

**United States Senate**  
WASHINGTON, DC 20510

FOR IMMEDIATE RELEASE  
June 16, 2009

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**STATEMENT BY SENATE BUDGET COMMITTEE CHAIRMAN  
KENT CONRAD (D-ND) AND RANKING MEMBER JUDD GREGG (R-NH) ON  
CBO LETTER ON HEALTH REFORM AND THE LONG-TERM BUDGET**

“CBO’s letter, which we requested, shows that it will not be enough to simply offset the cost of health reform over the next ten years. We must also ensure that reform bends the cost curve on health care over the long-term.

“Most importantly, CBO is telling Congress that, without fundamental changes in the organization and delivery of health care services, many current proposals to expand coverage would likely worsen our long-term budget outlook, rather than improve it.

“CBO finds that paying for health reform over the next ten years doesn’t guarantee long-term savings. Any expansion of insurance coverage under a health reform bill would be phased in over time, so the 10-year budget window is not the best indicator of its ultimate cost. Further, any offsetting savings enacted outside of the health care system would likely fail to keep up with the rising cost of health care. To avoid problems down the road, we should be primarily focused on finding savings within the health care system, that will grow over the long-term.

“CBO also identifies two powerful ways that the federal government has to encourage long-term health care savings: by changing Medicare payment rules to transform the practice of health care and by changing the tax exclusion for employer-sponsored health insurance. Both of these changes have the potential to improve incentives for more efficient care in the overall health system.

“Our nation’s fiscal future is on the line. We have a tremendous opportunity to adopt health care reform that will expand coverage, preserve choice, and improve quality. But we should not enact any health care reform that does not also reduce federal spending over the long term compared to our current unsustainable course.”

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