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Trustees Announce Solvency of Medicare Trust Fund Extended By 12 Years to 2029
Affordable Care Act Helping to Extend Life of Trust Fund

U.S. Department of Health and Human Services Secretary Kathleen Sebelius joined Secretary of Treasury and Managing Trustee Tim Geithner, Secretary of Labor and Trustee Hilda Solis, and Commissioner of Social Security and Trustee Michael J. Astrue to release the 2010 Annual Social Security and Medicare Trustees Report.

The Trustees announced that the solvency of the Medicare Hospital Trust Fund will be extended by 12 years until 2029.

"It is clear that the Affordable Care Act is helping to strengthen the solvency of the Medicare Trust fund and preserve this important program that millions of Americans rely on for their health care," said Secretary Sebelius. "We are committed to delivering the kinds of reforms to help increase quality and lower costs through our new CMS Innovation Center and quality reforms. In addition to the provisions of the new law cited in this report that will help make Medicare stronger, there are other important reforms going into effect that will help bring down costs and reduce fraud and waste in the system."

In addition to Secretary Sebelius' remarks at the Trustees press conference which can be found below, the Centers for Medicare and Medicaid Services (CMS) posted a statement on today's Trustee Report from CMS Administrator Don Berwick on Medicare's home page: <http://www.medicare.gov> under "What's New."

CMS also posted a fact sheet on the Medicare Trustees Report can be found here: <http://www.cms.gov/apps/media/press/factsheet.asp?Counter=3823>.

Earlier this week HHS and CMS released a report about savings that have released to date thanks to the Affordable Care Act, which can be found here: <http://www.cms.gov/apps/docs/ACA-Update-Implementing-Medicare-Costs-Savings.pdf>.

Secretary Sebelius Remarks
Trustees' Report Press Conference
August 5, 2010

Thank you, Secretary Geithner.

Today, as a Trustee for the Medicare Trust Funds, I'm pleased to report that the financial outlook for Medicare has improved greatly compared to this time last year, thanks in large part to the Affordable Care Act.

The Trustees' Report backs up the findings of a report released earlier this week by the Centers for Medicare and Medicaid Services and concludes that reforms in the new health care law will extend the solvency of the Hospital Insurance Trust Fund by 12 years until 2029.

The report also shows that these reforms – from developing new models of care to rewarding quality to cracking down on fraud, waste and abuse – have cut the projected 75-year Hospital Insurance shortfall as a share of taxable payroll by more than 80 percent.

For the Supplemental Medical Insurance Trust Fund, which helps Medicare beneficiaries pay for physician services and prescription drugs, the report projects a balanced budget for the foreseeable future.

But for both trust funds, the report shows that we have work left to do. To achieve the gains projected in this report, we must continue to work hard with our partners across the country to implement the reforms in the Affordable Care Act effectively and on time.

As we work to secure Medicare's future, we are committed to honest accounting. That's why President Obama and I have called on Congress to pass a permanent fix to the Sustainable Growth Rate formula for doctors so that our projections can be based on the most accurate information.

And it's why I'm pleased to announce that last month I reestablished a panel of experts that will review these reports, with a special focus on our long-term health care spending. That panel will hold its first meeting later this month, so that its recommendations can be incorporated into next year's report.

Medicare is a promise to all Americans that if you work hard, you can retire knowing that medical bills will not force you into bankruptcy. Today, we have taken another step towards securing that promise.

This report demonstrates to the American people that we will not stand by while Medicare's future is threatened. And as we move forward, we will continue to work to strengthen Medicare for today and tomorrow.

Thank you.

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