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BAUCUS: REPORT SHOWING STRONGER MEDICARE TRUST FUND IS GOOD NEWS FOR AMERICA'S SENIORS

Medicare, Social Security Trustees report shows new health law boosts Medicare for 12 years

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) said today that the annual report from the Board of Trustees of the Medicare and Social Security Trust Funds on the financial outlook of the programs is good news for the sustainability of the Medicare program. The report concluded that the new health care law will extend the life of the Medicare program for 12 additional years compared to last year's report, which represents the largest increase ever for the program. Baucus played a key role in crafting the new health care law, which Congress passed in March of this year. Baucus's comments follow here.

“Today, the millions of older Americans who count on Medicare for dependable access to their doctors received the great news that the new health care law has significantly improved the financial stability of the program. Today's report shows that the new health care law has reduced the deficit in the Medicare Trust Fund by 83 percent.

“Before health care reform, skyrocketing health care costs threatened to bankrupt the Medicare trust fund by 2017, but the new health care law added another 12 years to the life of the program. Today's report makes clear that the new health care law succeeds in making Medicare stronger, more coordinated and more efficient, which will protect the program through 2029.

“Today's report also projects that in the future, health care costs will grow more slowly than they have in recent years. The skyrocketing growth of health care costs has put a huge strain on families, on businesses and on programs like Medicare in recent years. Provisions in the new law, like reducing unnecessary hospital readmissions and fighting Medicare fraud, help reduce current shortfalls and keep the rising cost of health care down in the future.

“While last year's report projected Medicare spending on doctors and other services would reach more than four percent of our economy, this report projects it will now increase to only two and a half percent over that same 75 year period. This savings is good news for the Medicare Trust Fund and it's good news for seniors as well. When Medicare costs go down, seniors' premiums go down too, and that will put tens of billions of dollars back into seniors' pockets over the next decade.

“Today's report also includes some modest but positive news for the Social Security program. The report shows us that the imbalance in the Social Security Trust Fund shrank by four percent this year. While we need to continue working to bolster Social Security and protect the program for future generations, this welcome news shows we are moving in the right direction.”

The Finance Committee has jurisdiction over the Medicare program and the Social Security Administration. Today's report is available on the Centers for Medicare and Medicaid website at <http://www.cms.hhs.gov/ReportsTrustFunds/downloads/tr2010.pdf>.

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