



BUDGET COMMITTEE

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**Senator Gregg: House Democrats' Rules Package
Makes Entitlement Reform More Difficult, but Spending Easier
*Democrats Eliminate Medicare Trigger and Weaken Pay-Go***

Senator Judd Gregg, ranking member of the Senate Budget Committee, today commented on a move by House Democrats yesterday to make entitlement reform more difficult by eliminating procedures for House consideration of Medicare “trigger” legislation. The Medicare “trigger” is a mechanism that would force Congress to address the program’s pending insolvency. They also further weakened House Pay-Go rules to make spending much easier.

“As the Medicare Trustees have twice warned us, Medicare is in serious trouble,” said Senator Gregg. “As the law indicates, it is Congress’ responsibility to correct Medicare’s dire fiscal situation, not kick the can down the road to our children and grandchildren, who will be in no position to pay the bill.”

House Democrats included a provision in their rules package for the 111th Congress stating the trigger “shall not apply;” that package passed the House yesterday, 242-181. The leadership’s fact sheet on the rules package ironically called the move “Medicare cost containment.”

“Despite all of the rhetoric from the majority about the need to address the \$66 trillion in unfunded obligations – and Medicare represents more than half of that – the House Democrats’ action speaks louder than words. The attempt to bury this problem in the sand is utterly irresponsible and hypocritical, especially at time when Democrats should be showing strong and decisive leadership on economic and fiscal matters. If long-term entitlement reform continues to be ignored, today’s severe economic crisis will pale in comparison to the tidal wave of unfunded obligations we face.”

The Medicare Modernization Act of 2003 says that if 45 percent or more of Medicare’s funding comes from general tax revenues for two years in a row, the President is required to submit to Congress, and Congress debate, legislative proposals to restore the program to fiscal solvency. The trigger kicked in last year, but Democrats dismissed the President’s proposal and eliminated the requirement for a House vote with a rule similar to the one House Democrats passed yesterday.

The House rules package also contained provisions to further weaken House Pay-Go rules. One change to the rules would allow savings from one bill to be used to offset the costs of another bill, effectively allowing members to vote yes on the spending and no on the offset. The other created an emergency designation similar to what exists in the Senate, so that direct spending and revenue bills can be exempted from Pay-Go.

“It appears the House Democrats’ first order of business was to rewrite the rules so that spending becomes easier while the difficult choices of entitlement reform become even more difficult to accomplish,” said Senator Gregg. “That is not responsible stewardship of taxpayer dollars.”