OPTIONS to Get to 115

DRAFT PRELIMINARY

MEDICARE SAVINGS PACKAGE

Phased-In Home Health Premium

(Administration staff estimates, CBO Baseline, fiscal years, dollars in billions)

	2002	1998-2002	1998-2007
$100 BILLION PACKAGE SAVINGS (1)	**-34.5**	**-101.0**	**-324.4**
ADDITIONAL $115 BILLION SAVINGS PACKAGE			
BENEFICIARIES			
Reduce Cost of OPD Coinsurance Buy-Down (2)	-0.1	-3.1	-20.9
Eliminate Respite Benefit (3)	-0.9	-3.3	-9.6
Home Health Premium Fully Phased in over 7 Years by 2004 (4)	-3.0	-8.0	-32.9
SUBTOTAL	**-4.0**	**-14.4**	**-63.4**
ADDITIONAL POLICIES: SUBTOTAL	**-4.0**	**-14.4**	**-63.4**
$115 BILLION POLICIES TOTAL	**-39**	**-115**	**-388**

(1) Base $82 billion savings plus $19 billion from March offer (unofficial CBO scoring); should these savings not be scored, additional provider reductions can be included.

(2) CBO scored alternative that rationalizes policy to slowly (over 15 years) and consistently return copayment to original 20 percent copayment (from House Democratic Budget Committee staff)

(3) CBO scored

(4) Assumes evenly phases in 25% of home health in premium by 2004.

4/29/97

DRAFT PRELIMINARY

MEDICARE SAVINGS PACKAGE

Blue Dog High-Income Premium
Administered through IRS

(Administration staff estimates, CBO Baseline, fiscal years, dollars in billions)

	2002	1998-2002	1998-2007
$100 BILLION PACKAGE SAVINGS (1)	**-34.5**	**-101.0**	**-324.4**
ADDITIONAL $115 BILLION SAVINGS PACKAGE			
BENEFICIARIES			
Reduce Cost of OPD Coinsurance Buy-Down (2)	-0.1	-3.1	-20.9
Eliminate Respite Benefit (3)	-0.9	-3.3	-9.6
Income-Related Premium ($50 / 75,000) (3,4)	-2.4	-7.7	-29.8
SUBTOTAL	**-3.4**	**-14.1**	**-60.3**
ADDITIONAL POLICIES: SUBTOTAL	**-3.4**	**-14.1**	**-60.3**
$115 BILLION POLICIES TOTAL	**-38**	**-115**	**-385**

(1) Base $82 billion savings plus $19 billion from March offer (unofficial CBO scoring); should these savings not be scored, additional provider reductions can be included.

(2) CBO scored alternative that rationalizes policy to slowly (over 15 years) and consistently return copayment to original 20 percent copayment (from House Democratic Budget Committee staff)

(3) CBO scored

(4) Includes home health premium for high-income beneficiaries

4/29/97

DRAFT PRELIMINARY

MEDICARE SAVINGS PACKAGE

Blue Dog Type Home Health & High-Income Premium Administered through DHHS

(Administration staff estimates, CBO Baseline, fiscal years, dollars in billions)

	2002	1998-2002	1998-2007
$100 BILLION PACKAGE SAVINGS (1)	**-34.5**	**-101.0**	**-324.4**
ADDITIONAL $115 BILLION SAVINGS PACKAGE			
BENEFICIARIES			
Reduce Cost of OPD Coinsurance Buy-Down (2)	-0.1	-3.1	-20.9
Eliminate Respite Benefit (3)	-0.9	-3.3	-9.6
Income-Related Premium ($50 / 75,000) (4,5)	-1.7	-5.6	-20.6
Home Health Premium (w/ low-income protections) (4,6)	-0.5	-2.0	-6.1
SUBTOTAL	**-3.2**	**-14.0**	**-57.2**
ADDITIONAL POLICIES: SUBTOTAL	**-3.2**	**-14.0**	**-57.2**
$115 BILLION POLICIES TOTAL	**-38**	**-115**	**-382**

(1) Base $82 billion savings plus $19 billion from March offer (unofficial CBO scoring); should these savings not be scored, additional provider reductions can be included.

(2) CBO scored alternative that rationalizes policy to slowly (over 15 years) and consistently return copayment to original 20 percent copayment (from House Democratic Budget Committee staff)

(3) CBO scored

(4) Assumes 40% reduction in CBO scored savings due to administration of premium through DHHS

(5) Includes home health premium for high-income beneficiaries

(6) Blue Dog policy: exempting beneficiaries below $30,000 from home health. Note: Savings similar to the Blue Dog's home health premium savings can be generated by beginning at a lower income threshold and phasing in the home health premium amount.