

1 Selected Provisions of Several Key Congressional Budget Proposals



THE HOSPITAL & HEALTHSYSTEM
ASSOCIATION OF PENNSYLVANIA

ISSUE	SIMPSON-BOWLES	RYAN BUDGET	VP BIDEN GROUP <i>(Discussions are ongoing; details not available)</i>	MCCASKILL-CORKER	TOOMEY	PRESIDENT OBAMA'S REVISED BUDGET OUTLINE <i>(April 13, 2011)</i>
Federal Spending	<ul style="list-style-type: none"> • \$860 billion savings over 12 years. 	<ul style="list-style-type: none"> • Cuts \$6.2 trillion over the next decade compared to the President's budget; and • \$5.8 trillion relative to the current-policy baseline. 	<ul style="list-style-type: none"> • TBD 	<ul style="list-style-type: none"> • Limits federal spending to 20.6% of the GDP by 2023. 	<ul style="list-style-type: none"> • Reduces publicly-held debt \$4.9 trillion below the levels projected in the president's plan. • Reduces publicly held debt to less than 55% of GDP by 2021 • Lowers total spending to 18.4% of GDP 	<ul style="list-style-type: none"> • Reduces the deficit by \$4 trillion over 12 years. • Creates a trigger for across-the-board spending reductions if, by 2014, the projected ratio of debt-to-GDP is not stabilized and declining toward the end of the decade.
Medicare Spending	Beginning in 2020, establishes a global cap on all federal healthcare spending (including MC, MA, CHIP, FEDHB, and TRICARE) to limit growth to GDP plus 1% per capita)	<ul style="list-style-type: none"> • Caps the growth of expenditures per enrollee. • Moves to "premium support." • Raises the eligibility 	<ul style="list-style-type: none"> • TBD 	If federal spending is projected to exceed the designated amount for that year, the OMB is required to sequester funds such that it brings federal spending back to the	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • The framework reduces spending by an additional \$340 billion by 2021, \$480 billion by 2023, and at least an additional \$1 trillion in the subsequent



ISSUE	SIMPSON-BOWLES	RYAN BUDGET	VP BIDEN GROUP <i>(Discussions are ongoing; details not available)</i>	MCCASKILL-CORKER	TOOMEY	PRESIDENT OBAMA'S REVISED BUDGET OUTLINE <i>(April 13, 2011)</i>
	<p>without specific policies.</p> <p>If costs have grown faster than targets (using the average of the previous five years), require the President to submit, and Congress to consider, reforms to lower spending, such as:</p> <ul style="list-style-type: none"> • Increasing premiums (or further increasing cost-sharing). • Overhauling the fee-for-service system. • Developing a premium support system for Medicare. • Adding a public option and/or an all-payer system in the exchange. • Further expanding 	<p>to 67 years of age beginning in 2022.</p>		<p>mandated levels.</p> <p>The sequestration amounts are determined proportionally to growth in outlays for direct spending, discretionary security spending, and discretionary non-security spending, reducing within such accounts by a uniform percentage</p>		<p>decade.</p> <ul style="list-style-type: none"> • Expands IPAB by establishing a new target of Medicare growth per beneficiary growing with GDP per capita plus .5% versus current target of 1%. • Expands IPAB to promote value-based benefit designs.



ISSUE	SIMPSON-BOWLES	RYAN BUDGET	VP BIDEN GROUP <i>(Discussions are ongoing; details not available)</i>	MCCASKILL-CORKER	TOOMEY	PRESIDENT OBAMA'S REVISED BUDGET OUTLINE <i>(April 13, 2011)</i>
	<p>the authority of the IPAB past 2019.</p> <ul style="list-style-type: none"> Identifies an additional \$200 billion in savings in federal health spending; for example: <ul style="list-style-type: none"> through cuts to Medicare payments for bad debt, Expansion of Accountable Care Organizations (ACO) Payment bundling, Reductions to GME and IME. 					
Premium Support	<ul style="list-style-type: none"> If costs grow faster than targets, submit/consider reforms to lower spending, including developing a premium support for Medicare. 	<ul style="list-style-type: none"> Beginning in 2022, all newly-eligible Medicare beneficiaries would only have access to health coverage through private insurance plans, rather than through 	<ul style="list-style-type: none"> TBD 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">



ISSUE	SIMPSON-BOWLES	RYAN BUDGET	VP BIDEN GROUP <i>(Discussions are ongoing; details not available)</i>	MCCASKILL-CORKER	TOOMEY	PRESIDENT OBAMA'S REVISED BUDGET OUTLINE <i>(April 13, 2011)</i>
		government-run Medicare program, or under a Medicare Advantage plan.				
SGR	<ul style="list-style-type: none"> Replace cuts required by sustainable growth rates (SGR) through 2015 with modest reductions, while directing the CMS to establish a new payment system, beginning in 2015, to reduce costs and improve quality. 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> TBD 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Reforms SGR with permanent fix (\$300 Billion expenditure). 	<ul style="list-style-type: none">
Medicaid	<ul style="list-style-type: none"> Reduces Provider Taxes. 	<ul style="list-style-type: none"> Converts the federal share of Medicaid spending into a block grant that gives states the flexibility to tailor their Medicaid programs to the specific needs of their residents. 	<ul style="list-style-type: none"> TBD 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Converts the federal share of Medicaid spending into a block grant that gives states the flexibility to tailor their Medicaid programs to the specific needs of their residents. 	<ul style="list-style-type: none"> Would create a single matching rate for all program spending that rewards States for efficiency and automatically increases if a recession forces enrollment and State costs to rise.



THE HOSPITAL & HEALTHSYSTEM ASSOCIATION OF PENNSYLVANIA

ISSUE	SIMPSON-BOWLES	RYAN BUDGET	VP BIDEN GROUP <i>(Discussions are ongoing; details not available)</i>	MCCASKILL-CORKER	TOOMEY	PRESIDENT OBAMA'S REVISED BUDGET OUTLINE <i>(April 13, 2011)</i>
		<ul style="list-style-type: none"> According to some reports, would reduce PA federal share by 31%. 			<ul style="list-style-type: none"> Eventually lowers Medicaid spending by 2019 to \$14 billion 	
Medical Liability Reform	<ul style="list-style-type: none"> Enact comprehensive medical malpractice liability reform to cap non-economic and punitive damages and make other changes in tort law. 	<ul style="list-style-type: none"> Enact comprehensive medical malpractice liability reform to cap non-economic and punitive damages and make other changes in tort law. 	<ul style="list-style-type: none"> TBD 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Enact comprehensive medical malpractice liability reform to cap non-economic and punitive damages and make other changes in tort law. 	<ul style="list-style-type: none">