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Bush budget forecasts Medicare hike

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Many Medicare participants would pay higher premiums if President George W. Bush's budget proposals become law.

The budget Bush sent to Congress yesterday calls for some of the deepest cuts to Medicare in recent years. It's expected to save \$66 billion over five years.

Under the budget, wealthier Americans would pay higher premiums for the Part D prescription drug plan, as they do now for the Part B doctor and outpatient services. Also, a growing number of Americans would be subject to this premium surcharge because the threshold would no longer be indexed to inflation.

The proposal comes as government officials grow increasingly worried about the financial solvency of entitlement programs, such as Medicare and Social Security. Federal Reserve Chairman Ben Bernanke warned in a Senate hearing last month that spending on these programs will swell in coming years as Baby Boomers reach retirement. This will put great pressure on the federal budget.

"As the Baby Boom generation retires, we will not be able to afford ever-growing spending on Social Security, Medicare and Medicaid," Louisiana Rep. Jim McCrery, the top Republican on the House Ways and Means Committee, said yesterday. "We must reform these programs in order to save them."

But the cutbacks got a chilly reception from Democrats in Congress, which must approve the measures.

Some senior citizens are already paying more for Medicare. Single beneficiaries earning more than \$80,000 started paying a surcharge on their Part B premiums this year. The surcharge ranges from \$12.30 for those making \$80,000 to \$100,000 to \$67.90 for those making more than \$200,000. The income levels are doubled for couples. This affects about 10 percent of the Medicare population, or 4 million people, said David Certner,

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AARP's legislative policy director.

Under the Bush budget, there would be a similar surcharge on the Part D premiums for wealthier Americans. Also, more and more people would be subject to this premium, because the Bush plan also eliminates the indexing of the threshold for inflation.

"This is further movement towards breaking up national health insurance available for older people," said Judith Stein, executive director of the Center for Medicare Advocacy.

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