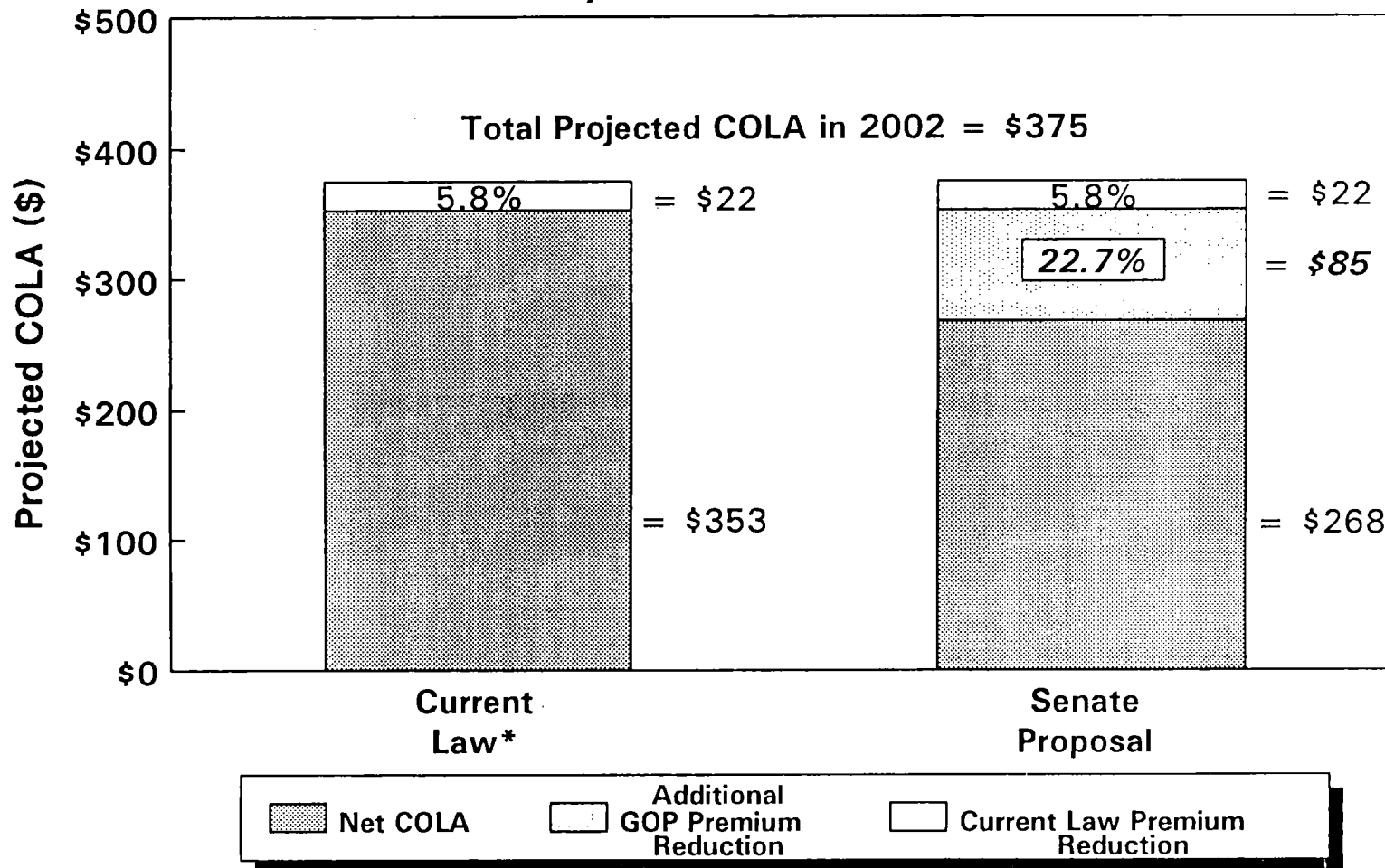


Senate Medicare Premium Proposals Would Consume Over 20% of Social Security Beneficiaries' Expected COLA Increase By the Year 2002

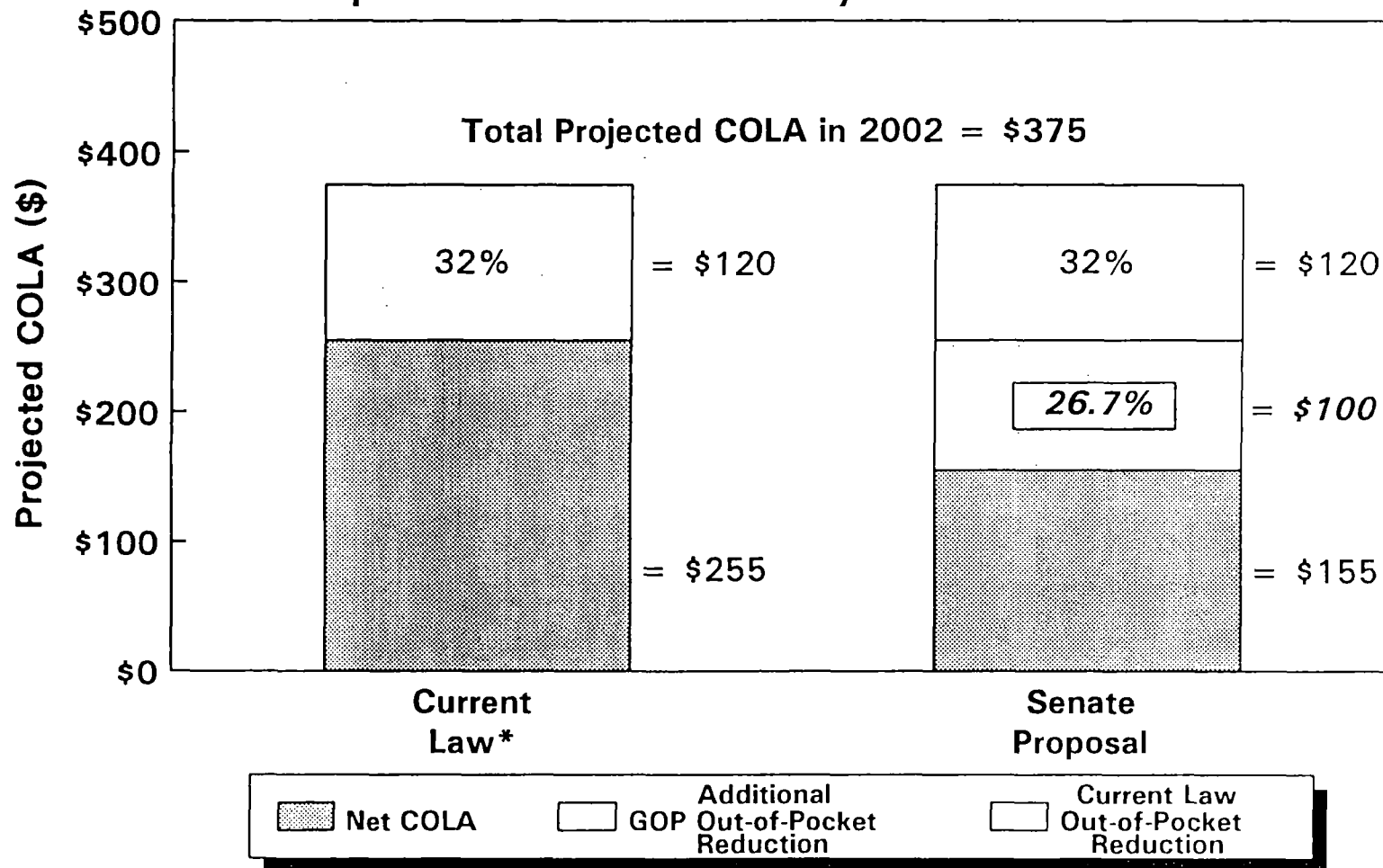


* Does NOT include President's Budget Proposal to Maintain Part B Premium at 25% of Program Costs

Source: DHHS Estimates

Note: Assumes \$256 Billion in Total Savings Over 7 Years, with 50% of Cuts Affecting Beneficiaries.

Senate Medicare Out-of-Pocket Proposals Would Effectively Consume Over 25% of a Social Security Beneficiary's Expected COLA Increase by the Year 2002



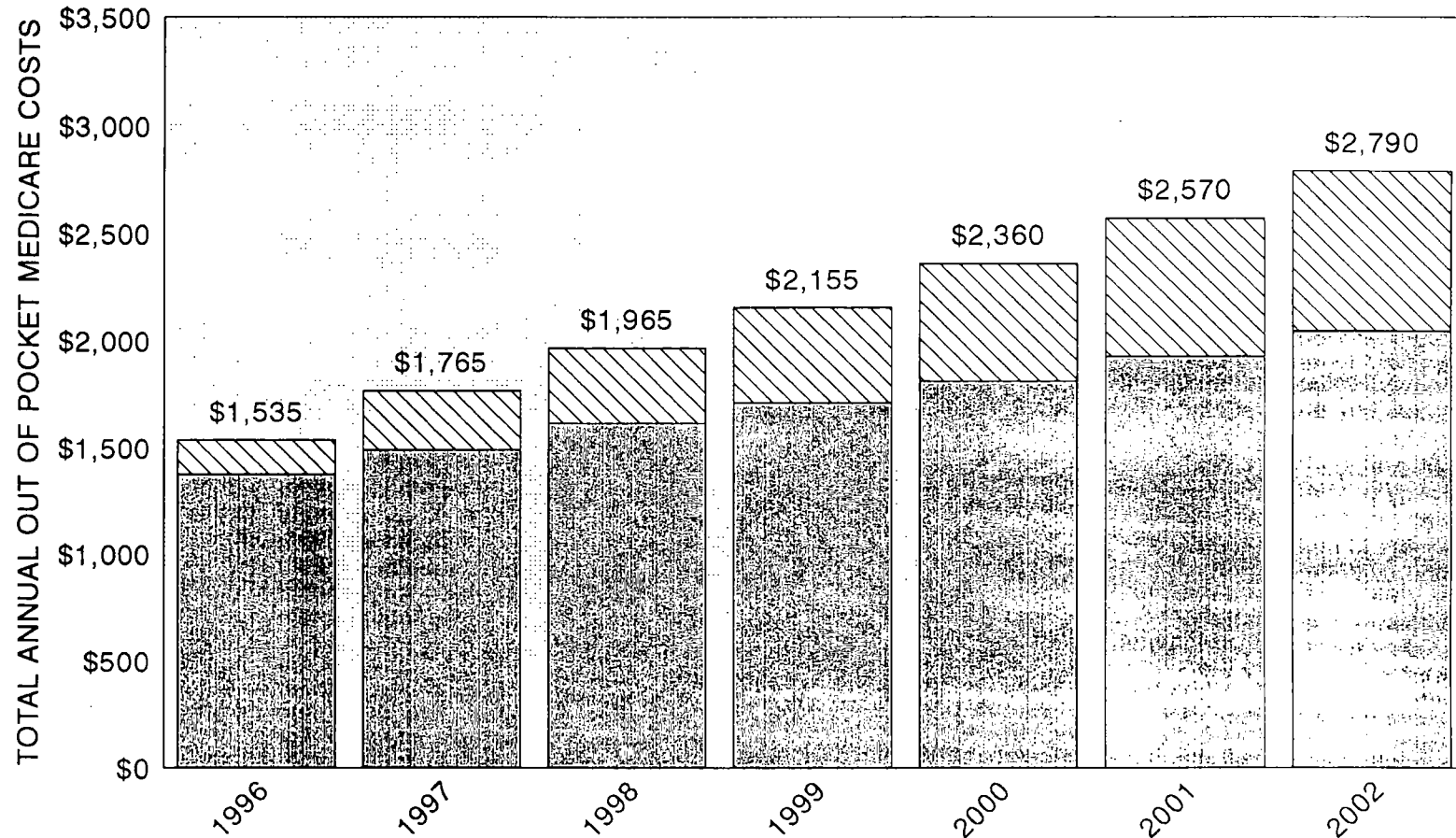
* Does NOT include President's Budget Proposal to Maintain Part B Premium at 25% of Program Costs

Source: DHHS Estimates

Note: Assumes \$256 Billion in Total Savings Over 7 Years, with 50% of Cuts Affecting Beneficiaries.

SENATE REPUBLICANS' PROPOSED MEDICARE CUTS HURT AMERICA'S SENIORS

SENIORS' ANNUAL OUT-OF-POCKET MEDICARE COSTS WOULD INCREASE MORE THAN \$3,100



Proposed Increase		\$160	\$275	\$350	\$445	\$550	\$645	\$745
Current Law Costs		\$1,375	\$1,490	\$1,615	\$1,710	\$1,810	\$1,925	\$2,045

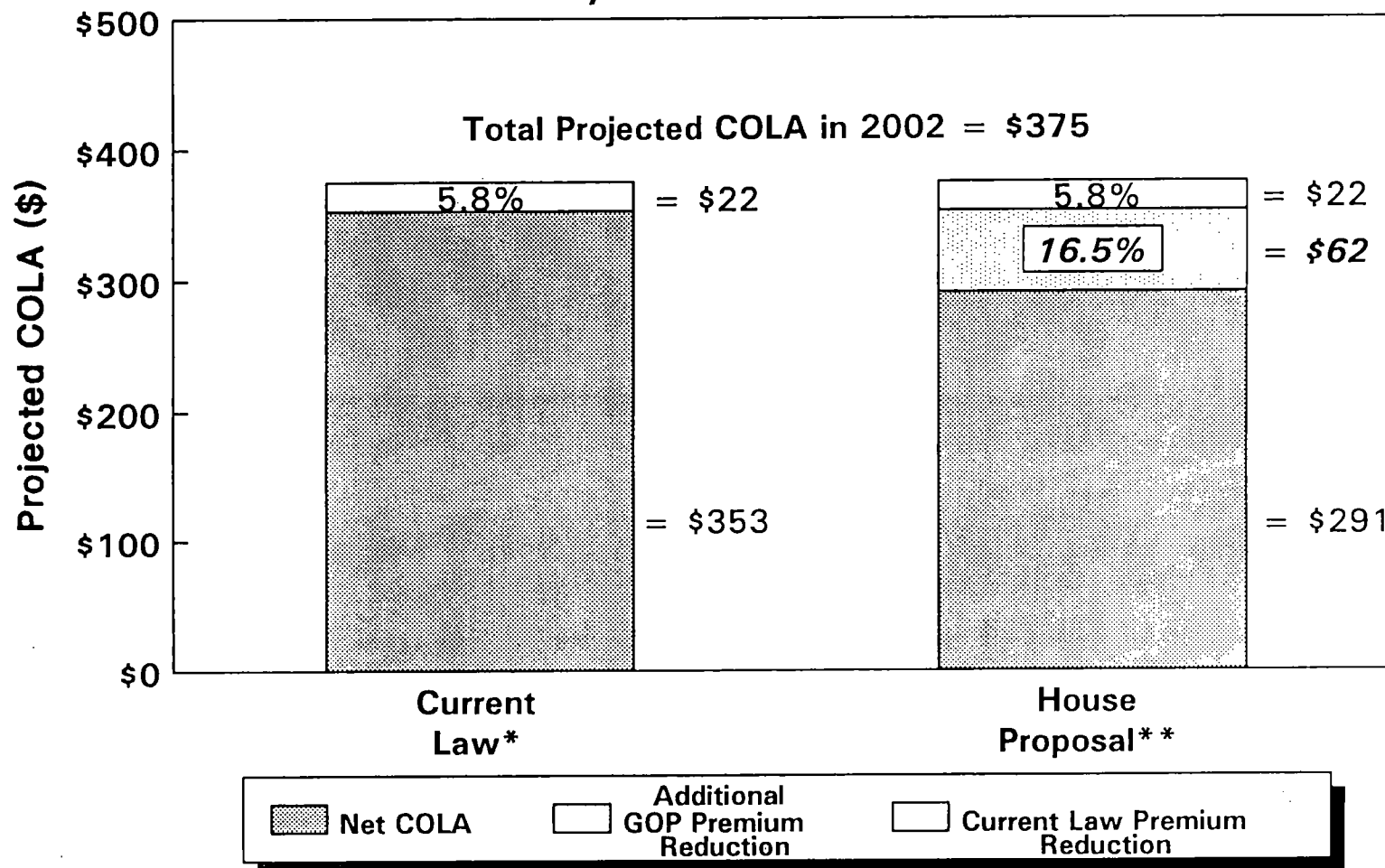
FISCAL YEAR

Assumes \$256 billion total savings over 7 years, with 50% of cuts affecting out-of-pocket costs.

Out-of-pocket costs include: Part A and B copayments and deductibles, and Part B premiums.

Source: Health Care Financing Administration

House Medicare Premium Proposals Would Consume Over 15% of Social Security Beneficiaries' Expected COLA Increase By the Year 2002



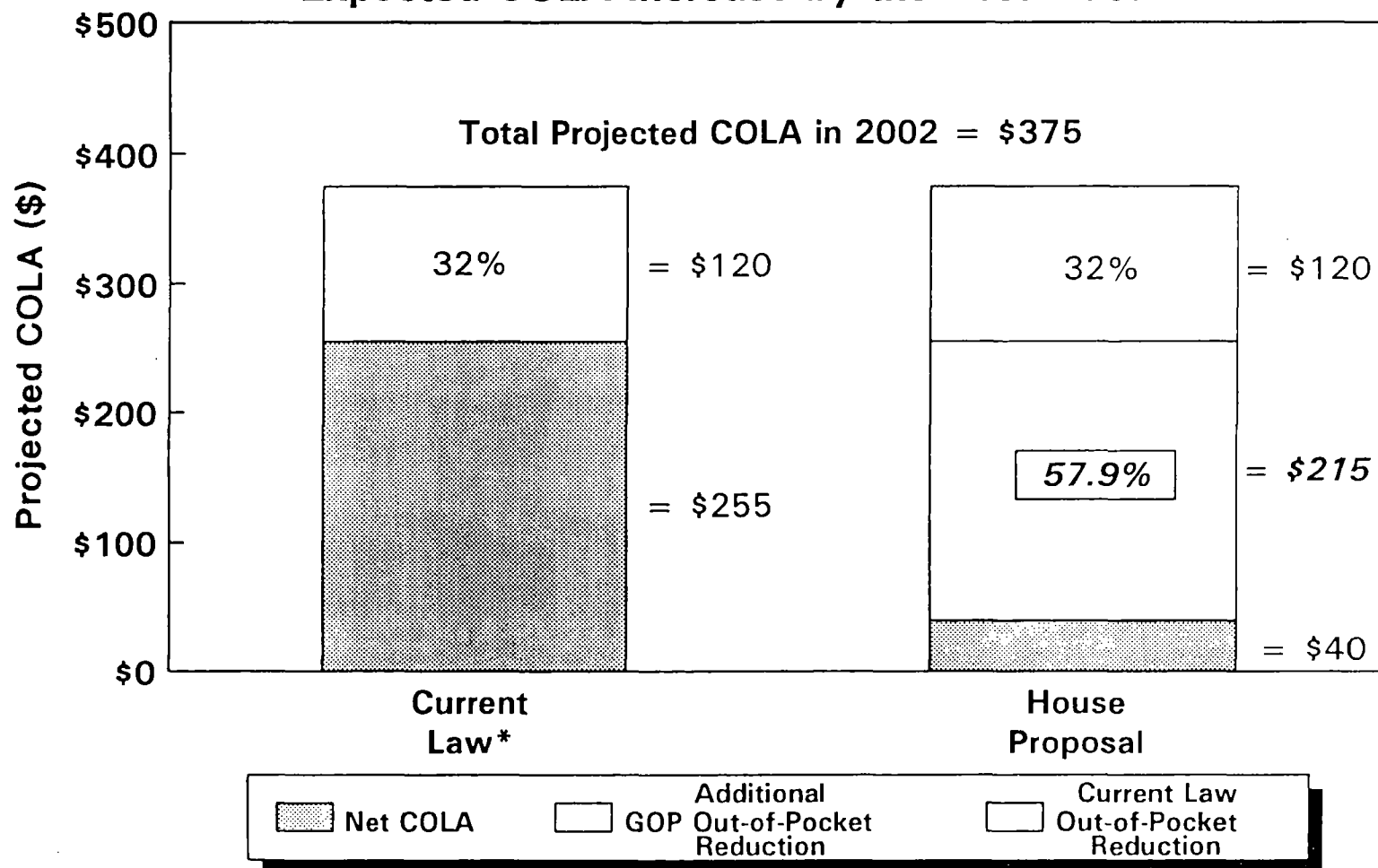
* Does NOT Include PB 25% Premium Extension Proposal

** Does NOT Include Effect of Proposal to Means Test Premium

Source: DHHS Estimates

Note: Assumes \$288 Billion in Total Savings Over 7 Years, with 50% of Cuts Affecting Beneficiaries. Technical Reestimates May Result in a 7-Year Total that is Slightly Different.

House Medicare Out-of-Pocket Proposals Would Effectively Consume Nearly 60% of a Social Security Beneficiary's Expected COLA Increase by the Year 2002



* Does NOT include President's Budget Proposal to Maintain Part B Premium at 25% of Program Costs

Source: DHHS Estimates

Note: Assumes \$288 Billion in Total Savings Over 7 Years, with 50% of Cuts Affecting Beneficiaries. Technical Reestimates May Result in a 7-Year Total that is Slightly Different.