

Table 8.
Medicare Spending: Breaux Proposal, NonTraditional Estimate (FFS slows) (Current Law Baseline = No Slowdown)
 (by selected calendar year)

	1970	1975	1980	1985	1990	1995	2000	2005	2010	2015	2020	2025	2030
Medicare Spending as a Percent of GDP													
No Slowdown Baseline	0.7	1.0	1.3	1.7	1.9	2.5	2.7	3.1	3.7	4.5	5.5	6.9	8.5
Breaux Proposal	0.7	1.0	1.3	1.7	1.9	2.5	2.7	3.0	3.3	3.8	4.5	5.2	6.0
Medicare Spending as a Percent of Payroll \1													
No Slowdown Baseline	1	2	3	4	4	5	6	6	8	9	11	14	17
Breaux Proposal	1	2	3	4	4	5	6	6	7	8	9	11	12
Medicare Spending as a Percent of the Federal Budget \2													
No Slowdown Baseline	3	5	6	8	9	11	12	14	16	19	24	30	38
Breaux Proposal	3	5	6	8	9	11	12	13	15	17	20	23	27
Medicare Spending in Billions of Dollars													
No Slowdown Baseline	7	15	36	70	108	180	247	363	537	817	1,258	1,949	2,972
Breaux Proposal	7	15	36	70	108	180	247	347	486	701	1,021	1,474	2,125
Average Annual Growth in Spending from Previous Year Shown													
No Slowdown Baseline		16.7	18.1	14.5	9.0	10.8	6.5	8.0	8.2	8.7	9.0	9.2	8.8
Breaux Proposal		16.7	18.1	14.5	9.0	10.8	6.5	7.1	6.9	7.6	7.8	7.6	7.6
Average Annual Growth in Spending Above the Impact of Demographics (from Previous Year Shown)													
No Slowdown Baseline		8.2	14.7	11.8	6.8	8.5	4.8	6.4	6.4	6.4	6.4	6.4	6.4
Breaux Proposal		8.2	14.7	11.8	6.8	8.5	4.8	5.4	5.1	5.3	5.2	4.9	5.2
Memorandum: Monthly Part B Premium (as a percent of enrollees' average income) \3													
No Slowdown Baseline						3	4	5	6	7	8	9	10
Breaux Proposal						3	4	5	5	5	6	6	6

Source: Medicare Commission Staff.

Notes: No Slowdown scenario created as an illustration by Commission staff. It assumes a constant rate of growth in Medicare spending above the impact of demographics. That rate of growth is roughly consistent with Medicare's spending performance over the last decade. Small slowdown in growth of FFS spending attributable to management tools given HCFA and/or Congressional action.

1. Total Medicare spending as a percent of wage and salary disbursements. Under current law, Part A of Medicare is funded by a 2.9 percent payroll tax.
2. Medicare spending net of premiums as a percent of federal receipts.
3. Assumes enrollees' average income rises at the same rate as per capita GDP.