



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

TO: Reporters & Editors
RE: CBO cost estimate of the Medicare prescription drug bill
DA: Wednesday, July 21, 2004

Sen. Chuck Grassley, Chairman of the Committee on Finance, issued the following comment on the report issued today by the Congressional Budget Office titled "A Detailed Description of the CBO's Cost Estimate for the Medicare Prescription Drug Benefit."

"Congress hit a bull's eye. Congress approved \$400 billion for the Medicare bill. The Congressional Budget Office confirms with this report that the net budgetary impact of the drug benefit is \$400 billion over ten years. Combined with \$6 billion in net savings from other provisions in the Medicare bill, the net budgetary impact for the Medicare Modernization Act remains at \$394 billion over ten years, which is exactly the score that the Congressional Budget Office provided members of Congress before the final vote last November. The report underscores that Congress had the true cost estimate for the Medicare prescription drug bill before that vote.

"Today's report details the thorough analysis and careful process used by the Congressional Budget Office in developing the cost estimate that Congress relied upon, and by law, Congress relies on the Congressional Budget Office. It's abundantly clear that the Congressional Budget Office considered multiple factors that could affect its estimate. With this report, the Congressional Budget Office has, once again, affirmed its cost estimate for the Medicare drug benefit."