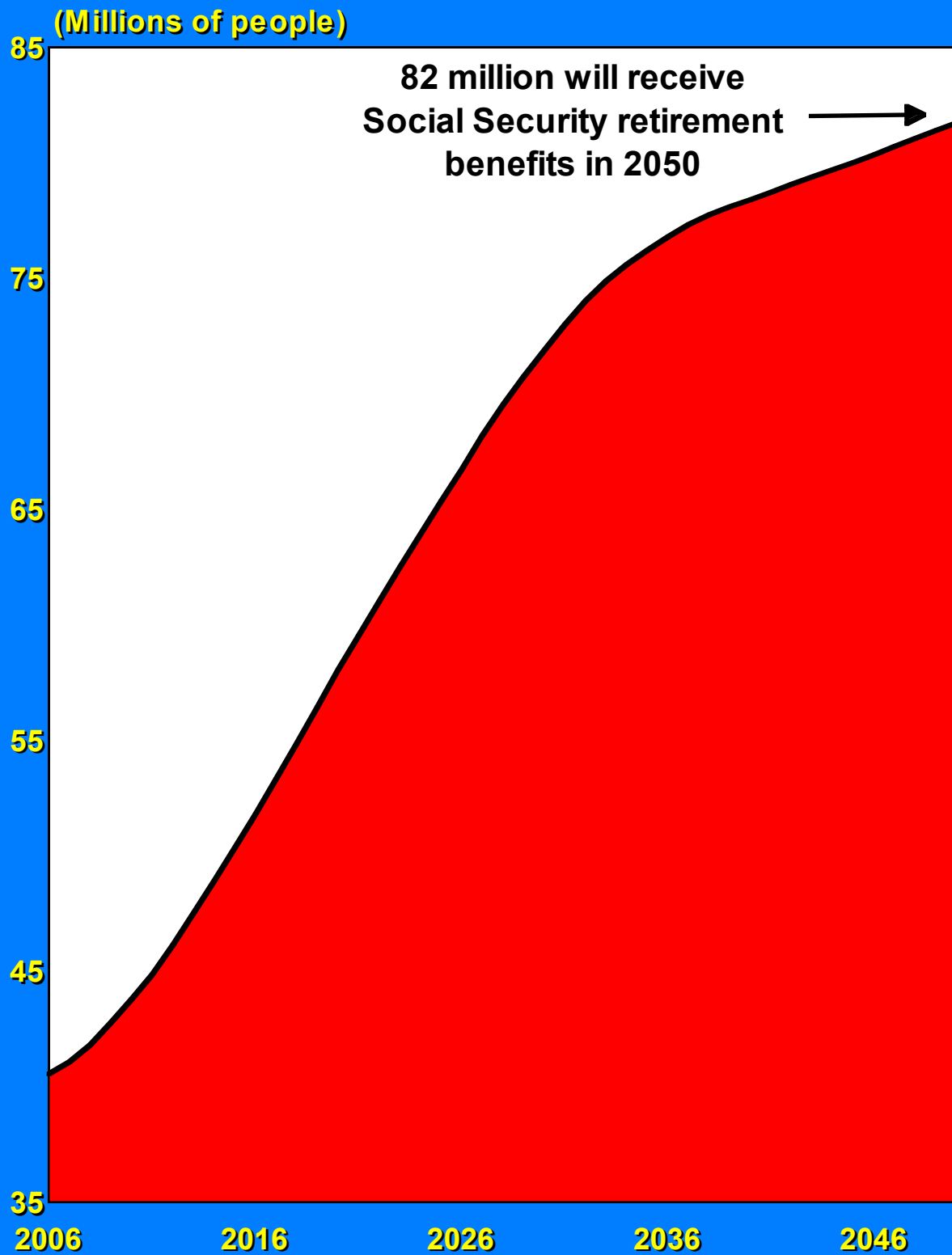


Number of Social Security Beneficiaries Explodes with Retirement of Baby Boom Generation

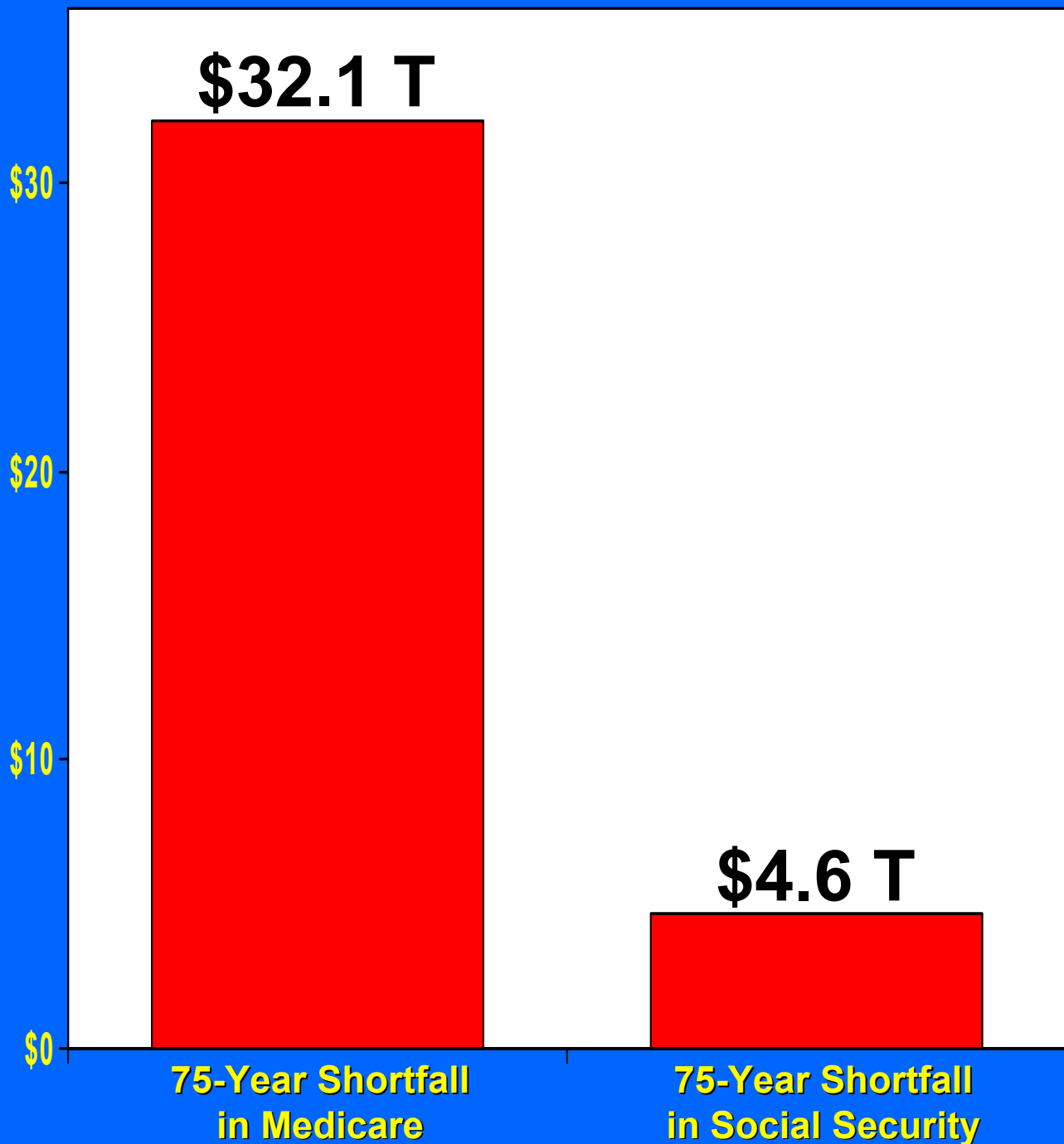


Source: 2006 Social Security Trustees Report
Note: OASI beneficiaries

Comparing Long-Term Costs of Medicare and Social Security

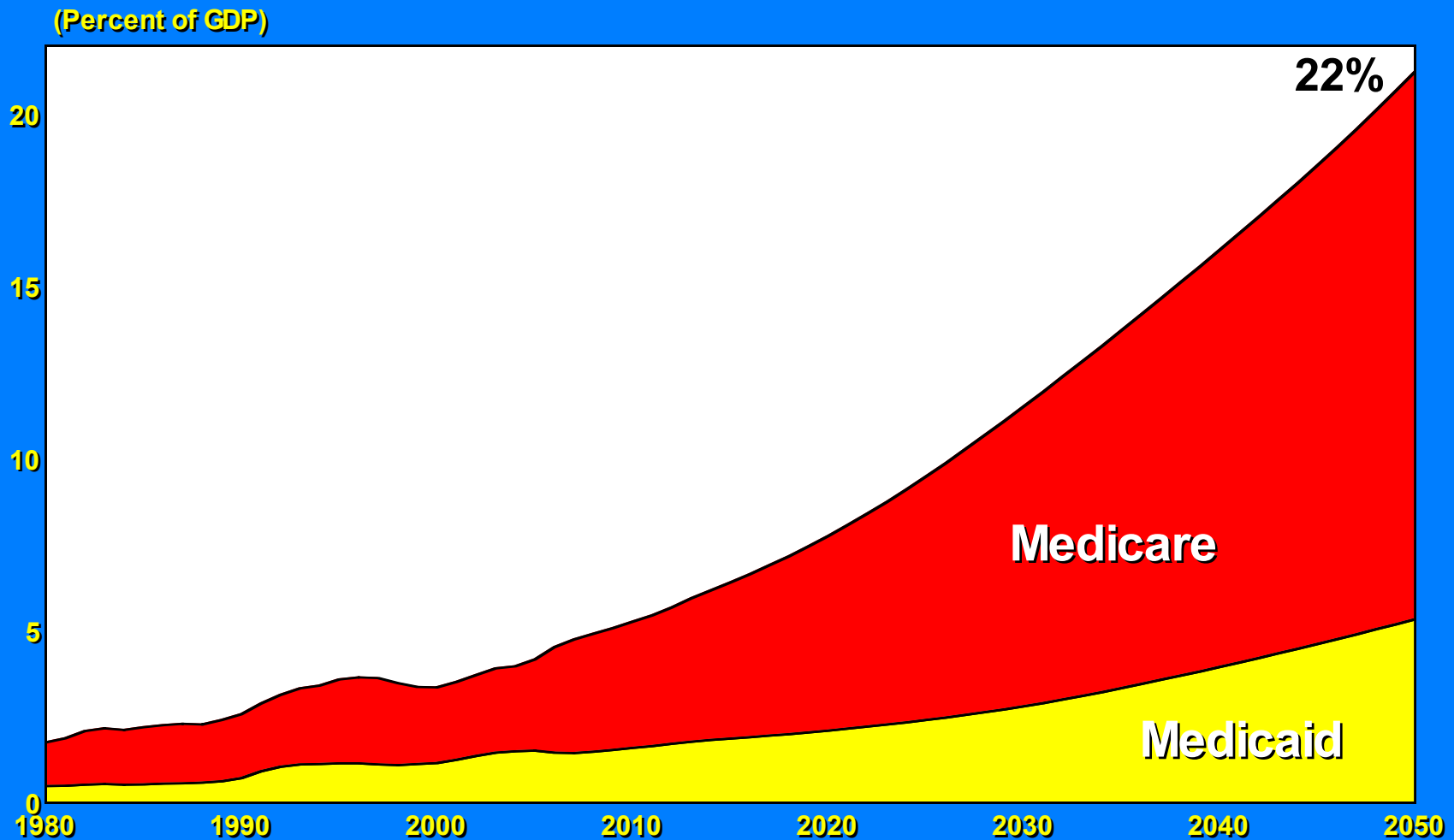
Present Value of Costs Over Next 75 Years

(\$ in trillions)



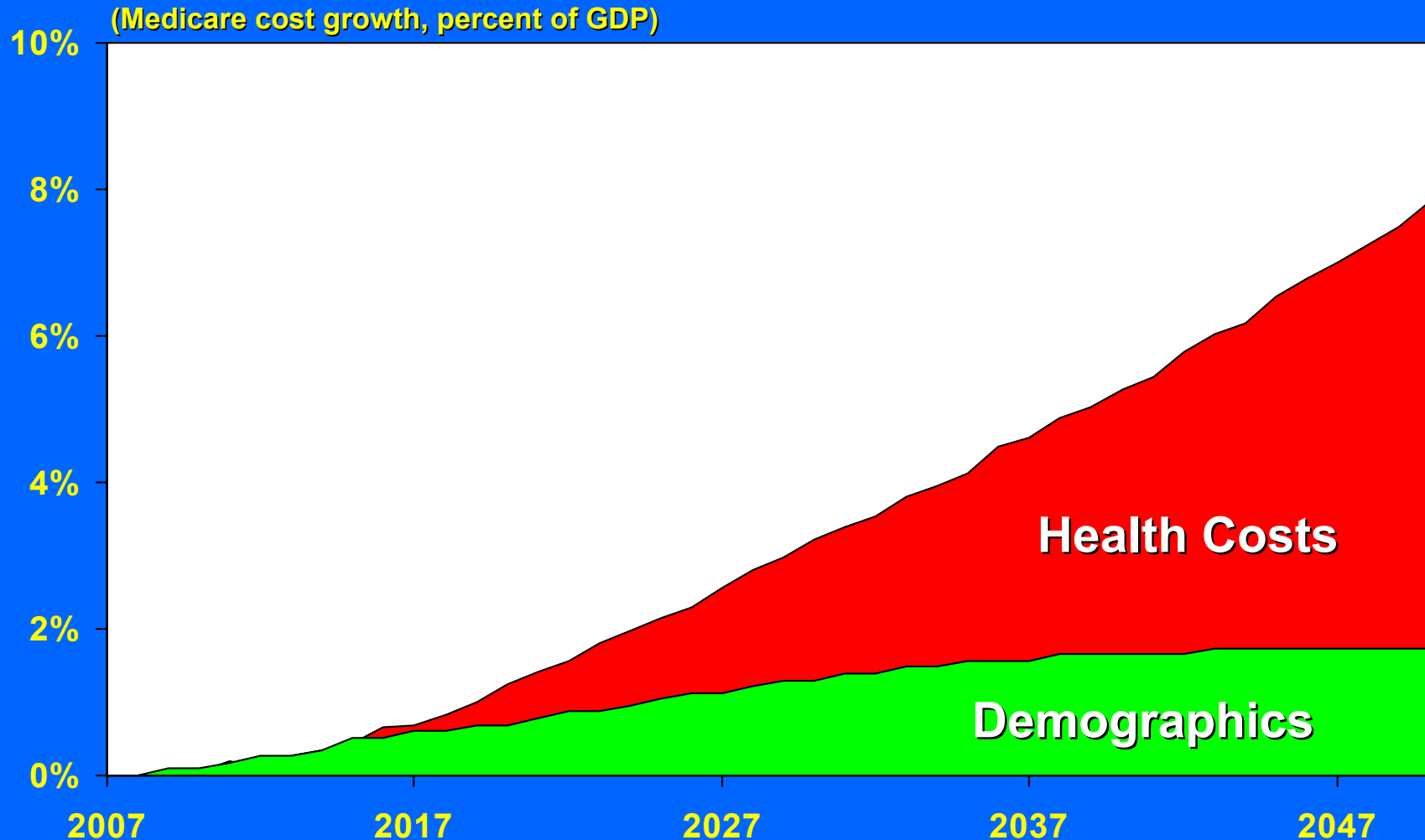
Source: Social Security Trustees 2006 Annual Report

Medicare and Medicaid Spending as a Percent of GDP 1980-2050



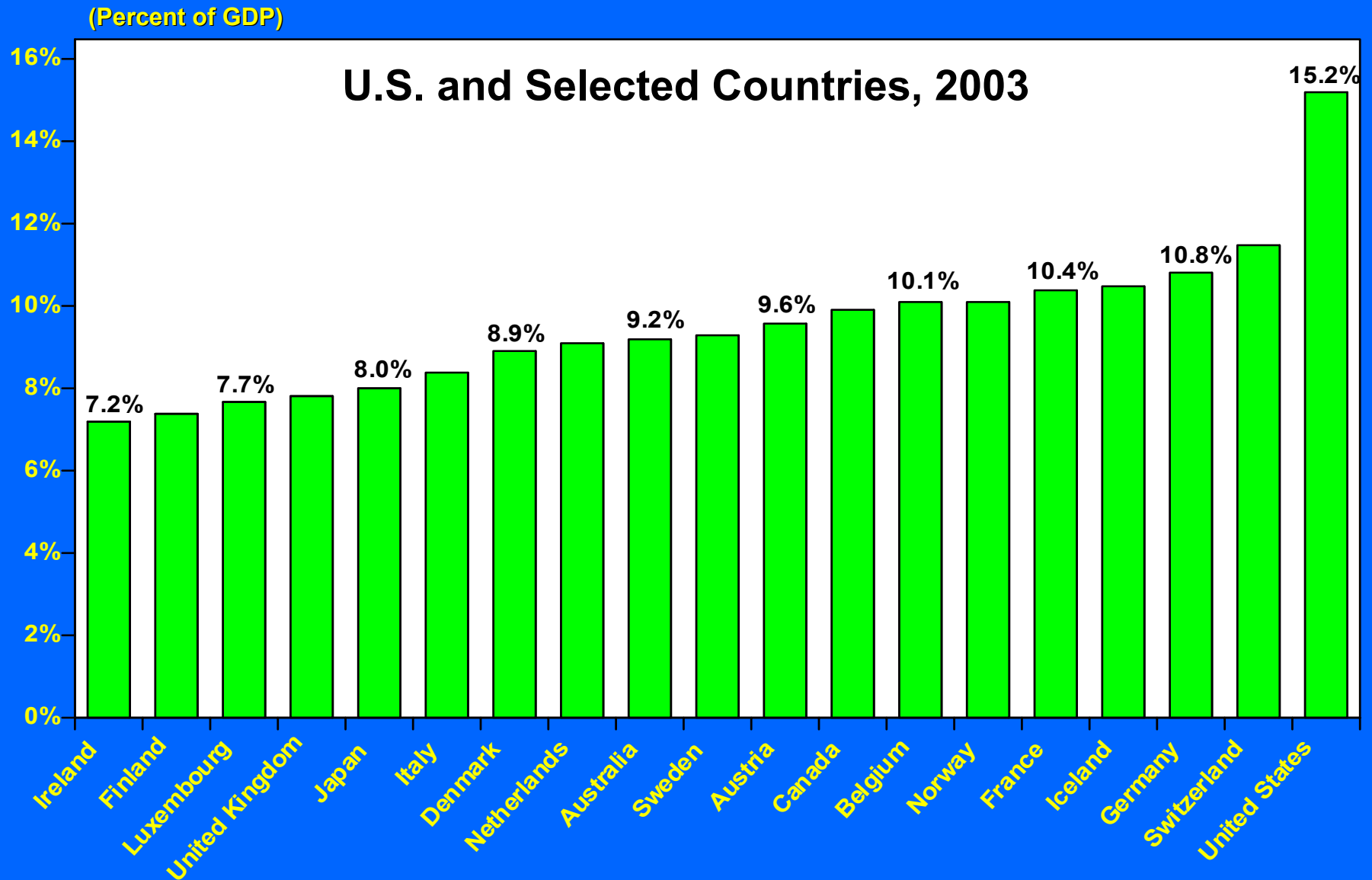
Source: CBO Long-Term Budget Outlook, December 2005. Projections assume excess cost growth of 2.5 percent for Medicare and Medicaid.

Rising Health Care Costs Driving Medicare Cost Growth



Source: CBPP projections based on CBO data.

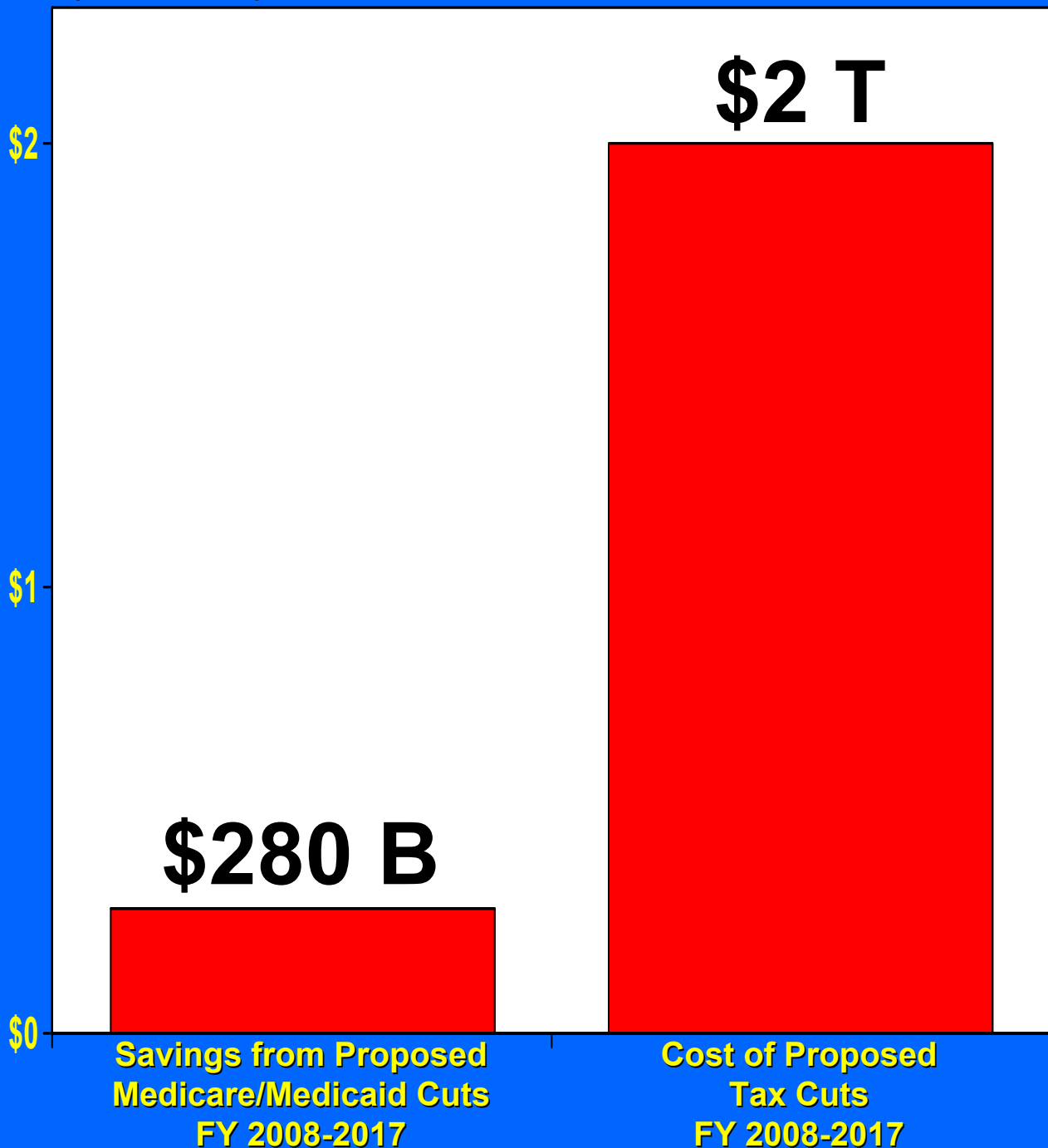
Total Health Expenditures as a Share of GDP



Source: Organization for Economic Co-operation and Development, October 2006

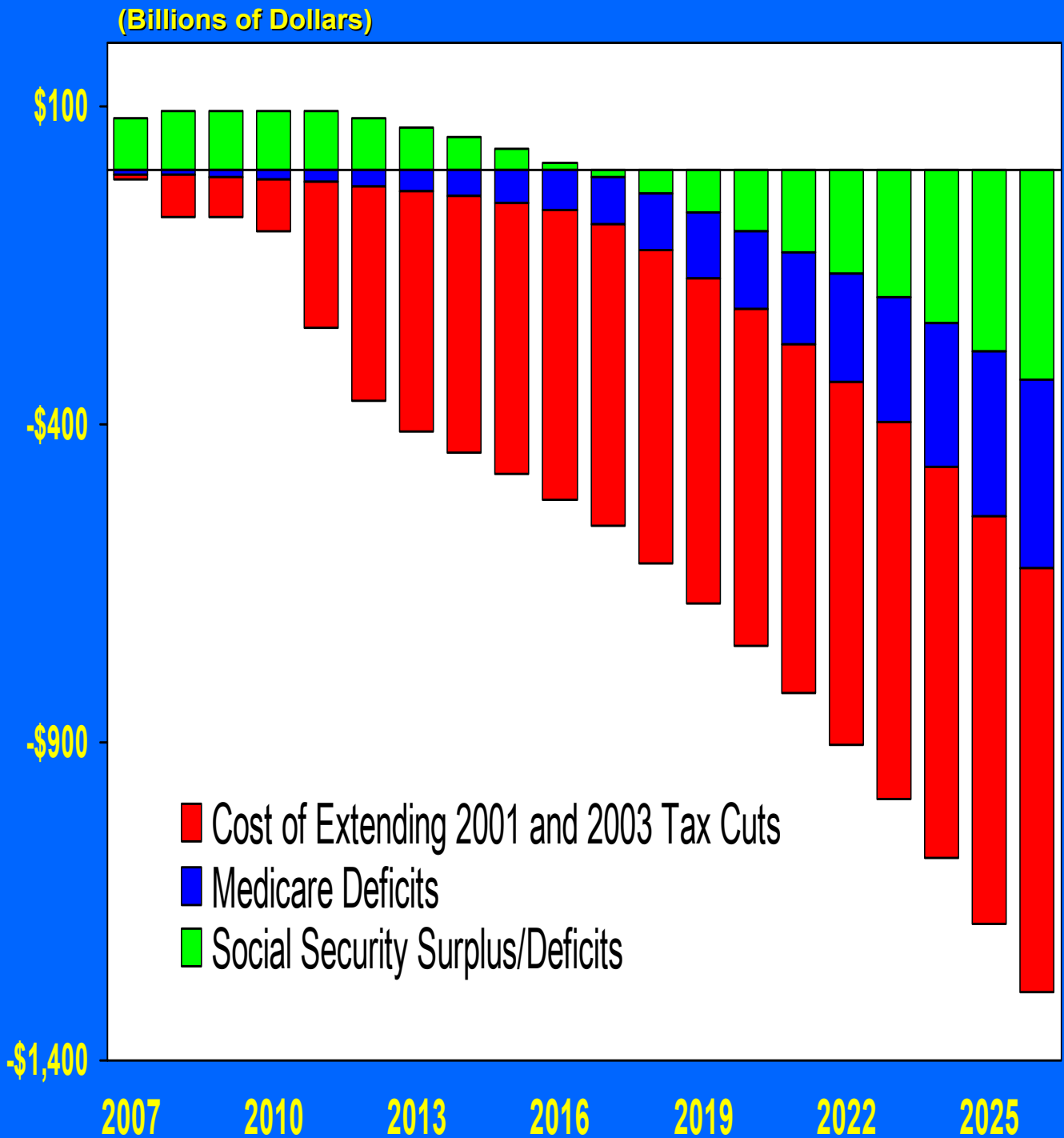
Savings from Medicare/Medicaid Cuts More than Wiped Out by Tax Cuts in Bush Budget

(\$ in trillions)



Source: CBO, OMB, Bush FY 2008 Budget
Note: Savings from new legislative proposals

Tax Cuts Explode as Trust Fund Cash Surpluses Become Deficits FY 2007-2026



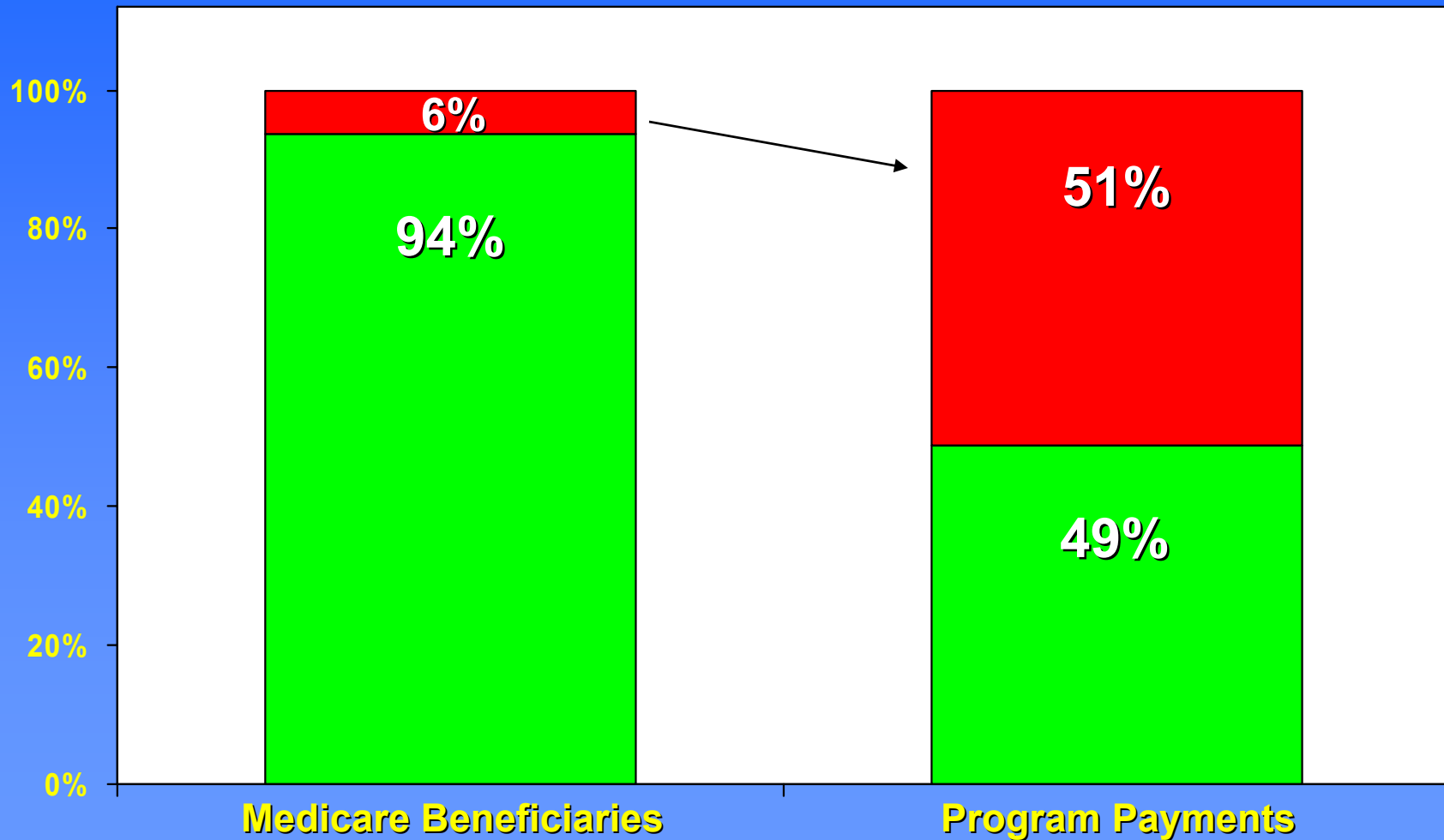
Source: Social Security Trustees 2006 Annual Report, CBO, CBPP, and SBC Democratic staff

Reform of Medicare and Medicaid Requires Overall Health Care Reform

“I think it’s a mistake to look at containing costs just within the federal programs themselves, Medicare and Medicaid. The underlying driver of that cost growth, of the costs in those programs, is the underlying rate of cost growth in the health sector as a whole. And tackling that problem is perhaps the fundamental fiscal challenge and an important economic challenge facing the nation.”

**– Congressional Budget Office Director
Peter Orszag
Testimony before Senate Budget Committee
January 25, 2007**

Six Percent of Medicare Beneficiaries Account for Roughly 51 Percent of Program Costs



Source: CMS and CSR based on payments for fee-for-service beneficiaries population in 2001.