

Medicare Maladies

A Series that Exposes the Dangerous Elements of the Medicare Bill currently in Committee

MM #22: Dude, Where's My \$400 Billion?

That estimate of Medicare “reform” proposals pending before Congress is gone, man.

But there are new figures—and they're even higher.

Here's how: On June 27, the House and Senate approved separate proposals that would add prescription drugs to Medicare as an entitlement. The bills' sponsors said it would cost \$400 billion over the next 10 years.

But on July 22, the Congressional Budget Office offered a different estimate. It said the Senate drug provisions would cost \$432 billion from 2004-2013. The House's drug provisions would be \$425 billion in the same period.

This isn't a slight discrepancy, notes Heritage Foundation health-care expert Derek Hunter in an Aug. 12 paper. In less than a month, the government changed how much these Medicare bills will cost you, the taxpayer, by as much as \$32 billion.

Maybe more: Heritage experts have found that these bills, which are being hammered into one by a Capitol Hill committee, could cost taxpayers \$2 trillion by 2030. That's 12 zeros, folks. To put it another way, households would pay \$3,980 in 2030 in taxes just for Medicare.

No one knows what the final costs of these Medicare bills will be, Hunter writes. But one thing is clear: “Over time, the costs of administration and congressional proposals to add a Medicare prescription entitlement have all gone in one direction: up.”

Read more of Hunter's paper and other Heritage Medicare research at heritage.org.

For more information or to receive an e-mail version of “Medicare Maladies,” contact medicaremaladies@heritage.org or call Heritage Media Services at (202) 675-1761.

(“Medicare Maladies” is a regular feature, launched 7/14/03, from The Heritage Foundation. Sad to say, there's another malady coming your way tomorrow. Daily “maladies” are also available on heritage.org.)