

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON HEALTH

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Chairman Brady Announces Hearing on the President's and Other Bipartisan Proposals to Reform Medicare

House Committee on Ways and Means, Subcommittee on Health Chairman Kevin Brady (R-TX) today announced that the Subcommittee on Health will hold its first in a series of hearings to explore the bipartisan proposals, including those contained in President Obama's Fiscal Year 2014 Budget to reform Medicare. This hearing will focus on review of proposals to change cost-sharing for services received under the Medicare program. **The hearing will take place on Tuesday, May 21, 2013 in 1100 Longworth House Office Building, beginning at 10:00 A.M.**

In view of the limited time available to hear from witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing. A list of witnesses will follow.

BACKGROUND:

Created in 1965, the Medicare benefit was originally modeled on the Blue Cross Blue Shield plans that were prevalent throughout the nation at that time. However, since its creation, Medicare's cost-sharing has been largely unchanged and has not kept up with changes in the growth of the Medicare population or how health care is delivered. The current Medicare spending trajectory is unsustainable and has led the Medicare Trustees to estimate that the Part A trust fund will be bankrupt in 2023 and insolvent in 2024. The Medicare Health Insurance (HI) trust fund has not met the Trustee's formal test of short-range financial adequacy since 2003. The Supplemental Medical Insurance (SMI) trust fund is considered adequately financed, however, this is a result of the SMI trust fund being reliant on general revenue transfers. By 2037, the Medicare Trustees estimate general revenue transfers will account for 56 percent of Medicare outlays.

To address these and other concerns, the Obama Administration has identified several key policies to modify cost-sharing within the Medicare program. In the President's FY14 budget, the Administration focused on three key cost-sharing policies: (1)

increasing income-related premiums for Medicare Parts B & D; (2) increasing the annual Medicare Part B deductible; and (3) establishing a home health co-pay. The President's FY14 budget estimates that these three policies will save \$54 billion over 10-years. In addition to the President's budget, several other bipartisan policy organizations, such as the Bipartisan Policy Center, The Moment of Truth project, and the Medicare Payment Advisory Commission, have collectively made recommendations to alter Medicare's cost-sharing policies as a means of extending the longevity of the program.

In announcing the hearing, Chairman Brady stated, **“The current Medicare spending trajectory is unsustainable. There is bipartisan recognition that modifying seniors’ cost-sharing is appropriate and can be done in a way that maintains access to critical health care services. Medicare is fast going broke and the time to act to save this program is now.”**

FOCUS OF THE HEARING:

The hearing will review policies that modify beneficiary cost-sharing within the Medicare program.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select “Hearings.” Select the hearing for which you would like to submit, and click on the link entitled, “Click here to provide a submission for the record.” Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word document, in compliance with the formatting requirements listed below, **by the close of business on Tuesday, June 4, 2013**. Finally, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. For questions, or if you encounter technical problems, please call (202) 225-1721 or (202) 225-3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any supplementary materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission or supplementary item not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All submissions and supplementary materials must be provided in Word format and **MUST NOT** exceed a total of 10 pages, including attachments. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.

3. All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. A supplemental sheet must accompany each submission listing the name, company, address, telephone, and fax numbers of each witness.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-1721 or 202-226-3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available on the World Wide Web at <http://www.waysandmeans.house.gov/>.