

DISTRICT OFFICES

355 S. WASHINGTON STREET
DANVILLE, IN 46122
(317) 718-0404
(317) 718-0405 (FAX)

337 COLUMBIA ST.
LAFAYETTE, IN 47901
(765) 838-3930
(765) 838-3931 (FAX)



Congress of the United States
House of Representatives
Washington, DC 20515

September 25, 2013

TODD ROKITA
4TH DISTRICT, INDIANA

COMMITTEE ON THE BUDGET

COMMITTEE ON HOUSE
ADMINISTRATION

COMMITTEE ON EDUCATION
AND THE WORKFORCE

ROKITA.HOUSE.GOV

Bill

West Lafayette, IN

Dear

Thank you for attending my Kentland Congress on Your Corner event on August 20, 2013. I would like to address your questions regarding a five percent Medicare cut to contain program costs.

As you may know, in May 2013, the Medicare Trustees released their annual report on the fiscal status of Medicare. The trustees issued a funding warning showing that the Medicare Hospital Insurance Trust Fund will be bankrupt in 2026. The Department of Health and Human Services also issued a report indicating Medicare's unfunded obligations over the next 75 years could exceed \$27 trillion. On average, Medicare beneficiaries only contribute 40 percent of the cost of the benefits they will take out in their lifetime. This is unsustainable. We need to begin working on reforms now to make sure Medicare is there for future generations.

While there are certainly savings to be found in Medicare, including by cracking down on waste and abuse, this alone will not be enough. Medicare must be reformed responsibly, with plans like the Ryan-Rokita Path to Prosperity budget (<http://budget.house.gov/fy2014/>). This budget aims to curb out-of-control spending and create long-term solvency for Medicare by implementing a premium support model whereby competition and choice lower Medicare costs.

I strongly appreciate your willingness to take a small cut in Medicare benefits to put the program on a more sustainable path. These are the kinds of tough choices Americans must make to ensure that our children and grandchildren are not left with crushing levels of debt. Practically, there are a number of ways to reduce Medicare expenditures, none of which would be easy.

Costs are most often controlled by reducing payments to providers. This results in doctors being squeezed so tightly they eventually lose money on Medicare. Then they must choose whether to continue participating in the program at all – making it more difficult for seniors to find doctors. Your suggestion – either taking a cut to benefits or requiring more out-of-pocket from beneficiaries – is flatly rejected by my colleagues across the aisle. However, I believe these are ideas we need to explore. The Ryan-Rokita budget plan I mentioned earlier would impose means-testing in the Medicare program, requiring wealthier seniors to contribute more for their premiums.

Please be assured I will continue working to restrain Medicare spending and control federal spending. Again, thank you for attending my Kentland Congress on Your Corner event. Please stay in touch.

Sincerely,

Todd Rokita
Member of Congress