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# **MEDICARE: THE CHOICE**

April 2014

House Budget Committee

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# OBAMACARE IS BAD NEWS FOR SENIORS

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- **Raid:** Obamacare uses Medicare as a piggy bank.
  - Cuts Medicare by \$700 billion to fund Obamacare.
- **Ration:** A board of 15 unelected bureaucrats can cut Medicare in ways that would limit access and reduce quality of care.
  - President's budget calls for more than \$12 billion in IPAB cuts.
- **Bankrupt:** Obamacare accelerates Medicare's looming crisis.
  - 2019: 15 percent of hospitals, skilled-nursing facilities, and home health agencies will have "negative margins."
  - 2026: Medicare's Part A Trust Fund will go bankrupt.

# A BETTER WAY:

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## ***PROTECT AND STRENGTHEN MEDICARE***

The House Republican budget will:

**1) Repeal Obamacare.**

- End the raid. Stop the rationing. Avoid bankruptcy.

**2) Protect and preserve Medicare for today's seniors.**

- No changes for those in or near retirement.

**3) Save and strengthen Medicare for future generations.**

- With real reform, we can preserve the Medicare guarantee.

**4) Reduce costs for both taxpayers and seniors.**

- CBO analysis confirms the power of choice and competition.

# HOW PREMIUM SUPPORT WORKS

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- When It Starts:
  - No changes for those in or near retirement.
  - Beginning in 2024, additional plans—including traditional fee-for-service Medicare—will be provided in reformed system.
- Preserving the Medicare Guarantee:
  - Medicare provides the resources and the security.
  - Seniors select the plan that best suits their needs.
  - Under our premium-support reform, traditional Medicare will always be a guaranteed option for seniors.
  - By forcing providers to compete against each other, seniors will get higher-quality coverage at a more affordable price.
- The Alternative:
  - A bankrupt Medicare program, rationed by Obamacare.

# WHERE DID THE IDEA COME FROM?

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- Premium support has bipartisan roots:
  - Clinton's Medicare Commission (Breau-Thomas, 1999)
  - Bipartisan Policy Center (Rivlin-Domenici, 2010)
  - Bipartisan Health Options (Wyden-Ryan, 2011)
- And there are plenty of examples where the patient picks the plan and government helps pay the premium:
  - Medicare Advantage
  - Medicare Part D
  - Coverage options provided to members of Congress

# NEW INDEPENDENT ANALYSIS: WIN-WIN

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- In 2013, CBO analyzed a premium-support reform in which providers competed against each other to better serve seniors.
- The result: Lower costs for seniors; Medicare on a stronger financial footing.
- House GOP Medicare reforms build upon CBO's analysis.

## Effects of Average-Bid Premium Support Reform

