

Questions for the Record for Patricia Neuman

U.S. Senate Committee on Finance “Hearing to Consider the Nominations of Marjorie A. Rollinson, Patricia Hart Neuman, and Demetrios L. Kouzoukas” September 28, 2023

Chairman Wyden

- 1. The role of public trustees is a unique role in public service. Rather than starting a new job in public service, you now wear ‘two hats’: one as the public trustee to the Social Security and Medicare Trust Funds, and the other ‘hat’ representing your non-government day jobs. Can you talk about how you will approach dealing with any apparent conflict wearing your two ‘hats’?**

The public trustee is considered a “special governmental employee” and is not a full-time position. Public trustees typically serve in this role in addition to having full-time employment. I am currently a Senior Vice President at KFF, Executive Director of KFF’s Program on Medicare Policy and Senior Advisor to KFF’s President and CEO. If I am confirmed, I would continue my employment at KFF and also serve as a public trustee.

I do not foresee future conflicts with these two roles but do think it would be appropriate to make clear when I am and *am not* speaking in my role as a public trustee, including when I am giving public presentations, speaking to the media or writing papers.

- 2. Looking at each of your backgrounds, you both have extensive experience in the Medicare program, including coverage and solvency. You would bring a different perspective than past public trustees, many of whom have Social Security, pensions, or economic backgrounds. This can be a good thing, as it is important to have a fresh, outside perspective to the discussion. If confirmed, you would serve as the public trustee for the Social Security Trust Funds as well. While the Trustees use the same demographic and economic assumptions to develop the Social Security and Medicare Trustees Reports, changes to those assumptions can have different impacts on each trust funds’ solvency. Can you talk about how you would approach your role as Social Security public trustee, and whether it would differ from your role as Medicare public trustee?**

I would approach the role of public trustee for Social Security much as I would for Medicare. While the Medicare and Social Security programs serve somewhat different functions, they share a number of similar features and future challenges. For example, the solvency projections of the Supplementary Medical Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are each affected by trends and assumptions related to birthrates, immigration patterns, mortality and growth in the economy. In addition, Medicare’s fiscal health is also influenced by changes in health care spending, and the various factors that influence Medicare spending trends.

The primary roles of the trustees – to review the assumptions made by the actuaries, consider whether the assumptions are reasonable, how emerging trends may affect projections, and communicate the findings clearly to the public – apply similarly to Social Security and Medicare, though Medicare may be somewhat more complicated by underlying payment reforms that affect spending, health care trend data and more frequent changes in policy. In addition, the role of the public trustee is to give the public confidence in the objectivity of the projections that apply to each of the trust funds, including explaining changes that may have occurred from one year to the next, and the urgency and magnitude of the fiscal challenges facing the programs and the people they serve.

The attributes that I bring to the work pertaining to the Medicare trust funds will apply to work that is involved for the Federal Old-Age and Survivors Insurance and Federal Disability Insurance trust funds.

Senator Crapo

1. What is your understanding of the role of the Trustees with regards to recommending or setting policy?

The role of the public trustee is to work with the actuaries of the Social Security Administration and Department of Health and Human Services to produce the annual reports required by law based on sound and objective data and analysis, and to give the public confidence that the assumptions built into the report and projections presented in the report are reasonable. My understanding is that the public trustees do not take positions on policy issues or make recommendations for specific policy solutions.

2. Have you addressed any potential conflicts of interest in your ethics agreement with the Social Security Administration in consultation with the U.S. Department of Health & Human Services and the U.S. Office of Government Ethics?

Yes.

3. Do you commit to not participating personally or substantially in any particular matter that to your knowledge would have a direct and predictable effect on your financial interests unless a waiver has been issued or a regulatory exemption applies?

Yes.

4. If a potential conflict of interest arises, will you consult with agency officials and take the measures necessary to resolve the conflict?

Yes.