



Medicare Part B Premium Relief Must Be Offset, says Committee for a Responsible Federal Budget October 7, 2015

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The Committee for a Responsible Federal Budget urges lawmakers to couple any effort to prevent a Medicare Part B premium spike with offsetting savings to ensure the legislation does not add to the deficit or contribute to the rising costs of Medicare.

Next year, a small portion of beneficiaries are scheduled to experience a significant, temporary increase in their Medicare premiums of roughly 50 percent. As the result of a provision that prevents premium increases for most beneficiaries when Social Security cost-of-living adjustments are too low, higher-income seniors, new beneficiaries, and those whose premiums are paid by Medicaid will be required to pay the entire cost of Part B growth next year.

“Congress certainly has a full plate these next few months, between the need to address highway funding, sequester caps, the debt ceiling, tax extenders, and now this premium spike,” said Maya MacGuineas, president of the Committee for a Responsible Federal Budget. “As we address these issues, we can’t keep charging the costs to our credit card, and we especially shouldn’t be increasing high and rapidly growing Medicare costs. Congress and the President need to pay for any premium relief, and preferably in a way that actually helps to slow future health care cost growth.”

Media reports peg the cost of premium relief at about \$7.5 billion.

“Just a couple of years ago, we were talking about health savings in the \$300 billion to \$600 billion range,” MacGuineas said. “If our lawmakers can’t even find \$5 billion to \$10 billion of health care savings, we’re in big trouble as a country.”

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