



REPUBLICAN CAUCUS

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RYAN STATEMENT ON LOOMING BANKRUPTCY OF SOCIAL SECURITY & MEDICARE

Programs need solutions – not spin – from Obama Administration

WASHINGTON – Earlier today, the trustees of [Social Security](#) and [Medicare](#) issued their annual report, warning again of the programs' major financial shortfalls and underscoring the urgent need for reform.

In response to the release of the 2010 [Social Security](#) and [Medicare](#) Trustees Report, House Budget Committee Ranking Republican Paul Ryan (WI-01) issued the following statement:

***“Today’s report offers another clear warning on the need to save our critical social safety net programs from their imminent collapse. While efforts to reform and save these programs are frequently greeted by partisan attacks, the Social Security and Medicare trustees remind policymakers of the painful consequences of inaction. Absent reform, these entitlement programs will grow themselves right into extinction.*”**

***“The Administration has launched an aggressive campaign to spin the alarming report as good news for our fiscal future. Make no mistake about it – this Administration and this Congress are exacerbating our looming fiscal crisis, as these programs, our Federal government, and our economy are accelerating toward bankruptcy. Despite the Administration’s claims of Medicare savings from the new health care law, Medicare’s Chief Actuary has made clear that the over half-trillion dollars in Medicare cuts, which he doubts will fully materialize, would be used to fund the overhaul’s new entitlement. The Administration bases its claim of good news by double-counting the savings from these Medicare reductions, once to extend the life of the Hospital Insurance Trust Fund and a second time to cover the cost the new entitlement in the health care law. Manipulation of the books does not change the grim outlook for these programs or the Federal budget.*”**

***“We can – and we must – advance an adult conversation about how to fulfill the mission of health and retirement security. We can protect and preserve these programs for those in and near retirement; save and strengthen them for future generations.”*”**

More from the Trustees Report:

- Social Security currently has a \$5.4 trillion unfunded liability – an increase from the \$5.3 trillion unfunded liability last year.

- Social Security is expected to run cash deficits beginning 2015 – one year earlier than the 2009 Trustees Report.
- The Social Security Trust Fund is expected to be exhausted by 2037 – necessitating an across-the-board cut in benefits of 22 percent.
- The Medicare Part A Trust Fund is exhausted in 2027. New projections assume a 54 percent decrease in provider payments, as compared to current law. The report notes that these projections “do not represent a reasonable expectation for actual program operations.”
- The physician payment rate must be cut by 30 percent over the next 3 years to keep pace with reductions. The report notes this as “an implausible result.”

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