

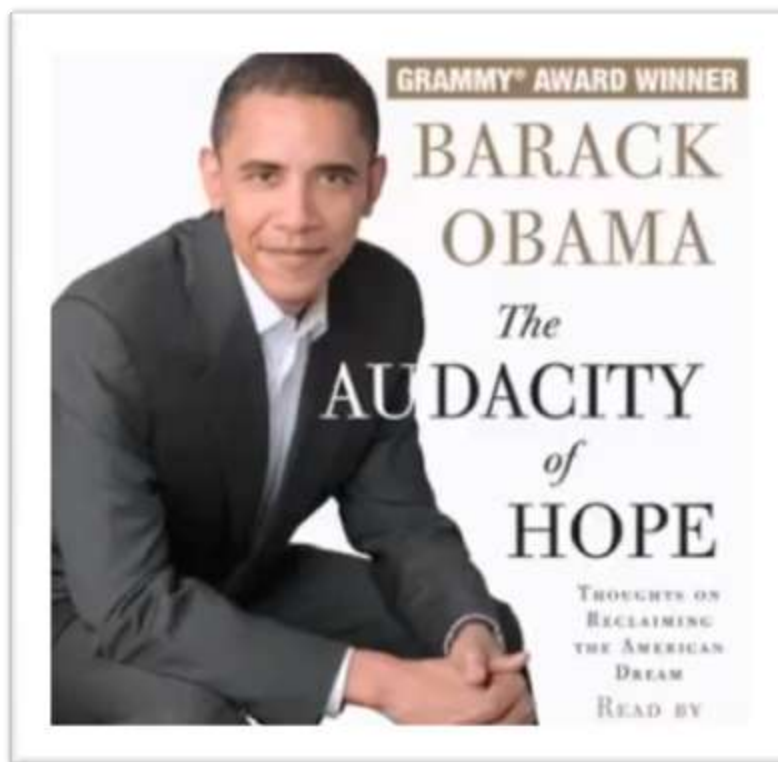


# Audaciously Avoiding Leadership

*Obama Knows That Medicare Is “Broken” But He Has “Abdicated Leadership” When It Comes To Finding A Solution*

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IN 2006, OBAMA WROTE IN *THE AUDACITY OF HOPE* THAT MEDICARE AND MEDICAID “REALLY ARE BROKEN”



[Hear Obama Talk About The Broken Medicare System In 2006](#)

From Obama's *The Audacity Of Hope*: “[T]he Two Main Government-Funded Health-Care Programs – Medicare And Medicaid – Really Are Broken ...” “As vital as it may be to raise the wages of American workers and improve their retirement security, perhaps our most pressing task is to fix our broken health-care system. Unlike Social Security, the two main government-funded health-care programs –

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Medicare and Medicaid – really are broken; without any changes, by 2050 these two entitlements, along with Social Security, could grow to consume as large a share of our national economy as the entire federal budget does today. The addition of a hugely expensive prescription drug benefit that provides limited coverage and does nothing to control the cost of drugs has only made the problem worse. And the private system has evolved into a patchwork of inefficient bureaucracies, endless paperwork, overburdened providers, and dissatisfied patients.” (Barack Obama, *The Audacity Of Hope*, 2006, p.183)

- ***The Dallas Morning News: “The President Knows All This And Simply Abdicated Leadership.”*** “But this newspaper sees problems in his fine points, beginning with his almost total dodge on entitlement reforms. Obama identified only about \$300 billion in Medicare and Medicaid savings. And not a single detail about overhauling Social Security. Washington can’t fix the \$14 trillion debt problem without overhauling those programs, which are big debt drivers. The president knows all this and simply abdicated leadership.” (Editorial, “Editorial: Gang Of 38 Offers A Better Debt Approach,” [The Dallas Morning News](#), 9/19/11)

## **OBAMA RECOGNIZED THE PROBLEM SIX YEARS AGO, PROMISED TO TACKLED IT IN HIS FIRST TERM, BUT HAS REPEATEDLY DODGED THE ISSUE AS PRESIDENT**

**Then-Sen. Obama Said During The Presidential Debates That Entitlement Reform Was Something That He Would Like To Do In His First Term.** NBC’S TOM BROKAW: “Would you give Congress a date certain to reform Social Security and Medicare within two years after you take office? Because in a bipartisan way, everyone agrees, that’s a big ticking time bomb that will eat us up maybe even more than the mortgage crisis.” SEN. BARACK OBAMA: “Well, Tom, we’re going to have to take on entitlements and I think we’ve got to do it quickly. We’re going to have a lot of work to do, so I can’t guarantee that we’re going to do it in the next two years, but I’d like to do in the my first term as president.” (Sen. Barack Obama, [Remarks At Presidential Debate](#), Nashville, TN, 10/7/08)

**“When It Comes To Deficit Reduction And Entitlement Reform, President Barack Obama Has Been A Master Of Mixed Signals.”** (Carol Budoff Brown, Glenn Thrush and David Nather, “Showtime For President Ambivalent About Deficit,” [Politico](#), 4/12/11)

### **Obama Doesn’t Have A Plan To Control The Nation’s Entitlement Programs In The Long-Term.**

“However, he isn’t proposing the structural changes that experts say are needed to control spending in these programs over the long term. For instance, Mr. Obama won’t suggest raising the Medicare eligibility age, as he was willing to do over the summer during bipartisan budget negotiations that failed to produce a deal. He also doesn’t plan to propose changes to Social Security.” (Laura Meckler, “Budget Plan Has Familiar Ring,” [The Wall Street Journal](#), 2/7/12)

- **Treasury Secretary Timothy Geithner Admitted The Administration Doesn’t Have “A Definitive Solution” To The Long-Term Problems Posed By Our Entitlement Programs.** REP. PAUL RYAN: “Because we got 10,000 people retiring every day, and healthcare costs going up...” TREASURY SECRETARY TIMOTHY GEITHNER: “That’s right. We have millions of Americans retiring every day, and that will drive substantially the rate of growth of healthcare costs. You are right to say we’re not coming before you today to say we have a definitive solution to that long-term problem. What we do know is, we don’t like yours.” ([Testimony Before The House Committee On The Budget](#), U.S. House Of Representatives, 2/16/12)
- **Obama’s Budget “Serves As A Political Document” Rather Than A Plan.** “None of Mr. Obama’s major proposals are expected to become law before November’s elections, given both partisan divides in Congress over priorities as well as election-year politics. Still, the budget proposal

serves as a political document in which Mr. Obama will set out his vision for how he would manage government taxes and spending should he win a second term.” (Laura Meckler, “Budget Plan Has Familiar Ring,” [The Wall Street Journal](#), 2/7/12)

**“Obama Has Long Resisted The ‘Entitlement Reform’ Movement.”** Obama has long resisted the ‘entitlement reform’ movement, which is currently focused on establishing a blue-ribbon commission that would present Congress with a finished proposal -- presumably calling for steep cuts in the nation's bedrock social safety programs -- for an up-or-down vote.” (Dan Froomkin, “Obama’s Sense Of Entitlements,” [The Washington Post](#), 2/20/09)

- **USA Today: Obama’s Failure To Tackle Entitlement Programs Was “Irresponsible.”** “That's mostly because Obama failed to take on the entitlement programs, by far the biggest drivers of future spending. Thanks to a weak economy, Baby Boomer retirees and payroll tax cuts, Social Security is already running in the red. Congressional Budget Office projections show it will add a half trillion dollars to the debt over the next decade, making Obama's refusal to tackle it now irresponsible.” (Editorial, “Editorial: Politics Takes Priority In Obama’s Deficit Plan,” [USA Today](#), 9/19/11)

### ***Obama’s Inaction Brings America’s Seniors Closer To Crippling Benefit Cuts Every Day***

**The Trustees Of Social Security And Medicare Predict That Medicare’s Trust Fund Will Be Exhausted In 2024.** “The estimated exhaustion date for the HI trust fund remains at 2024, the same year shown in last year's report. As in past years, the Trustees have determined that the fund is not adequately financed over the next 10 years.” (“2012 Annual Report Of The Boards Of Trustees Of The Federal Hospital Insurance And Federal Supplementary Medical Insurance Trust Funds,” [The Boards Of Trustees, Federal Hospital Insurance And Federal Supplementary Medical Insurance Trust Funds](#), 4/23/12)

- **In 2011, Medicare Required \$27.7 Billion In Assets From The Trust Fund To Meet Its Obligations.** “HI expenditures have exceeded income annually since 2008, and projected amounts continue doing so through the short-range period until the fund becomes exhausted in 2024. In 2011, \$27.7 billion in trust fund assets were redeemed to cover the shortfall of income relative to expenditures, and \$12.0 billion in interest payments were made from the general fund of the Treasury to the HI trust fund.” (“2012 Annual Report Of The Boards Of Trustees Of The Federal Hospital Insurance And Federal Supplementary Medical Insurance Trust Funds,” [The Boards Of Trustees, Federal Hospital Insurance And Federal Supplementary Medical Insurance Trust Funds](#), 4/23/12)
- **In 2024 When The Trust Fund Is Exhausted, Medicare’s Tax Income Will Only Be Able To Cover 87 Percent Of Its Expenditures.** “Under current law, scheduled HI tax income would cover only 87 percent of estimated expenditures in 2024 and 67 percent in 2050.” (“2012 Annual Report Of The Boards Of Trustees Of The Federal Hospital Insurance And Federal Supplementary Medical Insurance Trust Funds,” [The Boards Of Trustees, Federal Hospital Insurance And Federal Supplementary Medical Insurance Trust Funds](#), 4/23/12)
- **If Cuts From ObamaCare Do Not Materialize Than The Trust Fund Is Expected To Be Exhausted Sooner.** “Without legislation to correct the financial imbalance, the fund would continue decreasing and use up all its remaining assets in 2024, and would thus become exhausted under the intermediate assumptions. If the reductions in Medicare price updates under the Affordable Care Act do not continue throughout this period, then asset depletion would occur slightly earlier in 2024, based on the illustrative alternative projections.” (“2012 Annual Report Of The Boards Of Trustees Of The Federal Hospital Insurance And Federal Supplementary Medical Insurance Trust Funds,” [The Boards Of Trustees, Federal Hospital Insurance And Federal Supplementary Medical Insurance Trust Funds](#), 4/23/12)