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BAUCUS COMMENTS ON 2007 TRUSTEES' REPORT ON STATUS OF SOCIAL SECURITY, MEDICARE

Washington, DC --- Senate Finance Committee Chairman Max Baucus (D-Mont.), commented today on the latest report on the status of Social Security and Medicare from those programs' Board of Trustees. The report found that Social Security will be able to pay full benefits for more than three decades, and that rising health care costs continue to put pressure on the Medicare system. Baucus called for cooperation between the administration and the Congress to find smart solutions for the long-term solvency of these vital programs.

“Today’s report shows some modest improvement in the long-term solvency of Social Security. Social Security will be able to pay full benefits until 2041, one year later than in last year’s report. The Congressional Budget Office projects that the program will be able to pay benefits for five years longer, until 2046. Social Security faces a long-term financial challenge, but we can work together to develop a thoughtful plan that will address Social Security’s finances without undermining its bedrock mission or putting benefits at risk. The first proposals we should look at are those that do not cut benefits or raise taxes. For example, we need to work on reducing the \$50 billion per year of Social Security payroll taxes that are owed by taxpayers but not paid.

“While this report shows that Medicare’s hospital trust fund has also gained one additional year of solvency, there is still much cause for concern about the long-term financial health of the Medicare program. Rapid growth in health care costs is causing mounting pressure on public and private payers alike, and this report makes plain that Medicare is no exception. I am concerned, however, that the ‘Medicare funding warning’ in this report will prompt the President only to propose slashing Medicare spending, rather than to focus on the underlying factors driving costs throughout the health system. Any Presidential proposal resulting from this warning should address the fundamental issues plaguing the system as a whole: health coverage and health care costs. The Medicare program is too vital to millions of Americans to be subjected to arbitrary targets and funding cuts. As Chairman of the Finance Committee, I am willing to work together on serious proposals to truly solve the financial challenges Medicare faces today.”

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