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**CRFB Urges Congress to Pay for Health Care Reform
March 10, 2009**

As policymakers begin to consider an overhaul of the U.S. health care system, the Committee for a Responsible Federal Budget (CRFB) strongly urges that Congress adhere to pay-as-you-go (PAYGO) budgeting rules. All new health care spending should be offset both within a ten-year window and beyond. Health care costs represent the single largest threat for the budget—increasing the government's unfunded health care liabilities would be a move in the wrong direction.

"Medicare and Medicaid are on track to consume an ever-increasing share of the federal budget and if we don't control their costs, they will lead to economically crippling deficits," said Maya MacGuineas, President of CRFB. "Health care reform must reduce these costs, not increase them."

The Committee was pleased that President Obama proposed deficit neutral health care reform as part of his FY 2010 budget and is encouraged by the various proposals being floated to limit the employer health care exclusion, make Medicare premiums more progressive, institute payment reforms, and root out wasteful and unnecessary health care spending.

At the same time, we worry that Congress may feel pressure to waive PAYGO in order to expedite the passage of a reform bill, arguing that greater savings will accrue beyond the budget window, or that health care reform is too important to pay for. Given the grim fiscal reality we face, however, the Committee believes distant savings are simply too risky to rely on.

"We now live in an era of trillion dollar deficits," MacGuineas explained. "If health care costs continue to grow at this rate, there may be no end in sight. The last thing we need is to make the long-term situation worse by piling on more debt. There is no question that this country needs health care reform; but if it is worth having, it's worth paying for."