



BUDGET COMMITTEE

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Senator Gregg: Congress Must Take Action to Keep Entitlements Solvent *Trustees' Report Triggers Medicare Funding Warning for Third Straight Year*

“Today’s annual reports from the Medicare and Social Security Trustees indicate that the looming entitlement crisis is no ‘phony’ issue, as some Democrats have stated, but a very real problem that is on our doorstep.

“Medicare’s hospital insurance fund, which covers beneficiaries’ most expensive health care costs, is expected to be bankrupt in just 11 years. The Trustees predict Medicare will need to draw more than 45% of its funds from the Treasury general fund coffers within the next 7 years, a warning which is being issued for the third year in a row.

“The leadership of the Democratic Congress needs to take this seriously, and not put off action for political reasons in an election year. Medicare represents more than half of the \$66 trillion long-term unfunded obligation that we face in the entitlement arena, debt that will be passed directly on to our children and grandchildren.

“Prompted by the funding warnings issued for the past consecutive two years, the President has sent Congress a reasonable reform proposal that tries to address the key weaknesses of the Medicare program. I introduced this proposal in the Senate last month, and despite the majority’s label of ‘dead on arrival,’ I would hope that it will be given fair consideration, for the sake of future generations.

“But even if the Democratic Congress continues to sit on its hands this year, today’s funding warning will require that the next President submit a Medicare reform plan to Congress. This crisis is getting closer and closer, and trying to kick the can down the road will not make it go away.”