

MEDICARE SAVINGS PACKAGE**CBO Baseline: \$100 Billion in Savings (Administration staff estimates)****(Fiscal years, Dollars in billions)**

	2002	1998-2002
BASE PACKAGE SAVINGS	-28.8	-81.6
ADDITIONAL SAVINGS	-3.2	-18.4
CBO SCORING ADJUSTMENTS		-1.0
HOSPITALS		
Freeze PPS Update in FY 1998 (MB - 1)		-3.5
Freeze non-PPS Update in FY 1998 (MB - 1.5)		-0.8
Reduce PPS capital payments by 5%		-2.0
Eliminate depreciation adjustment for hospital sales		-0.3
Reduce IME: 6.6% in FY 1998, 5.5% in FY 1999		-2.0
SUBTOTAL		-8.6
PHYSICIANS		
Begin incentives for high-volume reduction in CY 1999		-0.4
Change withholds & thresholds for high volume reduction		-0.8
SUBTOTAL		-1.2
SKILLED NURSING FACILITIES		
Remove new providers from FY 1995 base rates		-1.1
Eliminate new provider exemptions		-0.4
Update SNF PPS by MB - 1 for FY 1996-97		-1.4
SUBTOTAL		-2.9
OTHER		
Reduction in oxygen reimbursement (net of premium)		-1.3
Start competitive pricing assurance 1 year earlier		-0.5
SUBTOTAL		-1.8
BENEFICIARIES		
Eliminate premium surcharge		-2.9
TOTAL MEDICARE SAVINGS	-32.0	-100.0