



CHAIRMEN

BILL FRENZEL
TIM PENNY
CHARLIE STENHOLM

PRESIDENT

MAYA MACGUINEAS

DIRECTORS

BARRY ANDERSON
ROY ASH
CHARLES BOWSHER
STEVE COLL
DAN CRIPPEN
VIC FAZIO
WILLIS GRADISON
WILLIAM GRAY, III
WILLIAM HOAGLAND
DOUGLAS HOLTZ-EAKIN
JIM JONES
LOU KERR
JIM KOLBE
JAMES LYNN
JAMES MCINTYRE, JR.
DAVID MINGE
JIM NUSSLE
MARNE OBERNAUER, JR.
JUNE O'NEILL
RUDOLPH PENNER
PETER PETERSON
ROBERT REISCHAUER
ALICE RIVLIN
MARTIN SABO
GENE STEUERLE
DAVID STOCKMAN
PAUL VOLCKER
CAROL COX WAIT
DAVID M. WALKER
JOSEPH WRIGHT, JR.

SENIOR ADVISORS

HENRY BELLMON
ELMER STAATS
ROBERT STRAUSS

**Building a Workable Trigger to Avoid
Adding Dimes to the Deficit
September 10, 2009**

Last night, President Obama called for a new trigger mechanism to help ensure a health care plan would not add to the deficit. The White House has provided few details, saying only that “if the savings promised at the time of enactment don’t materialize, the President will be required to put forth additional savings to ensure that the plan does not add to the deficit.”

The Committee applauds the President’s promise not to sign a health care reform bill “that adds one dime to our deficits – either now or in the future,” and to use a trigger to help guarantee that outcome.

“A trigger is the ‘Plan B’ in case savings are too low or costs too high in any plan that passes,” said Maya MacGuineas, President of the Committee for a Responsible Federal Budget. “This is certainly a wise move given the uncertainty of longer-term estimates and the possibility that gimmicks will be used to mask the true size of any plan.”

“But we’ve been burned on triggers before – they get ignored, waived, and sometimes eliminated altogether. We need to develop a serious and reliable trigger that politicians are actually willing to abide by.”

The Committee recommends that a trigger:

1. Be a “hard trigger,” whereby spending cuts or tax increases kick in automatically if savings proposals do not materialize.
2. Be tied to specific fiscal targets that are laid out in advance.
3. Be maintained over the long-term, so that any legislation remains sustainable well beyond the ten-year budget window.

“A trigger should be a part of a fiscally responsible health care plan; but it’s not a cure-all,” said MacGuineas, “politicians are going to have to make some hard choices if they want to slow health care cost growth and bring down our burgeoning deficit.”