

Lieberman, Coburn Reveal Bipartisan Proposal to Save Medicare, Reduce Debt

(WASHINGTON, DC) – Today, Senators Joe Lieberman (I-CT) and Tom Coburn (R-OK) revealed their bipartisan proposal to save Medicare and reduce the debt. The Lieberman/Coburn proposal would save more than \$600 billion over 10 years, based on reviews of Congressional Budget Office (CBO) estimates, and up to an additional \$100 billion savings from implementing the program integrity provisions. Attached is the background material detailing the proposal.

“We can’t balance our budget without dealing with mandatory spending programs like Medicare. We can’t save Medicare as we know it. We can only save Medicare if we change it. And that’s what the Medicare Reform Plan Tom Coburn and I are proposing will do,” said Senator Lieberman. “Our plan contains some strong medicine but that’s what it will take to keep Medicare alive, but we believe our plan administers that medicine in a fair way. It asks just about everybody to give something to help preserve Medicare. But it asks wealthier Americans to give more than those who have less.”

“Our plan recognizes that continuing Medicare as it is currently structured is a financial impossibility. Medicare as we know it may not exist in five years if Congress does not take steps now to preserve the program. Every year we wait makes the inevitable task of structural reform more difficult. I’m encouraged Senator Lieberman has put a serious and significant Medicare reform proposal on the table,” Dr. Coburn said. “I understand these choices are difficult for members of Congress. I would encourage my colleagues to realize our partisan lines in the sand are being washed away by a rising tide of debt. Taking Medicare off the table won’t protect seniors. Doing nothing and letting seniors fend for themselves is the least compassionate and least responsible option. Our plan will preserve Medicare for current and future enrollees by taking important steps to realign the program with its original intent.”

The proposal also:

- Extends the solvency of Medicare Part A (Hospital Insurance) by allocating half of the savings from the proposal to the Hospital Insurance Trust Fund.
- Reduces Medicare’s 75-year unfunded liabilities by an estimated \$10 trillion and significantly reduces the fiscal impact of Medicare Part B and Medicare Part D on the federal budget.
- For the first time in the history of the Medicare program, the proposal will provide seniors with an annual out-of-pocket-maximum benefit within the Medicare program to protect them from bankruptcy in the event of a major illness or long term health condition.

- Contains a three year fix to the Medicare physician reimbursement formula that is paid for and will bring stability and payments to the Medicare provider system, ensuring access for seniors.
- Preserves Medicare as a government program for current and future enrollees.

Additional background:

- Summary of the Lieberman-Coburn proposal [here](http://coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=36cddfe6-ec32-41b1-a0d2-b3ad7f6675bf).
(http://coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=36cddfe6-ec32-41b1-a0d2-b3ad7f6675bf)
- Coinsurance chart outlining the unified annual deductible and catastrophic limit [here](http://coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=e4345445-b599-4f79-915f-3b12d8a294c6).
(http://coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=e4345445-b599-4f79-915f-3b12d8a294c6)
- A summary of savings in the Lieberman-Coburn proposal [here](http://coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=44e88e78-6f44-45bb-abf7-b42e88c5ae53).
(http://coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=44e88e78-6f44-45bb-abf7-b42e88c5ae53)
- Chart displaying Medicare's current financing structure [here](http://coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=3d6b3ebe-077d-4355-bde8-30bee6654d7b).
(http://coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=3d6b3ebe-077d-4355-bde8-30bee6654d7b)

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