

Summary of Medicare Cuts in H.R. 3962

Democrats' health bill would slash Medicare by more than one-half trillion dollars

- **\$170 billion** in cuts to **Medicare Advantage** (MA) which currently provides benefits to more than 11 million seniors.
 - The Congressional Budget Office (CBO) predicts these cuts “could lead many plans to limit the benefits they offer, raise their premiums, or withdraw from the program.”
 - CBO also predicts 3 million seniors will lose the plan they currently have and the non-partisan Medicare Payment Advisory Commission (MedPAC) predicts these cuts will result in 1 in 5 seniors no longer having access to an MA plan;
- **\$143.6 billion** in across-the-board cuts by instituting a new, permanent “productivity adjustment” to reimbursement rates for all **hospitals**, Ambulatory Surgery Centers (**ASCs**), skilled nursing facilities (**SNFs**), **hospice**, **clinical laboratories**, and durable medical equipment (**DME**);
- **\$56.7 billion** in cuts to **home health** agencies by freezing payment rates in 2010, applying the productivity adjustment, and other reimbursement changes;
- **\$42.3 billion** in cuts to the Medicare prescription drug program (**Part D**) by imposing government price-controls for drugs. As a result, CBO predicts seniors’ premiums will increase by at least 20%;
- **\$23.9 billion** in additional cuts to **SNFs** by freezing their payment rates in 2010;
- **\$14.3 billion** in provider reimbursement cuts by reallocating Medicare funding nationally;
- **\$10.3 billion** in additional cuts to **hospitals** by slashing reimbursements designed to cover uncompensated care;
- **\$9.3 billion** in yet further cuts to **hospitals** that have a high rate of readmitted patients;
- **\$8.2 billion** in undisclosed cuts determined by the new, unelected “Center for Medicare Innovation;”
- **\$5.3 billion** in cuts to **inpatient rehabilitation facilities** cuts by freezing payment rates in 2010;
- **\$3 billion** in reimbursement cuts to providers who use **imaging** equipment (MRI, CT scans, etc);
- **\$1 billion** cut to **physician-owned hospitals**, effectively legislating these hospitals out of existence. In some communities, physician-owned hospitals are the only hospital in the community.
- **\$800 million** in additional DME cuts (power wheelchairs); and
- Plus, **\$14.5 billion** in additional miscellaneous cuts to the Medicare program.