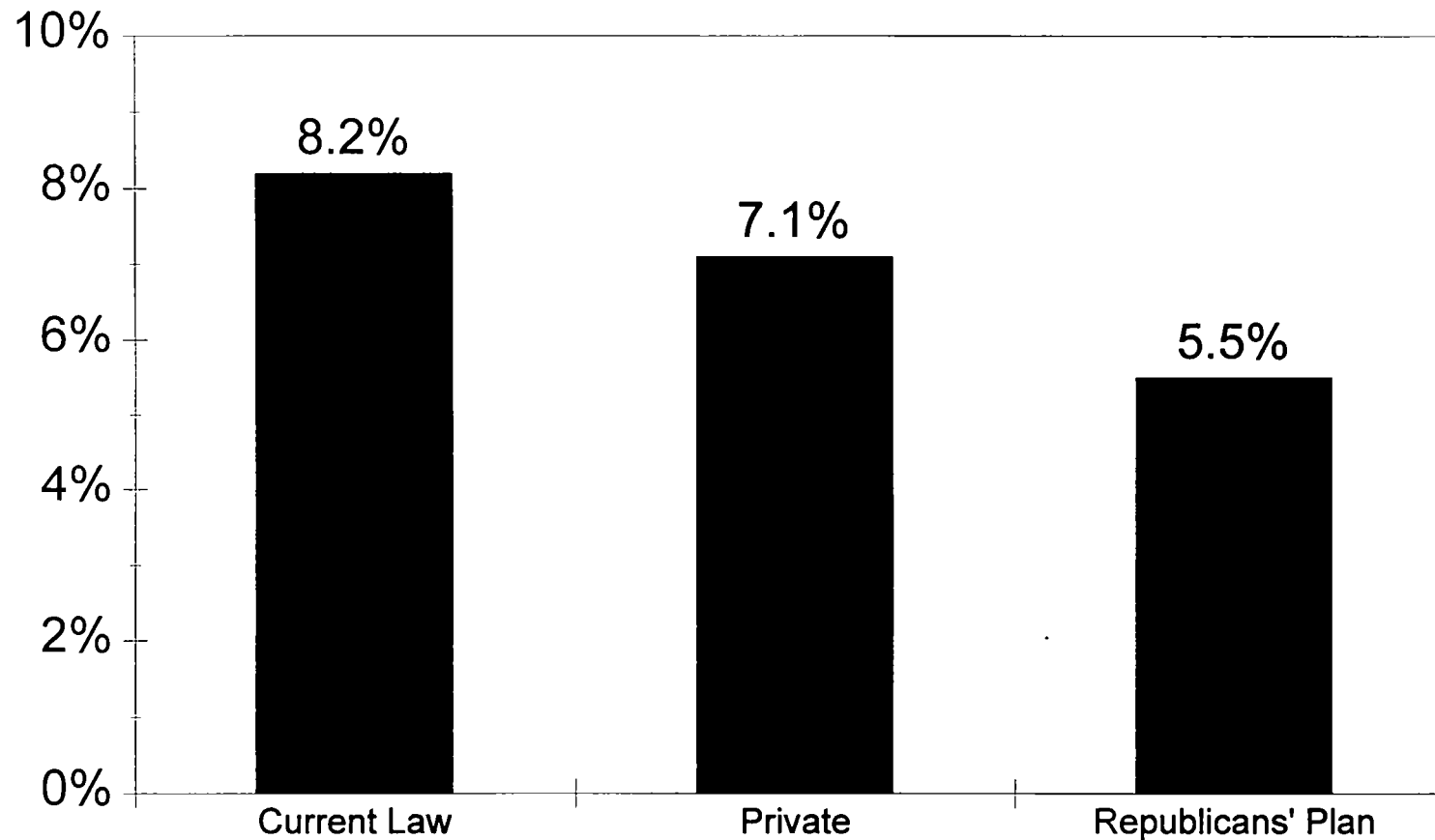
5.0% Repub.

Medicaid \$37

5.3% US per capita

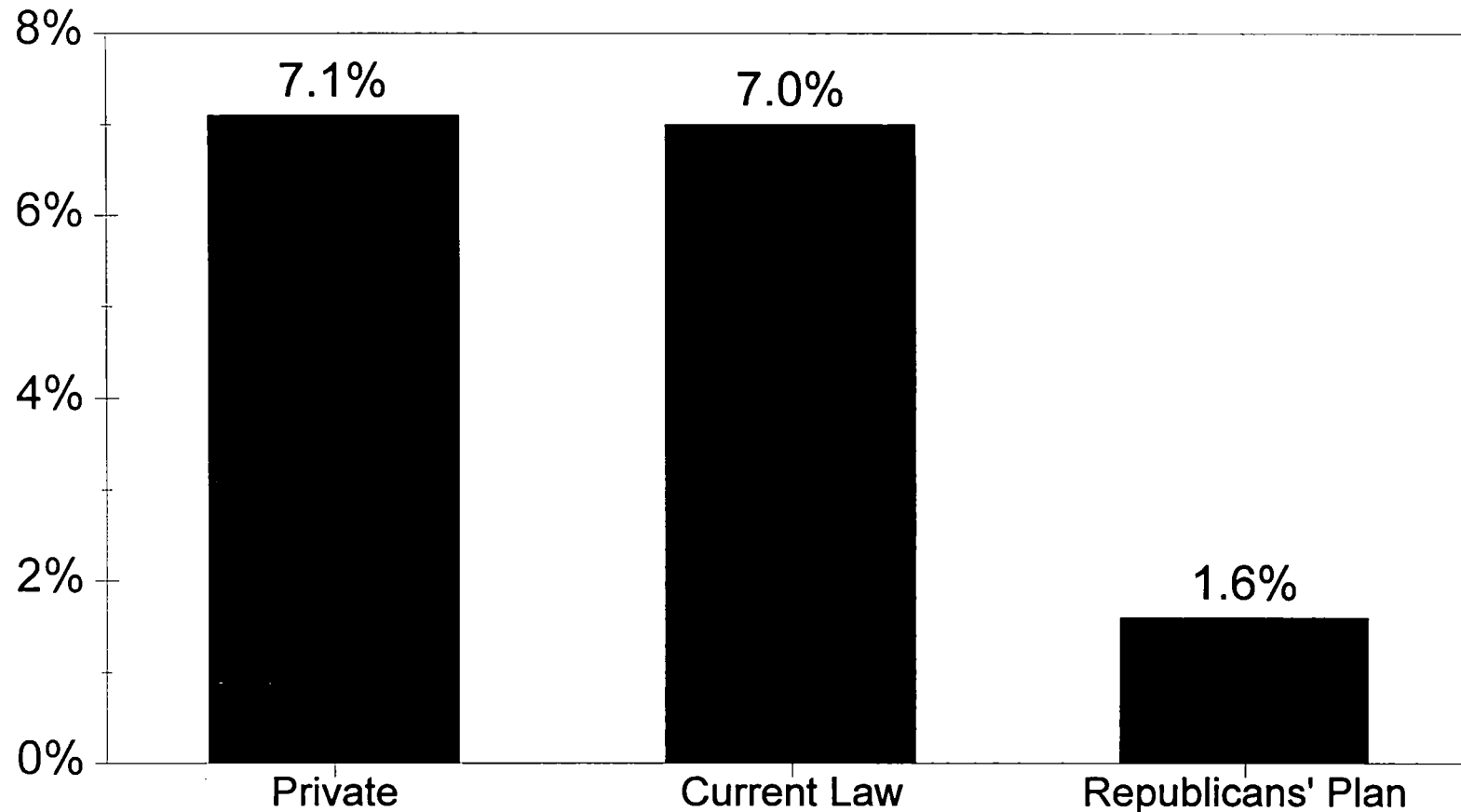
1.6% Repub.

Comparison of Growth in Total Medicare Spending Per Beneficiary, 1996-2002



CBO baseline as of October 1995; CBO estimates of savings under the Conference Agreement, 11/16/95; Administration projections of beneficiaries. Administration estimates of private health spending per insured person, using CBO data. DHHS estimates of the President's proposed rate of growth in spending per beneficiary: 6.8%. Source: US DHHS

Comparison of Growth in Total Medicaid Spending Per Beneficiary: 1996-2002

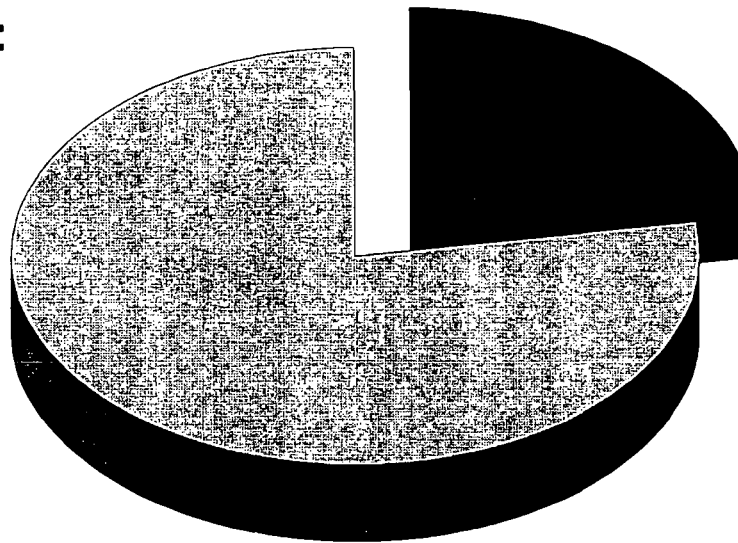


CBO baseline; CBO estimates of savings under the Conference Agreement; Administration estimates of private health spending growth per insured person, using CBO data; DHHS estimates that the President's proposal would produce Federal spending growth per beneficiary of more than 6% over the period. US DHHS

Republican Reduction in Medicare Spending Per Beneficiary, 2002

**Republican
Spending:
\$5,900**

**Republican
Reduction:
\$1,700 (20%)**

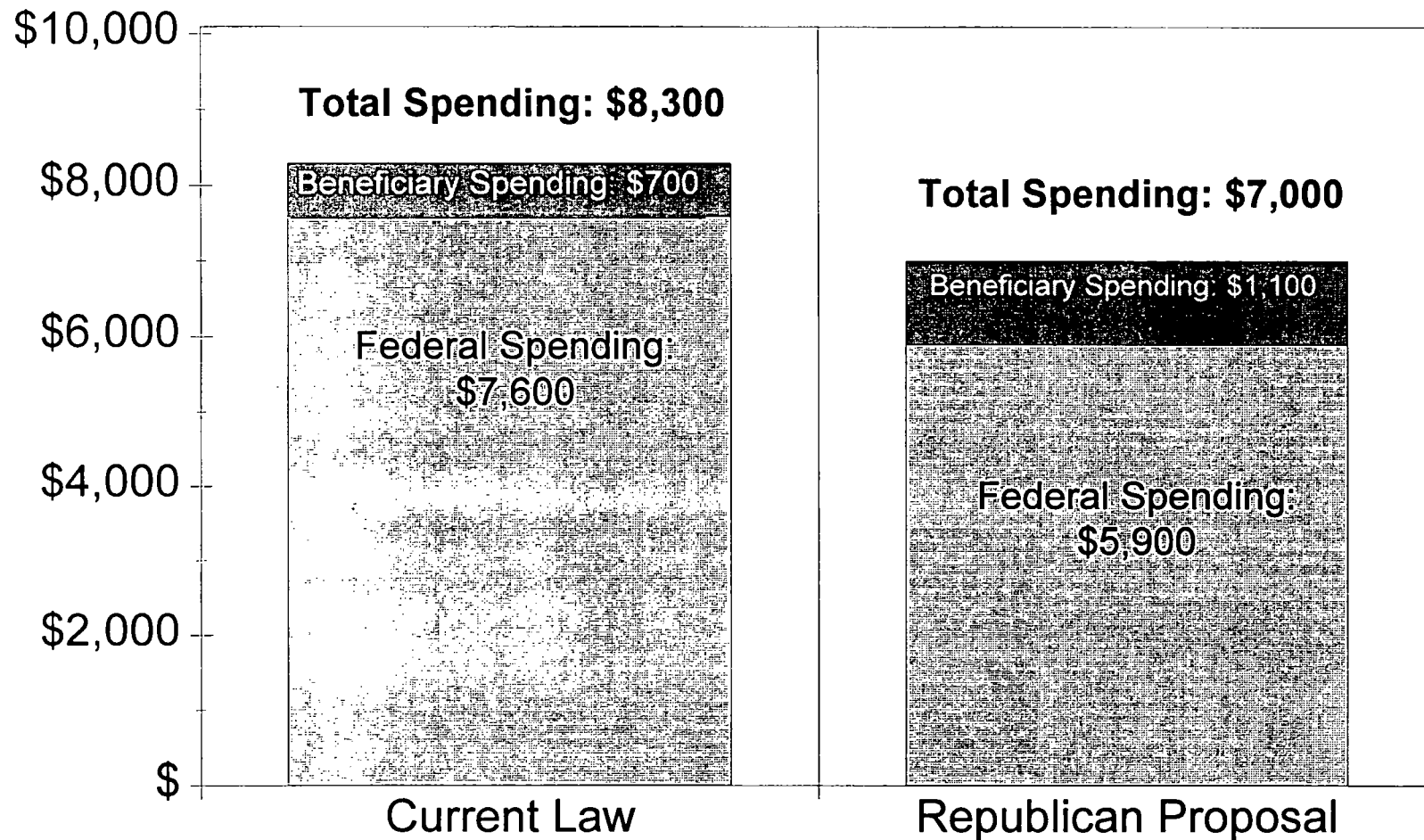


Current Law Federal Spending: \$7,600

CBO baseline Medicare spending as of October 1995, divided by projected number of beneficiaries. DHHS estimates the President's proposed Federal spending to be \$6,700 per beneficiary in fiscal year 2002. Source: U.S. Department of Health and Human Services.

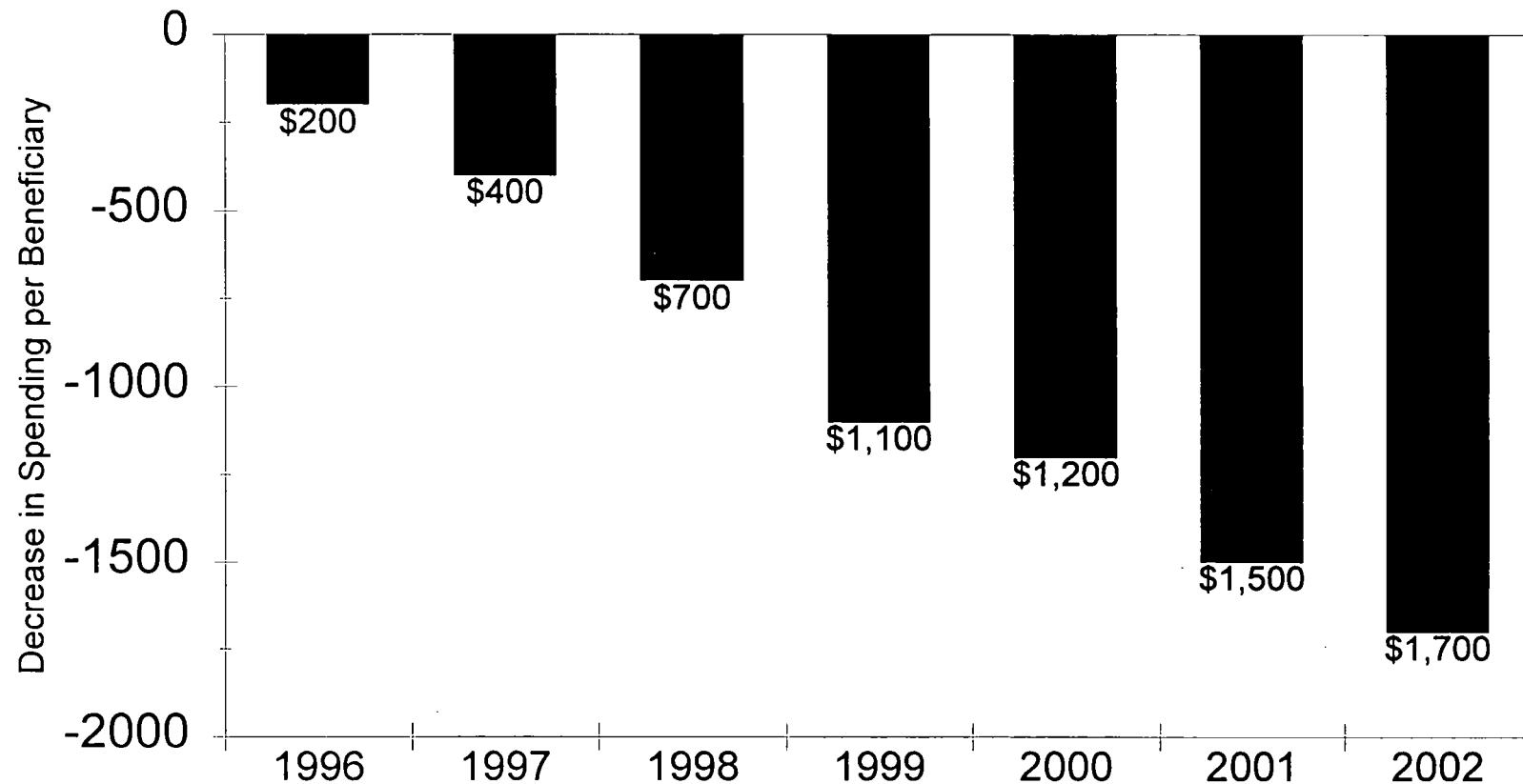
Republicans Cut Spending & Shift Costs

Medicare Spending per Beneficiary 2002



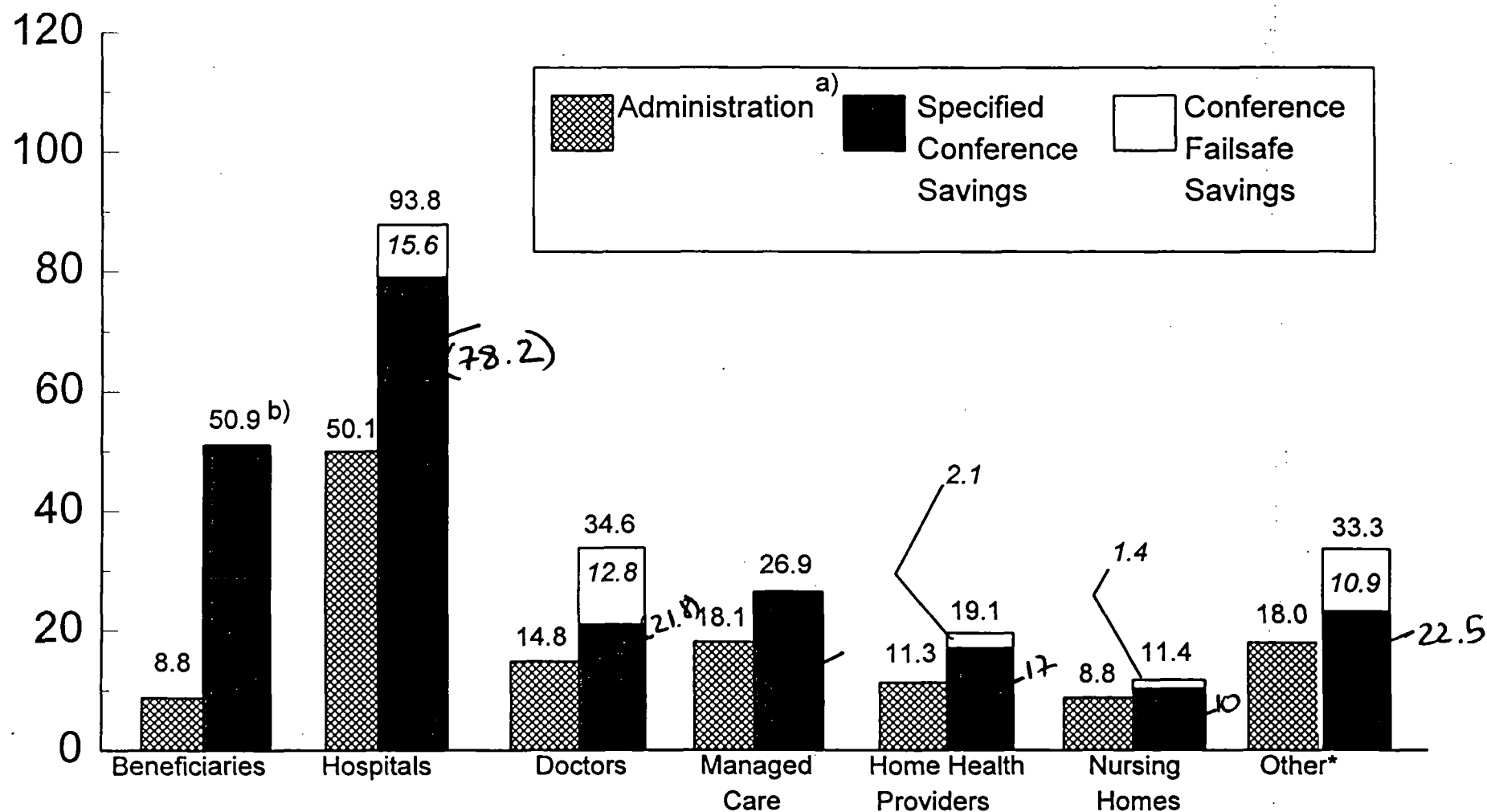
CBO baseline as of October 1995; CBO estimates of savings under the Conference Agreement, 11/16; Administration projections of beneficiaries. Source: US DHHS

Decreases in Federal Medicare Spending Per Beneficiary in the Republican Plan Compared to Current Law



CBO estimates of the Conference Agreement, 11/16/95, using CBO baseline as of October 1995; Administration projections of beneficiaries. Source: US DHHS

Dollars in Billions



* Other includes interactions, Medicare secondary payer, lab services, durable medical equipment, ambulatory surgical centers, fraud and abuse provisions, and centers of excellence.

a) Administration managed care savings include both direct managed care payment reductions and the indirect effect of fee for service cuts on managed care. All Conference managed care savings are direct because the link between fee for service expenditures and managed care payments is severed. Administration savings do not include \$5.3 billion cost of additional preventive benefits

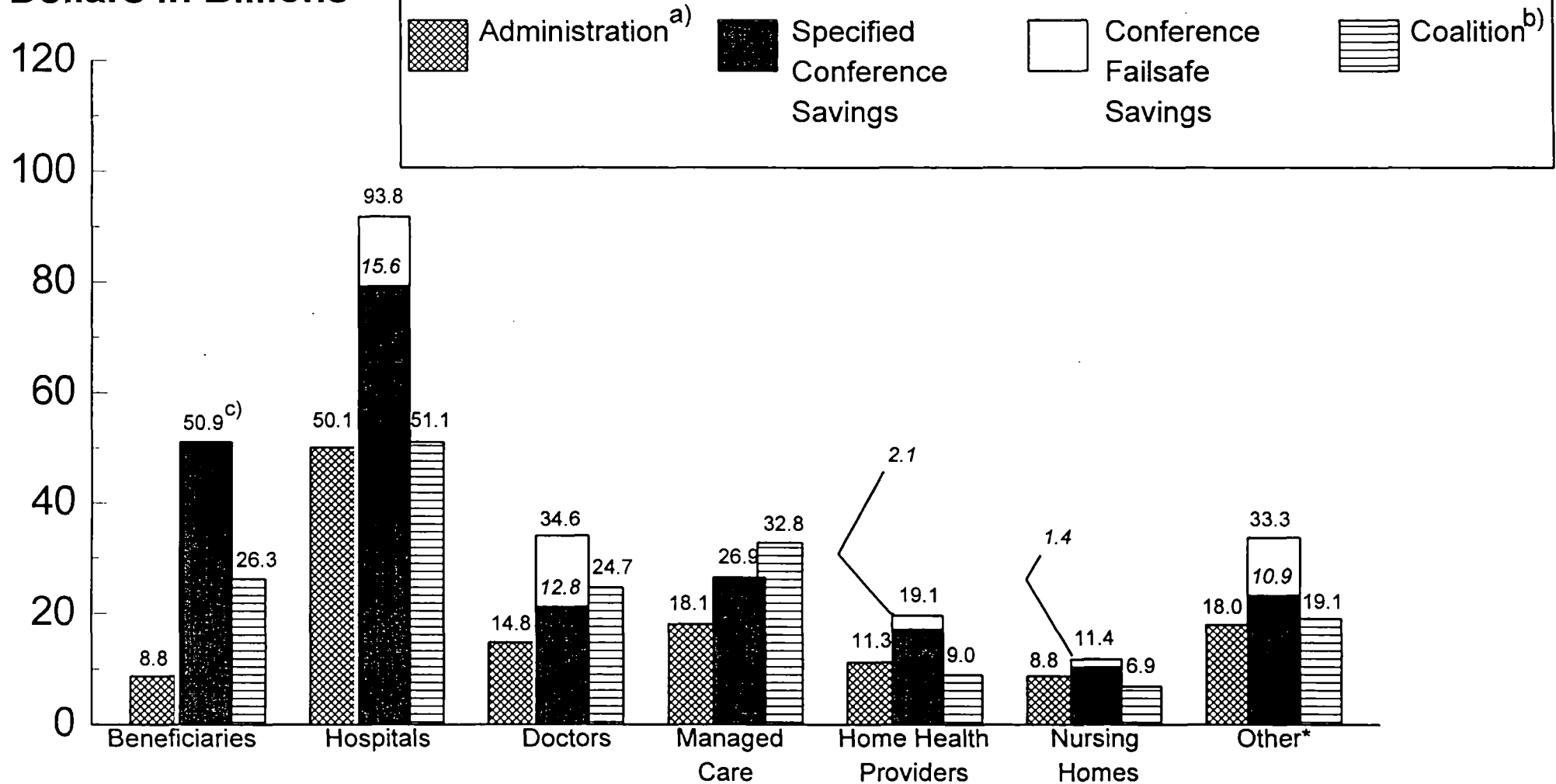
b) The indirect reduction in Part B premiums due to failsafe spending reductions is reflected in the Conference Agreement "Beneficiaries" total.

DRAFT

Administration, Conference Agreement, and Coalition Medicare Cuts By Category (7-yr. OMB pricing for the Administration, 7 yr. CBO Pricing for Conference and Coalition)

12/4/95

Dollars in Billions



* Other includes interactions, Medicare secondary payer, lab services, durable medical equipment, ambulatory surgical centers, fraud and abuse provisions, and centers of excellence. For the Coalition, "other" also includes Medicare subvention, extension of HI tax to state and local employees, and payment for investigational devices.

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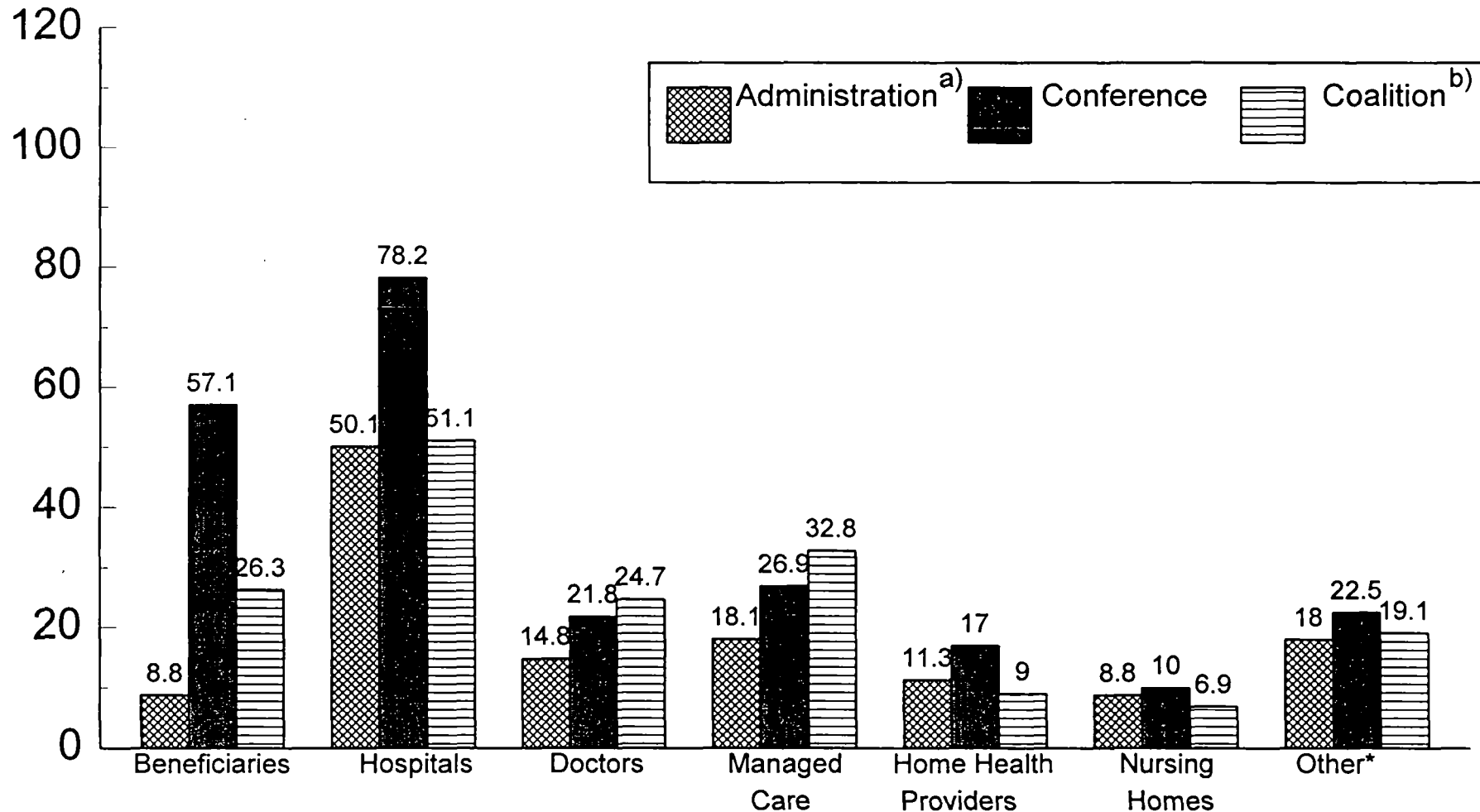
Administration savings do not include \$5.3 billion cost of additional preventive benefits

b) Coalition savings do not include \$1.8 billion cost of additional preventive benefits

c) The indirect reduction in Part B premiums due to failsafe spending reductions is reflected in the Conference Agreement "Beneficiaries" total.

Administration, Conference Agreement, and Coalition Medicare Cuts By Category
(7-yr. OMB pricing for the Administration, 7 yr. CBO Pricing for Conference and Coalition)

Dollars in Billions



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b) Coalition savings do not include \$1.8 billion cost of additional preventive benefits