

FOR IMMEDIATE RELEASE

CONTACT: Julia Lawless, Antonia Ferrier
March 10, 2011
(202) 224-4515

HATCH: CBO ANALYSIS CONFIRMS SECRETARY SEBELIUS' CLAIMS ABOUT SPENDING BILL'S IMPACT ON MEDICARE ADVANTAGE ARE GROUNDFLESS

WASHINGTON -- According to an analysis released today by the non-partisan Congressional Budget Office (CBO), legislation that passed the House (H.R. 1) to reduce government spending by \$57 billion over the remainder of the fiscal year would not impact the Medicare Advantage (MA) program as Health and Human Services (HHS) Secretary Kathleen Sebelius claimed in a letter to Senate Finance Committee Chairman Max Baucus (D-Mont.).

“The facts are clear -- according to Congress’ non-partisan budget scorekeeper, this legislation will not impact the Medicare Advantage program and America’s seniors as Secretary Sebelius alleged,” said U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee. “I hope the Administration stops trying to instill fear and starts tackling the myriad problems and concerns that the \$2.6 trillion health law is causing across America.”

According to CBO, “The budgetary effects of that prohibition...depend largely on how the Administration would interpret the legislation...CBO and JCT assume that the Administration will interpret that provision in conjunction with other statutes (including Public Laws 111-148 and 111-152) to give maximum effect to all laws wherever possible.” Furthermore, “CBO estimates that enacting the prohibition on using new fiscal year 2011 funding to carry out those laws would reduce spending by \$1.6 billion during the remainder of 2011” -- not the hundreds of billions of dollars in mandatory spending impact that would have occurred if the Secretary Sebelius’ allegations were true.

Yesterday, Hatch and House Ways and Means Committee Chairman Dave Camp (R-Michigan) wrote in a letter to Secretary Sebelius, “As Secretary of HHS, we know you understand that this appropriations bill does not change the fact that Medicare is a mandatory program, and therefore, seniors are still entitled to their full benefits under the law. We are disappointed you chose to send an inaccurate letter that is certain to create unwarranted confusion and fear amongst millions of seniors.”

H.R. 1 would halt the harmful cuts to seniors in the MA program and stop the implementation of an unaffordable new entitlement program. H.R. 1 is an appropriations bill that does not change the fact that Medicare is a mandatory spending program which means seniors are still entitled to their full benefits under the law.

###