House Budget: Option A,C (Assumes 50% Beneficary Hit)

	1996	1997	1998	1999	2000	2001	2002	7 Year
Medicare Cuts*	-6.3	-15.5	-24.7	-36.6	-51.1	-67.6	-86.4	$\boxed{-288.2}$
Beneficary Cuts	-3.15	-7.75	-12.35	-18.3	-25.55	-33.8	-43.2	-144.1
Number of Beneficiaries	38.266	38.861	39.386	39.876	40.372	40.841	41.299	278.901
Cuts Per Beneficiary	82.32	199.43	313.56	458.92	632.86	827.60	1046.03	3560.727
Increase in Cuts	82.32	117.11	114.13	145.36	173.94	194.74	218.43	1046.030
FY SS Benefit (Median)	8052	8305	8577	8868	9184	9521	9888	62395
COLA (Median Beneficiary)	237	253	272	291	316	337	367	2073
Net COLA Δ Cuts – COLA	155	136	158	146	142	142	149	1027
Net Check Benefit – Cut/Bene.	7970	8106	8263	8409	8551	8693	8842	58834.27
% of COLA Eaten Up By Cuts	34.7%	46.3%	42.0%	50.0%	55.0%	57.8%	59.5%	50.5%
CL COLA (%)	3.0%	3.1%	3.3%	3.4%	3.6%	3.7%	3.9%	
PL COLA (%)	2.0%	1.7%	1.9%	1.8%	1.7%	1.7%	1.7%	

* Based on Document "Options for Preserving Medicare" 5/11/95

Assume 100% Hit

House Budget: Option B

	1996	1997	1998	1999	2000	2001	2002	7 Year
Medicare Cuts*	-6.3	-15.5	-24.7	-36.6	-51.1	-67.6	-86.4	-288.2
Beneficary Cuts	-6.3	-15.5	-24.7	-36.6	-51.1	-67.6	-86.4	-288.2
Number of Beneficiaries	38.266	38.861	39.386	39.876	40.372	40.841	41.299	278.901
Cuts Per Beneficiary	164.64	398.86	627.13	917.85	1265.73	1655.20	2092.06	7121.454
Increase in Cuts	164.64	234.22	228.27	290.72	347.88	389.47	436.86	2092.060
FY SS Benefit (Median)	8052	8305	8577	8868	9184	9521	9888	62395
COLA (Median Beneficiary)	237	253	272	291	316	337	367	2073
Net COLA	72	19	44	0	-32	-52	-70	-19
Net Check	7887	7906	7950	7950	7918	7866	7796	
% of COLA Eaten Up By Cuts	69.5%	92.6%	83.9%	99.9%	110.1%	115.6%	119.0%	100.9%
CL COLA (%)	3.0%	3.1%	3.3%	3.4%	3.6%	3.7%	3.9%	
PL COLA (%)	2.0%	0.2%	0.6%	0.0%	-0.4%	-0.7%	-0.9%	

* Based on Document "Options for Preserving Medicare" 5/11/95

Major Assumptions for the Year by Year Analysis

Option A

- Used Ira's year by year breakdown for the Deductible, HH/Lab Coinsurance.

- Estimated the Part B premium proposal by converting CY premiums into fiscal year premiums. I then applied the premium increases from the proposal to the CL premiums and multiplied the yearly CL and PL premiums by number of beneficiaries to obtain government revenue under both streams. The year by year delta from this calculation (after controlling back to the 36.3 billion number in the package) was then included in the cuts per beneficiary calculation.

Option B

- Straight 100% across the board hit on beneficiaries.

Option C

- For the first level of cuts, I simply used the results from option A (Based on OLIGA analysis, but I am not sure that the Part B premium is a first level cut, and it looks like they add a SNF coinsurance proposal. We may need a new year by year for this option).

- After the first level cuts ($145 B), $143 has to get allocated on a year by year basis. I first assumed that 50% of the remaining $143 come from beneficiaries, and I proportioned that 71.5B using the same year by year beneficiary cut distribution as Option A (after making an adjustment in 1996 because otherwise the 1996 cut ends up larger than the mark).

- I am most concerned about this distribution, and would like to give it more thought in the morning when my brain is functioning better.

4 1030 3447

House Budget: Option A

	1996	1997	1998	1999	2000	2001	2002	7 Year
Medicare Cuts*	-6.3	-15.5	-24.7	-36.6	-51.1	-67.6	-86.4	-288.2
Beneficary Cuts(w/o premium)	1.8	4	4.3	6.4	7.1	7.8	8.3	39.7
Beneficary Cuts(w premium)	3.9	7.0	7.5	10.5	13.0	15.8	18.3	76.0
Number of Beneficiaries	38.266	38.861	39.386	39.876	40.372	40.841	41.299	278.901
Cuts Per Beneficiary	101.37	179.83	189.29	263.90	323.21	386.44	443.44	1887.494
Increase in Cuts	101.37	78.45	9.46	74.61	59.31	63.23	57.00	443.4437
FY SS Benefit (Median)	8051	8305	8577	8868	9184	9521	9888	62394
COLA (Median Beneficiary)	232	254	272	291	316	337	367	2069
Net COLA	131	176	263	216	257	274	310	1626
Net Check	7950	8125	8388	8604	8861	9135	9445	60506.50
% of COLA Eaten Up By Cuts	43.7%	30.9%	3.5%	25.6%	18.8%	18.8%	15.5%	
CL COLA (%)	3.0%	3.2%	3.3%	3.4%	3.6%	3.7%	3.9%	
PL COLA (%)	2.0%	2.2%	3.2%	2.6%	3.0%	3.1%	3.4%	

* Based on Document "Options for Preserving Medicare" 5/11/95

House Budget: Option B

	1996	1997	1998	1999	2000	2001	2002	7 Year
Medicare Cuts*	-6.3	-15.5	-24.7	-36.6	-51.1	-67.6	-86.4	-288.2
Beneficary Cuts	-6.3	-15.5	-24.7	-36.6	-51.1	-67.6	-86.4	-288.2
Number of Beneficiaries	38.266	38.861	39.386	39.876	40.372	40.841	41.299	278.901
Cuts Per Beneficiary	164.64	398.86	627.13	917.85	1265.73	1655.20	2092.06	7121.454
Increase in Cuts	164.64	234.22	228.27	290.72	347.88	389.47	436.86	2092.060
FY SS Benefit (Median)	8051	8305	8577	8868	9184	9521	9888	62394
COLA (Median Beneficiary)	231	254	272	291	316	337	367	2068
Net COLA	66	20	44	0	-32	-52	-70	-24
Net Check	7886	7906	7950	7950	7918	7866	7796	
% of COLA Eaten Up By Cuts	71.3%	92.2%	83.9%	99.9%	110.1%	115.6%	119.0%	101.2%
CL COLA (%)	3.0%	3.2%	3.3%	3.4%	3.6%	3.7%	3.9%	
PL COLA (%)	2.0%	0.3%	0.6%	0.0%	-0.4%	-0.7%	-0.9%	

* Based on Document "Options for Preserving Medicare" 5/11/95

50/50 145

House Budget: Option C

	1996	1997	1998	1999	2000	2001	2002	7 Year
Medicare Cuts*	-6.3	-15.5	-24.7	-36.6	-51.1	-67.6	-86.4	-288.2
Beneficary Cuts	-5.4	-13.8	-14.7	-20.7	-25.7	-31.1	-36.1	-147.5
Number of Beneficiaries	38.266	38.861	39.386	39.876	40.372	40.841	41.299	278.901
Cuts Per Beneficiary	140.57	354.47	373.12	520.19	637.10	761.74	874.10	3661.304
Increase in Cuts	140.57	213.90	18.65	147.07	116.90	124.65	112.36	874.0991
FY SS Benefit (Median)	8051	8305	8577	8868	9184	9521	9888	62394
COLA (Median Beneficiary)	232	254	272	291	316	337	367	2069
Net COLA	91	40	253	144	199	212	255	1195
Net Check	7910	7951	8204	8348	8547	8759	9014	
% of COLA Eaten Up By Cuts	60.6%	84.2%	6.9%	50.5%	37.0%	37.0%	30.6%	42.2%
CL COLA (%)	3.0%	3.2%	3.3%	3.4%	3.6%	3.7%	3.9%	
PL COLA (%)	2.0%	0.5%	3.2%	1.8%	2.4%	2.5%	2.9%	

* Based on Document "Options for Preserving Medicare" 5/11/95

1.5 % over 7 years.

<u>Plausible Year-By-Year Beneficiary Proposal Savings</u>

	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	
Incr Pt B Deductible	$0.8	$1.9	$2.1	$2.3	$2.5	$2.7	$2.9	$15.2
HH/Lab Coinsurance	1.1	2.2	2.4	4.3	4.8	5.3	5.7	25.8
Interaction	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	0.3	1.3
CY Part B Monthly Premium Increase	$5	$5	$5	$5	$7	$7	$7	~~25.8~~

Per Bene —
Check against Premium Increases

House Budget: Option A (Assumes 27% Beneficary Hit)
COLA (AAG) 3.5%

26.9

	7 Year
Medicare Cuts*	-288.2
Beneficary Cuts	-76
Number of Beneficiaries	39.876
Cuts per Beneficiary	1905.91
Increase in Cuts	552
FY SS Benefit (Median)	62395
COLA (Median Beneficiary)	2068
Cuts as a Percent of the Check	3.1%
Increase Cuts as Percent of COLA	26.7%
Effective New COLA	2.6%

* Based on Document "Options for Preserving Medicare" 5/11/95

House Budget: Option B

	7 Year
Medicare Cuts*	-288.2
Beneficary Cuts	-288.2
Number of Beneficiaries	39.876
Cuts Per Beneficiary	7227.40
Increase in Cuts	2092
FY SS Benefit (Median)	62395
COLA (Median Beneficiary)	2068
Cuts as a Percent of the Check	11.6%
Increase Cuts as Percent of COLA	101.2%
Effective New COLA	0.0%

* Based on Document "Options for Preserving Medicare" 5/11/95

0.5

House Budget: Option c

	7 Year
Medicare Cuts*	-288.2
Beneficary Cuts	-144.1
Number of Beneficiaries	39.876
Cuts Per Beneficiary	3614.00 3447
Increase in Cuts	1046
FY SS Benefit (Median)	62395
COLA (Median Beneficiary)	2068
Cuts as a Percent of the Check	5.8%
Increase Cuts as Percent of COLA	50.6%
Effective New COLA	1.7%

Δ Monthly to Annual

Effect of the Part B Premium on Social Security Checks in 2002

	Current Law	President's Budget 1/	House Budget 2/	New Bene House Budget	Senate Budget 3/
Monthly SS Check	$832	$832	$832	$832	$832
- Part B Premium	- 59	- 76	- 97	-117	- 96
Net SS Check	$773	$756	$735	$715	$736
Monthly COLA	$ 31	$ 31	$ 31	$ 31	$ 31
Premium Increase 4/	2	18	38	59	38
Premium Increase 5/	2	7	7	7	9
Net COLA Increase					

1/ Includes extension of 25 percent Part B premium and the MSP, SNF and HH extenders. Extension of the MSP provisions slightly lowers the premium that results from extension of the 25 percent rule because the MSP extension lowers Part B outlays.

2/ Includes the basic Part B premium. Does not include $20 additional increase in Part B premium for new beneficiaries or the income-related premium.

3/ Assumes premium of 31.5 percent. This is the maxiumum premium (assuming no other Part B proposals are enacted which will reduce Part B outlays and thus lower the actual Part B premium).

4/ Premium increases are made relative to the current law 2001 premium of $57.60.

5/ Premium increases are made relative to the previous year's premium for the respective policy.

Monthly Part B Premium Under House Budget

	1996	1997	1998	1999	2000	2001	2002
President's Budget 1/	$43.50	$47.80	$52.50	$57.60	$63.10	$69.30	$76.20
House Budget							
Basic Premium	$51.10	$66.10	$71.10	$76.10	$83.10	$90.10	$97.10
High Income Benes							
New Benes	51.10	66.10	71.10	96.10	103.10	110.10	117.10
HMO Benes							

1/ Includes extension of 25 percent Part B premium and the MSP, SNF and HH extenders. Extension of the MSP provisions slightly lowers the premium that results from extension of the 25 percent rule because the MSP extension lowers Part B outlays.

Effect of the Part B Premium on Social Security Checks in 200

	Current Law	President's Budget 1/	House Budget 2/	New Bene House Budget	Senate Budget 3/
Monthly SS Check	$832	$832	$832	$832	$832
- Part B Premium	- 59	- 76	- 97	-117	- 96
Net SS Check	$773	$756	$735	$715	$736
Monthly COLA	$ 31	$ 31	$ 31	$ 31	$ 31
Premium Increase 4/	2	18	38	59	38
Premium Increase 5/	2	7	7	7	9

1/ Includes extension of 25 percent Part B premium and the MSP, SNF and HH extenders. Extension of the MSP provisions slightly lowers the premium that results from extension of the 25 percent rule because the MSP extension lowers Part B outlays.

2/ Includes the basic Part B premium. Does not include $20 additional increase in Part B premium for new beneficiaries or the income-related premium.

3/ Assumes premium of 31.5 percent. This is the maxiumum premium (assuming no other Part B proposals are enacted which will reduce Part B outlays and thus lower the actual Part B premium).

4/ Premium increases are made relative to the current law 2001 premium of $57.60.

5/ Premium increases are made relative to the previous year's premium for the respective policy.

Effect of the Part B Premium on Social Security Checks in 2002

	President's Budget 1/	House Budget 2/	Senate Budget 3/
Soc Sec Check	$832	$832	$832
- Part B Premium	- 76	- 97	- 96
Net SS Check	$756	$735	$736

1/ Includes extension of 25 percent Part B premium and the MSP, SNF and HH extenders. Extension of the MSP provisions slightly lowers the premium that results from extension of the 25 percent rule because the MSP extension lowers Part B outlays.

2/ Includes the basic Part B premium. Does not include $20 additional increase in Part B premium for new beneficiaries or the income-related premium.

3/ Assumes premium of 31.5 percent. This is the maxiumum premium (assuming no other Part B proposals are enacted which will reduce Part B outlays and thus lower the actual Part B premium).

~~Cost~~

MD House 10 Oct Propos

Senate	2001	2002
COLA	344	375
PB Increase*		180
PB % of COLA		48.0%
PL +PB Increase		280
PL % of COLA		74.7%

75%

* Assumes extension of 25% Part B Premium

House	2001	2002
COLA	344	375
PB Increase*		180
PB % of COLA		48.0%
PL +PB Increase		395
PL % of COLA		105.3%

WOULD EFFECTIVELY Consumes

* Assumes extension of 25% Part B Premium

Senate	2001	2002
COLA	344	375
CL Increase		120
CL % of COLA		32.0%
PL +CL Increase		220
PL % of COLA		58.7%

Almost 60%

House	2001	2002
COLA	344	375
CL Increase		120
CL % of COLA		32.0%
PL +CL Increase		335
PL % of COLA		89.3%

nearly

ALL PROPOSALS

PLAN A

House Budget Plan A Savings Proposals 1/
(in billions)

	7-Year
Expand Choices for Medicare Beneficiaries	
1. Inform Beneficiaries	$ 0.0
2. Allow Plan Price Flexibility and Rebates	0.0
3. Establish Part A and Part B PPO	26.3
4. Allow Benes to Remain in Their Employer Plans	0.0
5. Lift the 50/50 Legislation	0.0
6. Allow Plans to Sell More Products	0.0
7. HMO Incentives to Contract	9.9
8. Stabilize MCO Payments & Population	0.0
9. Eliminate Part B Premium for Coordinated Care	0.0
10. Increase Premium for New Benes in Fee-for-Service	3.8
11. Increase Part B Deductible	15.2
12. Convert Medicare to a FEHBP-Like System	0.0
Eliminate Waste and Overpayments and Motivate Providers to Practice More Cost Effectively by Bringing Market Principles to Medicare	
13. Allow Benes to Share in Savings	0.0
14. High Cost Medical Staffs	6.0
15. Bundle Post-Acute Services	19.3
16. Competitive Bid for Lab and DME	1.6
17. OPD Limits	3.1
18. Readjust the MVPS (upward bias)	3.4
19. Reduce Payments to Physicians for Overhead	0.9
20. Eliminate FDO	16.0
21. Reduce GME	6.1
22. Reduce IME	21.1
23. Eliminate Payments for Bad Debts	2.7
24. Phase-out DSH Payments	28.8
25. Reduce Surgeon Conversion Factor to Primary Care	5.8
Increase Cost Consciousness and Reduce the Medicare Subsidy	
26. Reduce Medicare Subsidy to High Income Benes	18.0
27. HH Coinsurance, Lab Coinsurance	25.8
End Washington Budget Gaming by Permanently Extending Current Laws that are Set to Expire	
28. Freeze 1996 Doc Payments & Reduce Future Updates	2.5
29. Hospital Capital Excess Capacity Adjustment	5.4
30. Extend 10% Capital Reduction	7.0
31. Reduce Hospital Market Basket	25.9
32. Maintain Savings from SNF Limits	2.0
33. Maintain Savings from HH Limits	3.1
34. Increase Part B Premium	36.3
35. Permanently Extend OBRA-93 MSP Provisions	6.4
Subtotal	$302.4
Interactions	-14.4
Total	$288.0

1/ CBO pricing.

From LM
5/14/95

Savings Proposals only

House Budget Plan A Savings Proposals for Part A 1/

(in billions)

3.	Establish Part A and Part B PPO 2/	16.3
7.	HMO Incentives to Contract 3/	5.4
15.	Bundle Post-Acute Services	19.3
21.	Reduce GME	6.1
22.	Reduce IME	21.1
23.	Eliminate Payments for Bad Debts	2.7
24.	Phase-out DSH Payments	28.8
27.	HH Coinsurance 4/	19.0
29.	Hospital Capital Excess Capacity Adjustment	5.4
30.	Extend 10% Capital Reduction	7.0
31.	Reduce Hospital Market Basket	25.9
32.	Maintain Savings from SNF Limits	2.0
33.	Maintain Savings from HH Limits	3.1
35.	Permanently Extend OBRA-93 MSP Provisions 5/	4.0
Subtotal		$166.1
Interactions		- 9.6
Total		$156.5
Total Savings		$288.0
54.3%		

1/ CBO pricing.

2/ Savings are allocated 62 percent to Part A and 38 percent to Part B based on the FY 1996 CBO distribution of Part A and Part B expenditures.

3/ HMO savings are allocated 55 percent to Part A and 45 percent to Part B based on 1995 actual HMO disbursements.

4/ Savings are allocated based on CBO pricing of similar provisions in HSA.

5/ Savings are allocated 62 percent to Part A and 38 percent to Part B based on the FY 1996-02 distribution of OACT scoring for MSP extenders.

House Budget Plan A Savings Proposals 1/
Distribution of Savings

Total	$288.0	100.0%
Beneficiaries	95.0	33.0%
Hospitals	130.3	45.2%
Physicians	22.6	7.8%
SNFs/HH	22.2	7.7%
Other	17.9	6.2%

Rest = Part A

House Budget Plan A

Beneficiary Savings Proposals 1/

(in billions)

= Part B

	7-Year
10. Increase Premium for New Benes in Fee-for-Service	3.8
11. Increase Part B Deductible	15.2
26. Reduce Medicare Subsidy to High Income Benes	18.0
27. HH Coinsurance, Lab Coinsurance	25.8
34. Increase Part B Premium	36.3
Subtotal	$ 99.1
Interactions	- 4.1 2/
Total	$ 95.0

1/ CBO pricing.

Total Benef.

2/ Assumes that 28 percent of interactions are for beneficiary proposals.

House Budget Plan A
Beneficiary Savings Proposals 1/
(in billions)

	7-Year
11. Increase Part B Deductible	15.2
27. HH Coinsurance, Lab Coinsurance	25.8
34. Increase Part B Premium	36.3
Subtotal	$ 77.3
Interactions	- 1.3 2/
Total	$ 76.0

1/ CBO pricing.

2/ Assumes that 9 percent of total interactions are for these beneficiary proposals.

Part B Beneficiary

House Budget Plan A
Other Savings Proposals 1/
(in billions)

Other	7-Year
7. HMO Incentives to Contract	$ 9.9
16. Competitive Bid for Lab and DME	1.6
35. Permanently Extend OBRA-93 MSP Provisions	6.4
Total	$17.9

1/ CBO pricing.

House Budget Plan A
SNF/HH Savings Proposals 1/
(in billions)

	7-Year
SNFs/HH	
15. Bundle Post-Acute Services	19.3
32. Maintain Savings from SNF Limits	2.0
33. Maintain Savings from HH Limits	3.1
Subtotal	$24.4
Interactions	- 2.2 2/
Total	$22.2

1/ CBO pricing.

2/ Assumes that 15 percent of interactions are for hospital proposals.

House Budget Plan A
Physician Savings Proposals 1/
(in billions)

	7-Year
Physician	
3. Establish Part A and Part B PPO 2/	4.7
14. High Cost Medical Staffs	6.0
18. Readjust the MVPS (upward bias)	3.4
19. Reduce Payments to Physicians for Overhead	0.9
25. Reduce Surgeon Conversion Factor to Primary Care	5.8
28. Freeze 1996 Doc Payments & Reduce Future Updates	2.5
Subtotal	$23.3
Interactions	- 0.7 3/
Total	$22.6

1/ CBO pricing.

2/ 18 percent of savings from the PPO are allocated to physicians, 82 percent to hospitals. This is based on the FY 1996 CBO split between physician and hospital spending, and reflects the shares relative to the physician savings net of the behavioral offset.

3/ Assumes that 5 percent of interactions are for physician proposals.

From IRA
5/95

House Budget Plan A
Hospital Savings Proposals 1/
(in billions)

	7-Year
Inpatient Hospital	
3. Establish Part A and Part B PPO 2/	21.6
21. Reduce GME	6.1
22. Reduce IME	21.1
23. Eliminate Payments for Bad Debts	2.7
24. Phase-out DSH Payments	28.8
29. Hospital Capital Excess Capacity Adjustment	5.4
30. Extend 10% Capital Reduction	7.0
31. Reduce Hospital Market Basket	25.9
Subtotal	118.6
Outpatient Hospital	
17. OPD Limits	3.1
20. Eliminate FDO	16.0
Subtotal	19.1
Subtotal	$137.7
Interactions	- 7.4 3/
Total	$130.3

Total Hospitals.

1/ CBO pricing.

2/ 82 percent of savings from the PPO are allocated to hospitals, 18 percent to physicians. This is based on the FY 1996 CBO split between physician and hospital spending, and reflects the shares relative to the physician savings net of the behavioral offset.

3/ Assumes that 51 percent of interactions are for hospital proposals.

Plan A

Plausible Year-By-Year Beneficiary Proposal Savings

	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	
Incr Pt B Deductible	$0.8	$1.9	$2.1	$2.3	$2.5	$2.7	$2.9	$15.2
HH/Lab Coinsurance	1.1	2.2	2.4	4.3	4.8	5.3	5.7	25.8
Interaction	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	0.3	1.3
CY Part B Monthly Premium Increase	$5	$5	$5	$5	$7	$7	$7	25.8

House Budget Plan C First Level Savings Proposals Affecting Part A 1/
(in billions)

	7-Year
27. HH Coinsurance, Lab Coinsurance	19.0
31. Reduce Hospital Market Basket	25.9
15. Bundle Post-Acute Services	19.3
30. Extend 10% Capital Reduction	7.0
32. Maintain Savings from SNF Limits	2.0
33. Maintain Savings from HH Limits	3.1
35. Permanently Extend OBRA-93 MSP Provisions	4.0
Subtotal	$ 80.3
Interactions	- 3.0 2/
Total	$ 77.3
Total Savings	$145.0
53.3%	142.2

1/ CBO pricing.

2/ Estimated interactions between extension of SNF/HH limits and post-acute bundling and and hospital market basket and capital.

House Budget Plan C First Level Savings Proposals 1/
(in billions)

	7-Year
27. HH Coinsurance, Lab Coinsurance	25.8
31. Reduce Hospital Market Basket	25.9
15. Bundle Post-Acute Services	19.3
14. High Cost Medical Staffs	6.0
28. Freeze 1996 Doc Payments & Reduce Future Updates	2.5
30. Extend 10% Capital Reduction	7.0
32. Maintain Savings from SNF Limits	2.0
33. Maintain Savings from HH Limits	3.1
34. Increase Part B Premium	36.3
35. Permanently Extend OBRA-93 MSP Provisions	6.4
11. Increase Part B Deductible	15.2
Subtotal	$149.5
Interactions	- 4.5 2/
Total	$145.0

1/ CBO pricing.

2/ Estimated interactions between Part B deductible and 20 percent lab coinsurance, between extension of SNF/HH limits and post-acute bundling and between high cost medical staffs and freeze 1996 physician update

House Budget Plan C
First Level Savings Proposals By Category 1/

Beneficiaries	
27. HH Coinsurance, Lab Coinsurance	25.8
34. Increase Part B Premium	36.3
11. Increase Part B Deductible	15.2
Subtotal	$77.3
Interactions	- 1.3 2/
Total	$76.0
Hospitals	
31. Reduce Hospital Market Basket	25.9
30. Extend 10% Capital Reduction	7.0
Subtotal	$32.9
Interactions	- 0.8 2/
Total	$32.1
Physicians	
14. High Cost Medical Staffs	6.0
28. Freeze 1996 Doc Payments & Reduce Future Updates	2.5
Subtotal	$ 8.5
Interactions	- 0.2 2/
Total	$ 8.3
SNFs/HH	
15. Bundle Post-Acute Services	19.3
32. Maintain Savings from SNF Limits	2.0
33. Maintain Savings from HH Limits	3.1
Subtotal	$24.4
Interactions	- 2.2 2/
Total	$22.2
Other	
35. Permanently Extend OBRA-93 MSP Provisions	6.4

House Budget Plan C Savings Proposals 1/
Distribution of Savings

Total	$145.0	100.0%
Beneficiaries	76.0	52.4%
Hospitals	32.1	22.1%
Physicians	8.3	5.7%
SNFs/HH	22.2	15.3%
Other	6.4	4.4%