

U.S. House and Senate Notification
Monday, August 2, 2010

To: Congressional Health Staff

From: Amy Hall
Director, Office of Legislation
Centers for Medicare & Medicaid Services

Re: Affordable Care Act Saving Money For Medicare And Taxpayers:
New CMS Report Shows Savings of Nearly \$8 Billion by 2012

Medicare will see savings of nearly \$8 billion by the end of 2012 with the implementation of the Affordable Care Act, the Centers for Medicare & Medicaid Services (CMS) reported today.

In a new study examining the impact of the new law and actions taken to achieve its goals, available at www.cms.gov, CMS reports that savings to Medicare will rise to more than \$575 billion over the next decade. These reforms include new provisions that will improve the quality of care, develop and promote new models of care delivery, appropriately price services, modernize the health system, and fight waste, fraud, and abuse. The Affordable Care Act is projected to more than double the life of the Medicare Trust Fund, extending its life from 2017 to 2029.

Without enactment of the Affordable Care Act, the nation's already excessive health care spending would have reached unsustainable levels within the next few decades. The Congressional Budget Office projected in 2009 that national health care spending would be 31 percent of the Gross Domestic Product (GDP) by 2035 and 46 percent of GDP by 2080. The Medicare Trustees projected in 2009 that the Hospital Insurance (HI) Trust Fund, which pays for Medicare services, would be insolvent in eight years, by 2017.

To read the entire CMS Press Release issued today (8/2) click here:
https://www.cms.gov/apps/media/press_releases.asp

The report is now available under "CMS Highlights" at www.cms.gov.