

104TH CONGRESS
1ST SESSION

H. R. 1590

To require the Trustees of the medicare trust funds to report recommendations on resolving projected financial imbalance in medicare trust funds.

IN THE HOUSE OF REPRESENTATIVES

MAY 9, 1995

Mr. ARCHER (for himself and Mr. THOMAS) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To require the Trustees of the medicare trust funds to report recommendations on resolving projected financial imbalance in medicare trust funds.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. TRUSTEES' CONCLUSIONS REGARDING FINAN-**
4 **CIAL STATUS OF MEDICARE TRUST FUNDS.**

5 (a) HI TRUST FUND.—The 1995 annual report of
6 the Board of Trustees of the Federal Hospital Insurance
7 Trust Fund, submitted on April 3, 1995, contains the fol-

1 lowing conclusions respecting the financial status of such
2 Trust Fund:

3 (1) Under the Trustees' intermediate assump-
4 tions, the present financing schedule for the hospital
5 insurance program is sufficient to ensure the pay-
6 ment of benefits only over the next 7 years.

7 (2) Under present law, hospital insurance pro-
8 gram costs are expected to far exceed revenues over
9 the 75-year long-range period under any reasonable
10 set of assumptions.

11 (3) As a result, the hospital insurance program
12 is severely out of financial balance and the Trustees
13 believe that the Congress must take timely action to
14 establish long-term financial stability for the pro-
15 gram.

16 (b) SMI TRUST FUND.—The 1995 annual report of
17 the Board of Trustees of the Federal Supplementary Med-
18 ical Insurance Trust Fund, submitted on April 3, 1995,
19 contains the following conclusions respecting the financial
20 status of such Trust Fund:

21 (1) Although the supplementary medical insur-
22 ance program is currently actuarially sound, the
23 Trustees note with great concern the past and pro-
24 jected rapid growth in the cost of the program.

1 (2) In spite of the evidence of somewhat slower
2 growth rates in the recent past, overall, the past
3 growth rates have been rapid, and the future growth
4 rates are projected to increase above those of the re-
5 cent past.

6 (3) Growth rates have been so rapid that out-
7 lays of the program have increased 53 percent in ag-
8 gregate and 40 percent per enrollee in the last 5
9 years.

10 (4) For the same time period, the program
11 grew 19 percent faster than the economy despite re-
12 cent efforts to control the costs of the program.

13 **SEC. 2. RECOMMENDATIONS ON RESOLVING PROJECTED**
14 **FINANCIAL IMBALANCE IN MEDICARE TRUST**
15 **FUNDS.**

16 (a) REPORT.—Not later than June 30, 1995, the
17 Board of Trustees of the Federal Hospital Insurance
18 Trust Fund and the Board of Trustees of the Federal
19 Supplementary Medical Insurance Trust Fund shall sub-
20 mit to the Congress recommendations for specific program
21 legislation designed solely—

22 (1) to control medicare hospital insurance pro-
23 gram costs and to address the projected financial
24 imbalance in the Federal Hospital Insurance Trust
25 Fund in both the short-range and long-range; and

1 (2) to more effectively control medicare supple-
2 mentary medical insurance costs.

3 (b) USE OF INTERMEDIATE ASSUMPTIONS.—The
4 Boards of Trustees shall use the intermediate assumptions
5 described in the 1995 annual reports of such Boards in
6 making recommendations under subsection (a).

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