DRAFT PRELIMINARY: FOR INTERNAL USE ONLY

Comparison of High-Income Premium Options, 2002

(CBO January 1997 Baseline, Calendar Years)

	HIGH INCOME PREMIUMS					
	$90 /115,000 (HSA)		$60 / 90,000 (BBA)		$50 / 90,000 (Blue Dogs)	
	Monthly Premium	Annual Increase*	Monthly Premium	Annual Increase*	Monthly Premium	Annual Increase*
Federal Savings						
IRS Administered	*1998-2002: $5.9 b*		*1998-2002: $6.6 b*		*1998-2002: $7.7 b*	
DHHS Administered**	*1998-2002: $4.2 b*		*1998-2002: $4.7 b*		*1998-2002: $5.5 b*	
DHHS w/ $1,000 Cap**	*1998-2002: $3.0 b*		*1998-2002: $3.6 b*		*1998-2002: $4.1 b*	
Single Beneficiaries With Incomes of:						
$50,000	$61.20	-	$61.20	-	$61.20	-
$75,000	$61.20	-	$97.90	+ $440	$122.40	+ $734
$95,000	$122.40	+ $734	$146.90	+ $1,028	$171.40	+ $1,322
$100,000	$183.60	+ $1,469	$159.10	+ $1,175	$183.60	+ $1,469
$125,000	$183.60	+ $1,469	$183.60	+ $1,469	$183.60	+ $1,469

Note: All premium estimates from CBO. Savings from high-income premium options do not include the $9.0 b from the 25% extender.

* Difference relative to the 25% extender

** Reduces savings by 28%; consistent with previous CBO scoring of income-related premiums administered through DHHS

*** ROUGH ESTIMATE: Assumes reduction of 25% of savings due to $1,000 cap.

Assumes that the maximum subsidy is 75% and Part B savings consistent with the President's $82 billion package.

Note: In the vetoed Balanced Budget Act of 1995, the 2002 premium (31.5% relative to the March 1995 CBO baseline) was: $88.90

	Single		Couple	
	Begins	Ends	Begins	Ends
HSA	$90,000	$100,000	$115,000	$125,000
BBA	$60,000	$110,000	$90,000	$150,000
Chaffee-Breaux	$50,000	$100,000	$75,000	$150,000

DRAFT PRELIMINARY: FOR INTERNAL USE ONLY

Comparison of High-Income Premium Options, 2002
Including Home Health Transfer
(CBO January 1997 Baseline, Calendar Years)

	HIGH INCOME PREMIUMS					
	$90 /115,000 (HSA)		$60 / 90,000 (BBA)		$50 / 90,000 (Blue Dogs)	
	Monthly Premium	Annual Increase*	Monthly Premium	Annual Increase*	Monthly Premium	Annual Increase*
Federal Savings						
IRS Administered	*1998-2002: $6.8 b ($10.1 b)*		*1998-2002: $7.6 b ($10.9 b)*		*1998-2002: $9.3 b ($12.6 b)*	
DHHS Administered**	*1998-2002: $4.9 b ($7.2 b)*		*1998-2002: $5.4 b ($8.7 b)*		*1998-2002: $6.8 b ($9.0 b)*	
DHHS w/ $1,000 Cap**	*1998-2002: $3.7 b ($6.0 b)*		*1998-2002: $4.1 b ($6.4 b)*		*1998-2002: $5.0 b ($7.3 b)*	
Single Beneficiaries With Incomes of:						
$50,000	$70.10	-	$70.10	-	$70.10	-
$75,000	$70.10	-	$112.20	+ $505	$140.30	+ $842
$95,000	$140.30	+ $842	$168.30	+ $1,178	$196.40	+ $1,516
$100,000	$210.40	+ $1,684	$182.30	+ $1,346	$210.40	+ $1,684
$125,000	$210.40	+ $1,684	$210.40	+ $1,684	$210.40	+ $1,684

Parentheses indicate the savings including the Blue Dog home health premium for beneficiaries with incomes $30,000 and higher (no phase in).

Note: All premium estimates from CBO. Savings from high-income premium options do not include the $9.0 b from the 25% extender.

* Difference relative to the 25% extender

** Reduces savings by 28%; consistent with previous CBO scoring of income-related premiums administered through DHHS

*** ROUGH ESTIMATE: Assumes reduction of 25% of savings due to $1,000 cap.

Assumes that the maximum subsidy is 75% and Part B savings consistent with the President's $82 billion package.

Note: In the vetoed Balanced Budget Act of 1995, the 2002 premium (31.5% relative to the March 1995 CBO baseline) was: $88.90

	Single		Couple	
	Begins	Ends	Begins	Ends
HSA	$90,000	$100,000	$115,000	$125,000
BBA	$60,000	$110,000	$90,000	$150,000
Chaffee-Breaux	$50,000	$100,000	$75,000	$150,000

DRAFT PRELIMINARY: FOR INTERNAL USE ONLY

Medicare Monthly Premiums

(CBO January 1997 Baseline, Calendar Years)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Current Law *	$45.80	$47.10	$48.50	$50.00	**$51.50**	$53.00	$54.60	$56.20	$57.90	$59.70
President's Budget:										
25% Premium*	$45.80	$49.50	$52.50	$55.90	**$61.20**	$68.00	$74.10	$80.60	$87.80	$95.80
25% Premium Including Home Health Transfer in 1998 *	$53.10	$57.10	$60.40	$64.30	**$70.10**	$77.40	**$84.10**	$91.20	$98.90	$107.40
25% Premium that Fully Includes Home Health Transfer in 2004	$46.80	$51.70	$55.90	$60.70	**$67.60**	$76.10	**$84.10**	$91.20	$98.90	$107.40
Balanced Budget Act										
31.5% Premium Relative to Current Baseline	$57.70	$62.40	$66.20	$70.40	**$77.10**	$85.70	$93.40	$101.60	$110.60	$120.70
Vetoed Policy: 31.5% Premium Relative to March 1995 Baseline*	$59.30	$64.10	$73.10	$80.10	**$88.90**	na	na	na	na	na

* CBO scored

Annual Difference in 2002 between
25% Premium with Phased in Home Health and:

Current Law:	**+ $193**
25% Premium without Home Health:	**+ $77**
25% Premium with Home Health:	**-$30**
31.5% Premium without Home Health:	**-$114**
Vetoed Premium:	**-$256**

5/2/97