



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

<http://finance.senate.gov>

For Immediate Release
Monday, May 1, 2006

Contact: Carol Guthrie
202-224-4515

BAUCUS COMMENTS ON 2006 TRUSTEES' REPORT ON STATUS OF SOCIAL SECURITY, MEDICARE

*Senator strongly criticized recent recess appointment of public trustees
for unprecedented second terms, urged against their signing of report*

Washington, DC --- U.S. Senator Max Baucus (D-Mont.), Ranking Member of the Senate Finance Committee, released the following statement today upon the release of the latest report on the status of Social Security and Medicare from those programs' Board of Trustees. Baucus and Finance Committee Chairman Chuck Grassley (R-Iowa), recently criticized the President's recess reappointment of two public trustees for the program. Public trustees have historically served only one term, and are supposed to be chosen in consultation with the Finance Committee leadership and with the advice and consent of the Senate. This week the Senators urged the reappointed trustees not to sign today's report, as they were not trustees during its preparation.

“Today's report tells us something we have known all along: Social Security is on solid financial ground for decades to come. According to the Social Security Trustees' Report, Social Security will be able to pay full benefits until 2040, more than three decades from now. Moreover, the Congressional Budget Office projects that the program will be able to pay benefits for 11 years longer, until 2052. Under either set of projections, Social Security faces a long-term financial challenge, but there is time to develop a thoughtful plan that will address Social Security's finances, and do it right. I want to work with the President and my Congressional colleagues to make sure Social Security is here for future generations. Privatization plans that will increase debt, cut benefits deeply and add risk to the benefits that remain are still not the answer – and are not proposals I will support.

This report also shows that Medicare's hospital trust fund has lost two additional years of solvency, which is cause for continuing concern about the long-term financial health of the Medicare program. I am alarmed that the Administration's reaction to Medicare solvency is to further promote Medicare Advantage plans, which have been estimated by the Medicare Payment Advisory Commission (MedPAC) to cost more than traditional Medicare, and Health Savings Accounts, which do not address core issues of health coverage or costs. I am willing to work together on serious proposals that will truly solve the financial challenges Medicare faces today.

“Related to the membership of the panel of trustees that produced these reports, the Chairman and I plan to introduce legislation this week to limit public trustees to serving only one term of office. It is good policy to have new public trustees every four years to ensure new perspectives and ideas for these important reports. I expect the White House to nominate the next public trustees after appropriate consultation with the Chairman and the Ranking Member of the Finance Committee, and to obtain the advice and consent of the Senate for trustees' confirmation.”

###