

SENATOR CONRAD'S SOCIAL SECURITY AND MEDICARE OFF-BUDGET LOCKBOX ACT OF 2001

This legislation would establish a Social Security and Medicare lockbox to protect both Social Security and Medicare surpluses from being raided to pay for other programs or tax breaks. It would take the Medicare Hospital Insurance Trust Fund completely off-budget, and it would add points of order to ensure that neither Social Security nor Medicare surpluses could be used for any other purposes.

Social Security is already off-budget. This legislation would treat Medicare just as we already treat Social Security. It would also create points of order against any legislation that would reduce Medicare Hospital Insurance Trust Fund surpluses. Similar points of order already apply for Social Security.

In addition, the legislation would protect Medicare from across-the-board cuts that could be triggered if Congress exceeds other budgetary limits. Under the current "pay-as-you-go" law, if Congress raids surpluses either for tax breaks or mandatory spending, Medicare is subject to automatic spending cuts. That would end under our Social Security and Medicare Lockbox.

The legislation also strengthens existing rules that protect Social Security. For example, we would establish a supermajority point of order against any measure that would put Social Security back on-budget, or that would violate the prohibition against including Social Security in a budget resolution. We further strengthen existing law by requiring every budget resolution to include Social Security totals for each year covered in the resolution, and then establishing a point of order to protect those funds in each year. This would be an improvement over current law, which protects Social Security surpluses in the first year of a budget resolution, and for the entire period of the resolution, but not in each individual year.