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**CRFB Reacts to Release of Senate Finance Bill,
Releases Health Reform Comparisons Chart**

September 17, 2009

Yesterday, Senate Finance Committee Chairman Max Baucus (D-MT) introduced the America's Healthy Future Act. Like the bills put forward by the Senate HELP Committee and three committees in the House, the Finance Committee bill would use government dollars to significantly expand health insurance coverage. Unlike the comprehensive "House Tri-Committee" bill, however, the Finance bill has been scored as at least deficit-neutral over ten years and in the tenth year; it is also likely that the proposal would generate significant savings in the second ten-year period.

"This is a big step in the right direction," said Maya MacGuineas, President of the Committee for a Responsible Federal Budget. "We are heartened to see that Chairman Baucus heeded President Obama's call to make sure health care reform doesn't add one dime to the deficit."

The bill, which would cost around \$800 billion over ten years, is paid for mainly by reducing Medicare and Medicaid costs, imposing fees on health care companies, and taxing high-cost insurance plans. The Congressional Budget Office has estimated the bill would reduce the deficit by around \$50 billion over the next decade and significantly more thereafter.

"Would we like to see a bill that does more to improve the fiscal health of the country?" said MacGuineas. "Absolutely. This bill absorbs a lot of money that could otherwise be used for deficit reduction. Obviously costs should be brought down and savings increased. For health care reform to be successful, we need to bend that health care cost curve significantly."

"However, given the competing pressures on policymakers and the many calls to ignore the fiscal ramifications of a bill, this plan accomplishes a good deal. Chairman Baucus has moved the ball in the right direction relative to the other major proposals out there – but there is still a great deal more work to be done, not just to make sure the progress in this bill doesn't get watered down, but to go ever further."

The Committee for a Responsible Federal Budget has compiled a chart detailing various costs and savings within the major reform proposals. It is available on our blog – The Bottom Line – and can be viewed below.

Comparing the Costs and Savings from Health Care Reform Proposals

Provisions	House Tri-Committee	HELP Committee	Finance Committee	President's Reserve Fund
Individual Penalties	\$29	\$36	\$20	C
Employer Payments	\$208	\$52	\$27	C
Mandate Provisions	\$237	\$88	\$47	
Exchange Subsidies	(\$773)	(\$723)	(\$458) ^a	C
Medicaid Expansion	(\$438)	F / ~(\$500)*	(\$287)	C
Small Business Credits	(\$53)	(\$56)	(\$24)	C
Coverage Expansion	(\$1,264)	(\$779 / ~(\$1279)*	(\$769)	
Physician Payment Updates	(\$229)	n/a	(\$11)	C
Long-Term Care Insurance	n/a	\$58 ^b	n/a	C
Funding for Reinsurance and Risk Pools	(\$10)	(\$10)	(\$5) ^b	C
Other Spending Changes	(\$53)	(\$14)	(\$13)	C
Other Spending	(\$292)	\$34	(\$29)	
Changes in Prescription Drug Payments	\$47 ^c	F	(\$4) ^c	\$105
Medicare Advantage Cuts	\$162	F	\$125	\$176
Reductions in Provider Payment Updates	\$196	F	\$182	\$110
Medicare Premium Increase	n/a	F	\$34	\$8
Medicare Payment Commission	n/a	F	\$23 [#]	\$2 [#]
Measures to Slow Health Care Cost Growth	\$5	F	\$5	\$47
Measures to Reduce Federal Health Care Spending	\$81	F	\$87	\$197
Spending Offsets	\$491		\$451	\$645
Surtax on High Earners	\$544	F	n/a	n/a
Limit Itemized Deductions	n/a	F	n/a	\$269
Excise Tax on High Cost Insurance	n/a	F	\$215	n/a
Tax Gap and Loopholes Closing	\$37	F	\$17	\$27
Limits to Health Care Tax Benefits	\$8	F	\$23	n/a
Impose Fees on Health Care Companies	n/a	F	\$93	n/a
Tax Increases	\$589		\$348	\$296
Interactions and Other Spending	\$0^d	\$46^e	\$1^d	(-\$33)
Ten Year Deficit Impact	(\$239)	(\$611) / ~(\$1111)*	\$49	\$908

Note: Estimates in billions, with positive numbers representing a decrease in the deficit.

Sources: Congressional Budget Office, Joint Committee on Taxation, Office of Management and Budget, and Authors' Calculations

F = Left to Finance Committee; C = Left to Congress

^aIncludes \$6 billion to fund CO-OP startup; ^bAssumes the addition of the Medicaid expansion as per CBO's rough estimate;

^cDecreases deficit in short-run due to 5-year vesting period; ^d\$25 billion in costs net of \$20 billion in fees; ^eIncludes costs of expanding prescription drug coverage and reducing payments; [#]Actual savings from establishing a commission to propose or enact payment reform are highly uncertain; ^dBill includes a number of interactions which net to zero; ^eExcludes Medicaid expansion.