



Hundreds Of Billions In Cuts To Medicare Are Just The Beginning

On Top Of Obama's \$716 Billion In Cuts, ObamaCare's Medicare Cutting Panel Will Affect Seniors' Health For The Worse

THE INDEPENDENT PAYMENT ADVISORY BOARD'S (IPAB) PRIMARY OBJECTIVE IS TO CUT MEDICARE

IPAB Is "The Single-Biggest Yielding Of Power To An Independent Entity Since The Creation Of The Federal Reserve"

Obama's Then-Office Of Management And Budget Director Peter Orszag Referred To The Independent Payment Advisory Board As "The Single-Biggest Yielding Of Power To An Independent Entity Since The Creation Of The Federal Reserve." "The significance of this new advisory board goes well beyond the immediate question of how to rein in Medicare costs. Mr. Orszag, who declined to be interviewed, has said that the board represented, for Congress, the 'single-biggest yielding of power to an independent entity since the creation of the Federal Reserve.' In other words, the Medicare Board isn't only a means of cutting government spending; it is a means, too, of wresting the constitutional responsibility for budgeting away from powerful committee chairmen." (Matt Bai, "For Budget Chief, Not All Farewells Are Fond," [The New York Times](#), 7/28/10)

ObamaCare Created IPAB "To Cut Medicare." "That's the job description for the 15 members of the Independent Payment Advisory Board — the new panel created by President Barack Obama's health care law to come up with ways to cut Medicare spending if it grows too fast." (David Nather, "Medicare Cost-Cutting Job Could Be Worst In D.C.," [Politico](#), 5/14/11)

- **The Nonpartisan Congressional Budget Office Found That IPAB Will Be Required To Recommend Changes To Medicare Spending.** "The legislation also would establish an Independent Payment Advisory Board, which would be required, under certain circumstances, to recommend changes to the Medicare program to limit the rate of growth in that program's spending." (Congressional Budget Office, [Letter To Majority Leader Harry Reid](#), 12/19/09)
- **IPAB Will Advocate For Medicare Payment Cuts To Doctors.** "The 15-member board will recommend cuts in Medicare payments to doctors, which will take effect automatically unless Congress votes to block them." (Sam Baker, "Sebelius: Congress Can Avoid IPAB By Addressing Medicare Costs," [The Hill's "Health](#)

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If Congress Fails To Act On IPAB’s Recommendations, HHS Is Required To Implement IPAB’s Cuts To Medicare. “If Congress fails to act, the secretary of health and human services is required to implement the cuts.” (Bara Vaida, “The IPAB: The Center Of A Political Clash Over How To Change Medicare,” [Kaiser Health News](#), 3/22/12)

Obama Has Repeatedly Called For Strengthening IPAB That Would Cut Nearly \$250 Billion More From Medicare

Obama Has Continually Pushed For Strengthening IPAB And An Additional \$248 Billion Cut From Medicare. “The plan calls for strengthening a controversial piece of the health care reform law, and it includes proposals state governments have strongly opposed. It also would require seniors to pay more for certain Medicare benefits, according to a summary of the proposal, which would cut \$248 billion in Medicare funding and \$73 billion to Medicaid and other health programs.” (Sam Baker, “Obama Health Cuts To Spark Fights With States, GOP, Industry Groups,” *The Hill’s* [Health Watch](#),” 9/19/11)

- **IPAB Will “Kick In” Earlier According To Obama’s Deficit Reduction Plan.** “The plan proposes strengthening the Independent Payment Advisory Board (IPAB) — a cost-cutting panel created by health care reform that Republicans have said will ‘ration’ care. Obama’s proposal would allow the IPAB to kick in earlier.” (Sam Baker, “Obama Health Cuts To Spark Fights With States, GOP, Industry Groups,” *The Hill’s* [Health Watch](#),” 9/19/11)

Obama’s 2013 Budget: “Strengthen the Independent Payment Advisory Board (IPAB) to Reduce Long-Term Drivers of Medicare Cost Growth.” (“Fiscal Year 2013 Budget Of The U.S. Government,” [OMB](#), 2/13/12)

- **Obama’s Budget Lowers The Threshold For IPAB To Make Payment Changes To Medicare And Provides IPAB With “Additional Tools” To Control Spending.** “To further moderate the rate of Medicare growth, this proposal would lower the target rate from the GDP per capita growth rate plus 1 percent to plus 0.5 percent. Additionally, the proposal would give IPAB additional tools like the ability to consider value-based benefit design.” (“Fiscal Year 2013 Budget Of The U.S. Government,” [OMB](#), 2/13/12)

OBAMA’S MEDICARE CUTS WILL BE UNSUSTAINABLE FOR PROVIDERS, JEOPARDIZING THE CARE OF SENIORS

Medicare Actuary Richard Foster On ObamaCare’s Medicare Cuts: “It’s Pretty Hard To Imagine That They Could Be Sustainable.” FOSTER: “And the figures you quoted were correct. And that assumes that again, the private health insurance can’t do something comparable to these mandated reductions in growth rates that are part of current law now for Medicare. In looking at those, it’s pretty hard to imagine that they could be sustainable, because when you think about it, the providers have to pay certain input cost increases. They have to pay somewhat more next year than they do this year. They have to pay higher energy costs. They have medical supplies. They have rent or leases that go up.” ([Testimony Before The House Committee On The Budget](#), U.S. House Of Representatives,, 7/13/11)

- **Foster: “There Is A Lot Of Evidence That Suggests Some Of These Payment Provisions Will Not Be Sustainable In The Long Range.”** FOSTER: “But there is a lot of evidence that suggests some of these payment provisions will not be sustainable in the long range.” ([Testimony Before The House Committee On The Budget](#), U.S. House Of Representatives, 7/13/11)
- **Foster: “The Productivity Adjustments Under The Affordable Care Act Could Well Lead To A Situation Where Medicare Payment Rates Are Just Inadequate So That They May Not Be**

Viable In The Long Range. FOSTER: “Also, as I testified before your committee in January, the productivity adjustments under the Affordable Care Act could well lead to a situation where Medicare payment rates are just inadequate so that they may not be viable in the long range. If, in fact, these features do not prove to be viable, then the actual cost for Medicare will be much higher than projected under current law.” ([Testimony Before The House Committee On The Budget](#), U.S. House Of Representatives, 7/13/11)

CBO: Obama’s Medicare Payment Cuts To Physicians And Providers May “Be Difficult To Sustain” Over The Long Term. “For Medicare, CBO assumed that three policies that would restrain cost growth might be difficult to sustain over a long period—ongoing reductions in payment updates for most providers in the fee-for-service program, the sustainable growth rate mechanism for payment rates for physicians, and the IPAB—would not continue.” (Congressional Budget Office, [“The Long-Term Budget Outlook,”](#) June 2012, p. 57)

Centers For Medicare & Medicaid Services: ObamaCare’s Physician Fee Reductions Are “Clearly Unworkable” And Barring Changes, Payment Rates “Would Become Inadequate In The Long Range.” “The immediate physician fee reductions required under current law are clearly unworkable and are almost certain to be overridden by Congress. The productivity adjustments will affect other Medicare price levels much more gradually, but a strong likelihood exists that, without very substantial and transformational changes in health care practices, payment rates would become inadequate in the long range. As a result, actual Medicare expenditures are likely to exceed the projections shown in the 2012 Trustees Report for current law, possibly by considerable amounts.” (John D. Shatto and M. Kent Clemens, “Projected Medicare Expenditures Under Illustrative Scenarios With Alternative Payment Updates To Medicare Providers,” [CMS](#), 5/18/12)

- **Under ObamaCare, Medicare Pay Rates To Physicians Will Be Cut By “Roughly 31 Percent In 2013.”** “In particular, Medicare payment rates for physician services as determined by the Sustainable Growth Rate (SGR) system are scheduled to be reduced by roughly 31 percent in 2013.” (John D. Shatto and M. Kent Clemens, “Projected Medicare Expenditures Under Illustrative Scenarios With Alternative Payment Updates To Medicare Providers,” [CMS](#), 5/18/12)

Medicare Payment Cuts “Could Jeopardize Medicare Beneficiaries’ Access To Mainstream Medical Care.” “...it is equally hard to imagine cutting only Medicare spending while spending by the commercially insured under age sixty-five continues to grow at historic rates, which would lead to a marked divergence between what providers are paid for treating the commercially insured relative to what they are paid for Medicare beneficiaries. This gap could jeopardize Medicare beneficiaries’ access to mainstream medical care.” (Newhouse, Joseph P. (July 22, 2010) “Assessing Health Reform’s Impact on Four Key Groups of Americans,” *Health Affairs* 29:9, pp. 1-11)

- **Rep. Pete Stark, (D-CA): Setting Low Payment Rates “Could Endanger Patient Care.”** “But, in its effort to limit the growth of Medicare spending, the board is likely to set inadequate payment rates for health care providers, which could endanger patient care.” (Robert Pear, “Obama Panel to Curb Medicare Finds Foes In Both Parties,” [The New York Times](#), 4/19/11)
- **Rep. Allyson Schwartz (D-PA) Says IPAB “Could Lead To Arbitrary Cuts To Doctors, Hospitals And Other Providers.”** “In fact, Schwartz will be one of the GOP’s star witnesses at the Energy and Commerce Committee hearing. She says IPAB puts Congress’s responsibility in the hands of an outside panel and could lead to arbitrary cuts to doctors, hospitals and other providers.” (Jennifer Haberkorn, “Democrats Split On Independent Payment Advisory Board,” [Politico](#), 7/10/11)
- **Rep. Schwartz (D-PA): “We Cannot Impose A Financial Burden On Patients And Providers To Conceal Inherent Flaws In Our Health Care System Through Arbitrary Cuts.”** (Press Release, “Schwartz: IPAB Is The Wrong Path Toward Medicare Payment Reform,” [U.S. Representative Allyson Schwartz](#), 4/15/11)

- **Rep. Schwartz (D-PA): “IPAB Brings Unpredictability And Uncertainty To Providers And Has The Potential For Stifling Innovation And Collaboration.”** (Rep. Allyson Schwartz, Op-Ed, “Opposing View: Repeal Medicare Board,” [USA Today](#), 5/22/11)

Watch Obama’s Secretary Of Health And Human Services Admit That IPAB’s Recommendations Could Threaten Seniors’ Access To Medical Treatment Despite Her Own Testimony That It Wouldn’t

HHS Secretary Kathleen Sebelius Testified That IPAB’s Recommendations Would Not Affect Seniors’ Access To Care. SEBELIUS: “Given the long list of additional considerations the statute imposes on the Board, we expect the Board will focus on ways to find efficiencies in the payment systems and align provider incentives to drive down costs without affecting our seniors’ access to the care and treatment they need.” (Kathleen Sebelius, Committee On Energy And Commerce, U.S. House Of Representatives, [Testimony](#), 7/13/11)



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Obama’s HHS Secretary Then Admitted That IPAB Recommendations To Cut Dialysis Payments Would Threaten Seniors’ Access To Necessary Treatment. SEBELIUS: “If Congress accepted the recommendations and made the decision that cuts in dialysis were appropriate, I assume there could be some providers who would decide that would not be a service they would any longer deliver...” (Committee On Energy And Commerce, U.S. House Of Representatives, [Hearing](#), 7/13/11)

THE IPAB ELIMINATES SENIORS’ CHOICE WHEN IT COMES TO THEIR OWN HEALTH CARE DECISIONS

IPAB Embraces The Thought “That Health Care Decisions Are Too Important To Leave To The People Receiving The Care.” “This turn is remarkable because the IPAB really does embody ObamaCare’s innermost values and beliefs—to wit, that health decisions are too important to leave to the people receiving the care (patients), the people providing the care (doctors and hospitals), the people paying for the care (taxpayers), or even the people who got the government involved in the first place (politicians).” (Editorial, “Independent Payment Advisory Revolt,” [The Wall Street Journal](#), 3/9/12)

IPAB’s “End Game” Will Limit Patient Care. “The only alternative, and the IPAB’s true end game, is harsher and more arbitrary price controls and eventually limits on the care patients are allowed to receive. The New England Journalists (of Medicine) deny this reality because ObamaCare has a clause that prohibits ‘rationing,’ even as the law leaves that term undefined. But reducing treatment options will be inevitable as government costs explode.” (Editorial, “Independent Payment Advisory Revolt,” [The Wall Street Journal](#), 3/9/12)

- **Witnesses At A Congressional IPAB Argued That IPAB Would Reduce Access To Medical Care.** “The Independent Payment Advisory Board, created under the health care law to help

control Medicare costs, lacks flexibility to do much more than cut provider payments that would lead to a reduction in access to care, witnesses told a House Ways and Means panel March 6." (Ralph Lindeman, "IPAB Would Reduce Access to Care, Witnesses Tell Ways and Means Panel," [Bloomberg](#), 3/7/12)

- **IPAB Will Allow Bureaucrats To "Throw Granny Over The Cliff."** "One place to start is by attacking the Democratic plan to cut Medicare via political rationing. Mr. Ryan's budget had the virtue of embarrassing President Obama's spend-more initial budget, and the White House responded by proposing to increase the power of the new Independent Payment Advisory Board (IPAB) to decide what, and how much, Medicare will pay for. The ObamaCare bill goes to great lengths to shelter this 15-member, unelected board from Congressional review, with the goal of letting these bureaucrats throw granny over the cliff if Medicare isn't reformed. Yet few Americans know anything about IPAB or its rationing intentions." (Editorial, "The GOP's New York Spanking," [The Wall Street Journal](#), 5/26/11)

Industry Groups Worry That IPAB's Actions Will Result In "Rationing." "While the board is not supposed to be able to cut benefits, industry groups fear that its actions would result in rationing care. The board ... could cut payments to health care providers." (Duff Wilson, "Industry Aims At Medicare Board," [The New York Times](#) "Prescription," 11/4/10)

There Is A Bipartisan Consensus That IPAB "Must Be Stopped" And Is The Wrong Way Forward On Medicare Reform

Both Parties Oppose The Independent Payment Advisory Board. "Democrats and Republicans are joining to oppose one of the most important features of President Obama's new deficit reduction plan, a powerful independent board that could make sweeping cuts in the growth of Medicare spending." (Robert Pear, "Obama Panel to Curb Medicare Finds Foes In Both Parties," [The New York Times](#), 4/19/11)

- ***The Tampa Tribune: "There Is Bipartisan Consensus ... That IPAB Is A Mistake."*** "There is bipartisan consensus on Capitol Hill that IPAB is a mistake. Physicians groups don't like it, hospital lobbies don't like it, and even the American Medical Association, whose support helped pass ObamaCare into law, has called for its repeal. Some Democrats, including U.S. Rep. Kathy Castor of Tampa, have signed on to Tennessee Republican U.S. Rep. Phil Roe's repeal bill." (Editorial, "Return Control To The Patient," [The Tampa Tribune](#), 10/15/11)

Rep. Pete Stark (D-CA): IPAB Is A "Mindless Rate Cutting Machine ... That Will Endanger The Health Of America's Seniors And People With Disabilities." "I oppose the inclusion the Independent Payment Advisory Commission, called IPAB. Some of my colleagues support this Commission because it shields them from having to take tough votes when it comes to cutting Medicare provider payments. It's my experience that Congress always does what is needed to protect and strengthen the Medicare program. IPAB is a dangerous provision. By statute, this Commission would be required to hold Medicare spending to an arbitrary and unrealistic growth rate. It is a mindless-rate cutting machine that sets the program up for unsustainable cuts. That will endanger the health of America's seniors and people with disabilities. It is an unprecedented abrogation of Congressional authority to an unelected, unaccountable body of so-called experts. I intend to work tirelessly to mitigate the damage that will be caused by IPAB." (Press Release, "Statement of Congressman Pete Stark Supporting Health Care Reform," [Office Of Rep. Pete Stark](#), 3/21/10)

Rep. Schwartz (D-PA): "While I Embrace The Goal Of Reducing Costs, I Cannot Condone The Implementation Of A Flawed Policy That Will Risk Beneficiary Access To Care." (Allyson Schwartz, U.S. Representative, [Letter To Congressional Colleagues](#), 4/15/11)

- **Rep. Schwartz (D-PA): IPAB's Cuts Are The "Least Imaginative Option" For Cost Savings.** "The threat of reduced payments is the least imaginative option and most unlikely to result in the kind of health care we know seniors and all Americans deserve." (Rep. Allyson Schwartz, Op-Ed, "Opposing View: Repeal Medicare Board," [USA Today](#), 5/22/11)

Rep. Frank Pallone (D-NJ) Says He Strongly Opposes IPAB And It Must Be Stopped. "I am very strongly opposed to the Independent Payment Advisory Board, or IPAB, created under the Affordable Care Act. I've never supported it and I would certainly be in favor of abolishing it...It's not the job of an independent commission to get involved in congressional matters, in this instance, health care policies for Medicare beneficiaries...It's about a growing, imperialistic presidency...We have to stop it. We have to reverse it. We can't be a part of an effort to let that continue." (Committee On Energy And Commerce, U.S. House, [Hearing](#), 7/13/11)

Former Democrat House Majority Leader Dick Gephardt: IPAB's Cuts Will Cause "Devastating Consequences." "It will propose cuts to Medicare that Congress can override only with supermajority votes, an unnecessarily high and unrealistic bar. Just as important, these cuts are likely to have devastating consequences for the seniors and disabled Americans who are Medicare's beneficiaries because, while technically forbidden from rationing care, the Board will be able to set payment rates for some treatments so low that no doctor or hospital or other health care professional would provide them." (Dick Gephardt, Op-Ed, "Medicare Must Remain A Responsibility Of Congress," [Huffington Post](#), 6/21/11)

OBAMA CUT OVER \$700 BILLION FROM MEDICARE TO FUND OBAMACARE

The Nonpartisan Congressional Budget Office: ObamaCare Cuts \$716 Billion From Medicare. (Congressional Budget Office, [Letter To Speaker John Boehner](#), 7/24/12)

- **ObamaCare Already Cut Medicare By 6 Percent.** "If the debt committee hits a dead end, the agreement between President Barack Obama and congressional leaders decrees an automatic 2 percent cut to Medicare providers. That's on top of a 6 percent cut already enacted to finance the president's health care law, according to the nonpartisan Kaiser Family Foundation. And the earlier cut is still being phased in." (Ricardo Alonson-Zaldivar, "Debt Ceiling Deal Paves Way For Medicare, Medicaid Budget Fight," [The Associated Press](#), 8/2/11)

Obama Told ABC's Jake Tapper That One-Third Of ObamaCare Is Funded By Cuts to Medicare. ABC's JAKE TAPPER: "One of the concerns about health care and how you pay for it -- one third of the funding comes from cuts to Medicare." BARACK OBAMA: "Right." TAPPER: "A lot of times, as you know, what happens in Congress is somebody will do something bold and then Congress, close to election season, will undo it." OBAMA: "Right." ([ABC News](#), 11/9/09)

- **Obama Deputy Campaign Manager Stephanie Cutter Bragged About ObamaCare's Cuts To Medicare.** CUTTER: "Well, you know ask the wealthy to pay a little bit more. Cut waste from the government. Reform Medicare. More than \$300 billion in savings from Medicare. On top of the savings we've already achieved. You know I heard Mitt Romney deride the \$700 billion cuts in Medicare that the president achieved through health care reform." (CBS' ["Face The Nation"](#), 8/12/12)