



Democratic Budget Shows Commitment To Health Care Reform

Spending on health care represents the fastest growing area of the American economy and our federal budget. Our nation currently spends \$2.5 trillion a year on health care – 17.6% of our GDP – and spending on Medicare and Medicaid has grown to \$422 billion and \$255 billion, respectively. Without any change, government projections estimate that by 2018, healthcare spending will rise to \$4.4 trillion – more than one-fifth of the economy – and the government share of that cost will be more than 50 percent. America faces many serious challenges, but the rising cost of health care represents one of the greatest threats to our economic growth and long-term fiscal stability. [Centers for Medicare and Medicaid Services]

Democrats Aim to Lessen the Burden on American Families

“By a wide margin, the biggest threat to our nation's balance sheet is the skyrocketing cost of health care. It's not even close.”

– President Barack Obama, 3/5/09

“The skyrocketing cost of health care is squeezing families, burdening business and represents one of the greatest threats to America's long-term fiscal stability. We simply cannot afford the cost of doing nothing.”

– House Majority Leader Steny H. Hoyer, 3/5/09

“The President's budget...takes on topics that earlier budgets have found too tough to tackle, like health care for the millions of Americans without insurance.”

– Chairman John Spratt, 3/25/09

The Democratic budget demonstrates a commitment to reducing out-of-control health care costs, including deficit neutral reform that will expand coverage, improve quality, and preserve choice of plan and provider. The budget seeks to lower costs with a focus on prevention, up-to-date information technology, and national research on the effectiveness of treatments. While considering these issues, Democrats also recognize the need to reform entitlement programs – Medicare and Medicaid – to lower costs and improve the programs by increasing efficiency and quality.

The Democratic budget supports the President's goals for health care reform, taking appropriate action to address rising costs and develop a long-term plan for success:

- **Supports broad health care reform** – Improves quality, expands coverage, and confronts the rising costs that create so much budget pressure for families, businesses, and government.
- **Builds on current system of private and public insurance coverage** – Emphasizes making health care affordable, improves safety and quality, makes coverage available to all, and provides Americans with a choice of health plans and physicians, including the opportunity to keep their current health plan.
- **Assumes that health care reform will be paid for so that it does not add to the federal deficit.**
- **Provides reconciliation instructions** as a fallback option to consider health care reform in the event that Congress has not acted by the fall.