

MEMORANDUM

To: Reporters and Editors

Re: Claims of added Medicare solvency, preserved benefits

Da: Monday, Aug. 2, 2010

Sen. Chuck Grassley, ranking member of the Committee on Finance, with jurisdiction over Medicare, today made the following comment on a new report from the Obama administration that claims added solvency to Medicare and preserved benefits as a result of the new health care reform law. The report is from the Centers for Medicare and Medicaid Services.

"The White House continues to try to persuade people that cutting more than half a trillion dollars from Medicare to fund an unsustainable new entitlement program is somehow a good thing for Medicare beneficiaries. Today's new CMS report and the Andy Griffith ad campaign are the latest examples of how the Administration is telling only part of the story. Despite contrary analysis from CMS' own actuary, the Congressional Budget Office, and now FactCheck.org, Administration officials continue to claim that this new law will extend the life of the Medicare program and protect Medicare benefits. Unfortunately, neither claim is true.

"The Administration's own actuary and CBO have said over and over again that you can't 'double-count' the Medicare cuts by claiming they extend the life of the Medicare program and at the same time fund a new entitlement program. That's common sense even if the experts didn't say it. It's intellectually dishonest to try to have it both ways.

"As for protecting Medicare benefits, the actuary, CBO and now another independent organization, FactCheck.org, have directly contradicted claims that benefits will remain intact. In response to the new taxpayer-funded Andy Griffith ad, FactCheck.org notes:

" 'Currently, about 1 in every 4 Medicare beneficiary is enrolled in a Medicare Advantage plan. For many of them, the words in this ad ring hollow, and the promise that 'benefits will remain the same' is just as fictional as the town of Mayberry was when Griffith played the local sheriff.'

"The White House claims to be correcting the record about the impact of health reform on seniors, but it's pretty clear the Administration isn't letting facts get in the way of the story it wants to tell."