

United States Senate
WASHINGTON, DC 20510

For Immediate Release:
Tuesday, June 09, 2009

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**BUDGET COMMITTEE LETTER TO CBO ASKS:
WHAT REFORM POLICIES WILL ADDRESS LONG-TERM FISCAL
IMBALANCE?**

Washington—Chairman and ranking member of the U.S. Senate Budget Committee Kent Conrad (D-ND) and Judd Gregg (R-NH) sent a joint letter to the Congressional Budget Office (CBO) asking for an analysis that describes health care reform policies that would put the budget on a more sustainable trajectory by slowing the growth of health costs. As Congress begins to consider health care reform, both Senators seek to adopt policies that strengthen the quality of health care and increase coverage for Americans, while at the same time improving the long-term outlook for the federal budget.

In their request, Senators Conrad and Gregg asked CBO to report back to them regarding options for health care reform consistent with the goal of addressing the nation's unsustainable long-term budget outlook. The letter also requested information on policies that could potentially exacerbate the long-term fiscal challenge.

“Health care reform should expand coverage, preserve choice, and improve the quality of care,” said Senate Budget Committee Chairman Kent Conrad (D-ND). “But it is critical that reform also bend the cost curve of health care over the long-term. We cannot afford to make changes that would worsen our long-term budget outlook.”

Senator Gregg stated, “As it now stands, about 17% of our nation's economy involves health care, an amount that totals more than \$8,000 for every person in the U.S. annually. In the long term, the U.S. faces more than \$38 trillion in Medicare obligations that we don't know how to pay for. Reform of the health care system is a must, but any policy we adopt to help families today must also take into account the future families of our children and grandchildren. It is simply unacceptable to keep asking the next generation to pay our bills. I look forward to CBO's thoughtful analysis to help us address the current crisis of health reform at the same time we curb runaway growth down the road.”

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United States Senate

COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510-6100

June 8, 2009

Dr. Doug Elmendorf
Director, Congressional Budget Office
4th Floor, Ford House Office Building
Washington, DC 20515

Dear Director Elmendorf:

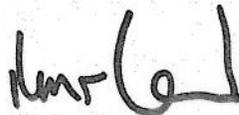
We write to request a Congressional Budget Office (CBO) analysis of policies that Congress could consider as part of health care reform that have the potential to most effectively bend the health care cost curve over the long-term.

As we all know, one principal motivation for health care reform is that rising federal spending on health programs is the most significant contributing factor in putting the federal budget on an unsustainable path. Many experts believe that a significant share of health care spending – perhaps as much as 30 percent – does not contribute to better health outcomes. Done appropriately, health reform holds the promise of slowing the growth of health costs without harming Americans' health and improving the long-term outlook for the federal budget. To accomplish this goal, health reform will need to spur significant changes in how medical care is delivered and financed in this country.

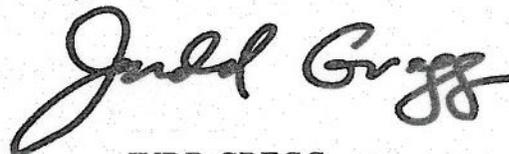
To ensure that health reform meets these goals, we believe Congress must have the best information available to evaluate whether health care reform proposals will truly bend the cost curve over time. We request that CBO provide us with an analysis that describes policies that put the budget on a more sustainable trajectory over the long term. We are most interested in policies that reduce spending growth, improve quality and which CBO can estimate, but this analysis should also include ideas that have potential to transform the health care system in ways that reduce spending growth and improve quality, but may be difficult to score. We would also like information on the types of policies that would bend the cost curve in the wrong way, thereby making the long-term budget situation worse.

Because legislative action on health reform is likely to occur this month, I ask that CBO respond to this request by Tuesday, June 16. Thank you for your attention to this matter.

Sincerely,



KENT CONRAD
Chairman
Senate Budget Committee



JUDD GREGG
Ranking Member
Senate Budget Committee