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Entitlement Debate Heats Up as Fiscal Summit Approaches

BYLINE: By Daniela Feldman and Leah Nysten, CQ Staff

With a debate rapidly approaching on how to control entitlement spending, liberal and conservative groups weighed in on the issue Wednesday at separate events, with analysts on the left arguing that any crisis is being miscast and those on the right saying entitlements need to be more focused on lower-income Americans with the long-term costs involved more accurately depicted in the budget process.

President Obama has brought the affordability of entitlement programs such as Social Security, Medicare, and Medicaid into the spotlight by scheduling a fiscal responsibility "summit" starting Feb. 23. Senate Budget Committee Chairman Kent Conrad, D-N.D., and ranking Republican Judd Gregg of New Hampshire hope the event will help build support for their plan to create a commission to produce legislation subject to an up-or-down congressional vote that would rein in entitlement spending.

At an event sponsored by the right-leaning Heritage Foundation, panelists said Congress should change the budget process to an "accrual-based model" that would require the federal government to include all its future obligations including entitlement spending in the federal budget.

The accrual-based budget process would help make the real cost of programs more clear, said Andrew Yarrow, vice president and director of **Public Agenda**, which describes itself as a non-partisan group focused on public opinion research and civic engagement. "All

programs are done with the best intentions to help more and more Americans live decent lives," Yarrow said. "The problem is in the details: how the program are funded and not funded in the long term."

Under the current budget system, the Congressional Budget Office only estimates the effects of new laws 10 years into the future. This can obscure the real cost of programs such as Medicare, Medicaid, and Social Security, Yarrow suggested.

Other panelists suggested that Americans should reconsider its priorities related to government health care spending.

The current system provides too many benefits to middle-income Americans instead of focusing help on those with the lowest incomes, said Stuart Butler, a Heritage Foundation vice president for domestic and economic policy studies. The problem is "not the money that gets spent, it's who gets to spend it and for what," Butler said.

For example, the British and American health care systems diverge because of the expectations of patients, he said. In America, patients discuss a course of treatment with their doctor without considering cost and send the bill to the government. In the British system, health care is community-based and takes into account cost and need, he said. "The cost of health care is related to the way in which we buy," Butler said. "We cannot solve the rising health care costs without looking at [people's expectations] about health care."

Butler said he was heartened by [President Obama's](#) decision to hold the fiscal responsibility summit, expressing hope that the president would have a discussion on the underlying issues rather than use the event as a photo opportunity.

Meanwhile, members of the left-leaning National Committee to Preserve Social Security and Medicare (NCPSSM) rejected the entitlement commission approach at an event Wednesday and asked for the refinancing of Social Security. The committee asserted that "enacting restrictive timelines and prohibiting amendments to push through changes of this importance to millions of Americans, especially senior Americans, ultimately disenfranchises the public and hurts the political process."

The leader of the group argued that the issue isn't entitlements per se but addressing the rising costs throughout the health care system.

"We do not have an entitlement crisis, the health care program needs financing," said Barbara B. Kennelly, president and CEO of NCPSSM and a former member of Congress.

Virginia Reno, vice president for income security at the National Academy of Social Insurance, urged a separation between Social Security and the health care overhaul issue.

"Health care has a crisis, but Social Security does not," Reno said.

"Social Security finances have a long-time horizon and are expected to be in balance," she said.



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Henry Aaron, a senior fellow at The Brookings Institution, said health care needs revamping because spending for Medicare and Medicaid is five times larger than the growth of Social Security.

"There is not a spending problem with entitlements," Aaron said. "We want a health system reform structure to get the care we want."