Q: THE REPUBLICANS ARE PROVIDING NUMBERS THAT SHOW THAT THE MEDICARE CUTS YOU SAID WOULD DEVASTATE THE PROGRAM IN THE LAST DEBATE ARE ESSENTIALLY THE SAME YOU NOW ENDORSE. DOESN'T THIS PROVE YOUR WERE DEMAGOGING THE ISSUE?

A: While the total Medicare savings have moved closer together, they are still less than the $270 billion in savings that the President vetoed.

This does not even take into account fundamental differences between the 1997 Balanced Budget Agreement and the Medicare proposal the President vetoed.

1) **Vetoed Budget had premiums that were about $18 more per month than in the 1997 Balanced Budget Agreement.** The monthly premium under the Budget Agreement will be about $69 in 2002. If the policy were a 31.5% premium instead of 25%, this premium would be about $87. On an annual basis, this difference is about $215 for a single beneficiary, $430 for a couple.

2) **Vetoed Budget would have raised the percent of the program funded by beneficiaries by over one fourth.** The 1997 Balanced Budget Agreement keeps the Medicare Part B premium at its current level of 25% of program costs — far below 31.5% the 1995 Republican Budget that the President vetoed.

3) **Vetoed Budget's investments are only 1% of the 1997 Balanced Budget Agreement's investments.** The Budget Agreement includes critical investments:

   - **Preventive services: $3 to 4 billion,** including services to detect breast and colon cancer, provide for diabetes self-management, and increase payments for preventive vaccinations.

   - **Protection against excessive hospital outpatient coinsurance: $4 billion**

   - **Premium assistance for low-income beneficiaries: $1.5 billion**

   In contrast, the vetoed Budget included extremely modest investments, **$100 million** for coverage of oral breast cancer drugs.

4) **Vetoed Budget had larger provider reductions.** The vetoed Budget had policies that put much tighter constraints on provider payment growth. For example, under the vetoed plan, hospital payment update reductions would be twice as big as is needed in the 1997 Budget Agreement. This translates into savings of $22 billion over five years under the vetoed plan versus $11 billion under the Agreement.

5) **Vetoed Budget included flawed structural reforms.** The 1997 Balanced Budget Agreement does not sanction the use of balance billing, association plans, and other ideas that put beneficiaries at risk.