

Overlapping Policies and Estimated Savings Across Fiscal Plans

Deficit-Reducing Policies	President's Super Committee Submission	House Republican Budget	Bowles-Simpson Fiscal Commission	Domenici-Rivlin (BPC)*	Under Consideration in Debt Limit Discussions ⁺	Lieberman-Coburn Health Proposal
Government-Wide						
Use Chained CPI for All Inflation-Indexed Programs**			\$232 billion from implementing chained CPI	\$232 billion from implementing chained CPI	Under discussion by Obama and Boehner	
Health Care						
Reform Medicaid Formula	\$15 billion from introducing a reduced blended Medicaid rate in 2017	\$770 billion from block granting Medicaid and indexing to CPI + population	Recommends consideration of block granting to meet long-term health cap	Replaces matching rates with reallocation of federal/state responsibilities beginning in 2018	\$100 billion from unspecified FMAP changes (with possible increased state flexibility)	
Reduce State Medicaid Gaming	\$26 billion from reducing Medicaid provider tax threshold		\$51 billion from phasing out Medicaid provider tax threshold		Under discussion as part of Medicaid reform	
Improve Dual Eligible Care			\$15 billion from mandating dual eligibles be placed in Medicaid managed care (with Medicare capitated payments)	\$8 billion from removing barriers for states to place dual eligibles in managed care	\$0-\$5 billion from better care coordination	

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Enact Tort Reform		\$62 billion from aggressive reforms, including caps to non-economic and punitive damages	\$20 billion from reforms such as collateral source rule changes and consideration of aggressive reforms	\$62 billion from requiring states to cap non-economic and punitive damages		
Reduce Medicare Payments for Pharmaceutical Drugs	\$142 billion from prohibiting pay for delay for generic drugs (\$3b), shortening exclusivity for generics (\$4b), and drug rebates (\$135b)		\$55 billion by applying Medicaid drug rebates to low income seniors covered by Medicaid and Medicare Part D	About \$160 billion by expanding Medicaid drug rebates to Medicare Part D	Part D rebates proposed by Dems; other reforms, such as average wholesale price (AWP) rules for Part D drugs and drug reclassifications also considered	
Increase Medicare Cost-Sharing	More than \$1 billion from increasing the Part B deductible and introducing a home health co-payment for new beneficiaries in 2017		\$65 to \$75 billion from a \$550 deductible, 20% co-insurance up to \$5,500, 5% co-insurance up to \$7,500, and catastrophic cap above that	About \$30 billion from a \$560 deductible, 20% co-insurance up to \$5,250 and catastrophic cap above that	Up to \$66 billion from clinical lab and skilled nursing facilities (SNF) / Home Health co-pays (though money could also come from payment reduction)	\$65 to \$75 billion from a \$550 deductible, 20% co-insurance up to \$5,500, 5% co-insurance up to \$7,500, and catastrophic cap above that

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Increase Basic Medicare Premium				About \$240 billion from raising basic Part B premiums from 25% to 35% of costs (5-year phase-in)		About \$240 billion from raising basic Part B premiums from 25% to 35% of costs (5-year phase-in)
Increase Medicare Means-Testing	\$20 billion from increasing means-testing premiums and freezing brackets beginning in 2017				\$38 billion from freezing premium brackets after 2019 and increasing costs for high-earners	Increases catastrophic cap for high-earners and requires high-earners to pay 100% of premiums
Restrict Medigap Coverage	Over \$2 billion from a Medicare Part B surcharge on beneficiaries who purchase Medigap policies with low cost-sharing requirements for new beneficiaries beginning in 2017		\$53 billion from restricting first-dollar coverage of Medigap plans		Up to \$53 billion from restricting first-dollar coverage of Medigap plans	\$53 billion from restricting first-dollar coverage of Medigap plans
Strengthen the Independent Payment Advisory Board (IPAB)	Lowers IPAB's target rate for Medicare spending per beneficiary from GDP+1% to GDP+0.5%		Broadens IPAB's authority by eliminating exemptions from its recommendations, including hospitals and other providers	Requires IPAB to review Medicare benefit structure every two years and recommend changes in private market		

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Enact Medicare Premium Support		Implements premium support for new retirees in 2022, with \$8,000 yearly subsidy indexed to inflation	Pilots premium-support in FEHB and recommends consideration of premium support after 2020	Implements premium support in 2018 for current and new retirees, allowing traditional Medicare to compete, indexed to GDP+1%		
Reduce Post-Acute Care Payments	\$42 billion from reducing payment updates for post-acute care providers and other reforms		\$9 billion from accelerating home health cuts under PPACA		Up to \$50 billion from cutting home health and SNF payments (though savings could come from cost-sharing)	\$9 billion from accelerating home health cuts under PPACA
Raise Medicare Eligibility Age			Recommends consideration of eligibility age increase to meet long-term targets		Raising age from 65 to 67 under discussion by Obama and Boehner	\$124 billion from raising the eligibility age to 67 between 2014 and 2025
Reform TRICARE and/or TRICARE for LIFE	\$22 billion from a TRICARE for Life premium and higher TRICARE drug co-pays		\$43 billion from applying Medigap restrictions on first dollar coverage to TRICARE for Life		Up to \$17 billion from increasing drug co-pays under TRICARE	

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Reform Federal Employees Health Benefits (FEHB) Program	\$2 billion from reforming FEHB pharmacy benefit contracting		\$22 billion from converting FEHB into premium support with fixed contribution amounts and having FEHBP subsidize Medicare premium instead of first dollar coverage		Up to \$11 billion from allowing FEHB benefit to subsidize Medicare premium instead of first dollar coverage	
Reduce Medicare Bad Debt Payments	\$20 billion from reducing bad debts payment		About \$25 billion from phasing out payments for bad debts		\$14-\$26 billion from phasing out payments for bad debts	\$25 billion from phasing out payments for bad debts
Changes in Special Hospital Payment Policies	\$15 billion from reducing Graduate Medical Education payments and payments to rural hospitals		\$70 billion from reducing subsidies to hospitals for direct and indirect graduate medical education costs		\$28 billion , half from graduate (direct and indirect) medical payments and half from rural hospitals	
Reduce Spending from the Affordable Care Act	\$18 billion from correcting income definition rules for insurance subsidies and reducing spending on the Prevention and Public Health Fund	About \$590 billion from repealing the coverage and tax provisions of the Affordable Care Act	Calls for reforming or repealing the CLASS Act, which could <i>cost</i> up to \$87 billion in the first decade but reduce the deficit in future decades		\$10 billion from not allowing the Prevention and Public Health Fund to grow and repealing Frontier State Adjustments	

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Reform the Sustainable Growth Rate (SGR)	Assumes a permanent freeze to reimbursement rates		\$36 billion (compared to a 10-year freeze) from a -1% update in 2014 and directing CMS to develop an improved payment formula that encourages care coordination and quality over quantity			Provides 3-year SGR fix to give time for lawmakers to develop new Medicare reimbursement mechanism for physicians

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Other Mandatory Spending					
Reduce Farm Subsidies	\$33 billion in net savings from eliminating direct payments, reducing subsidies for crop insurance, and better targeting of conservation assistance programs, with a portion of the savings used to extend mandatory disaster assistance	\$28 billion from reductions in direct payments and crop insurance	\$12 billion in net savings from \$18 billion in savings from reductions in direct payments and other subsidies as well as reduction in conservation and market assistance programs), with \$6 billion in new spending to extend disaster fund	\$34 billion from cutting payments to commercial farms, reforming crop insurance, and cutting conservation program spending	\$33 billion from \$31 billion in farm subsidy cuts and \$2 billion in cuts to conservation programs
Reform Pension Benefit and Guaranty Corporation (PBGC)	\$16 billion from increasing PBGC premiums and allowing PBGC to set its own premium rates	\$3 billion from increasing PBGC premiums	\$10 billion from allowing PBGC to set its own premium rates	\$5 billion from increasing PBGC premiums	\$9 billion from unspecified changes
Auction Spectrum Licenses	\$18 billion of <i>net</i> savings mainly from incentive auctions, with some spending on broadband funding	\$25 billion mainly from incentive auctions	Less than \$5 billion from continuing existing auction authority; recommends Congress consider incentive auctions		\$20-\$25 billion in net savings from incentive auctions with a portion of auction proceeds redirected to new spending

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Reform Federal Civilian and Military Pension Benefits	Establishes a BRAC-like process to review military retirement benefits, but does not set a savings target or assume any savings	\$1 billion from eliminating special retirement supplement	Establishes a task force to evaluate federal health and retirement benefits, but makes illustrative suggestions of up to \$27 billion for pension savings from increasing computation years from 3 to 5 and eliminating COLAs before age 62 with a 1-time catch up	\$9 billion from using highest 5 years of earnings to calculate civilian benefits and reforming military retirement into one based on FERS	\$47 billion (\$36 billion from civilian and \$11 billion from military) including from increasing contributions and benefits changes. Also, chained CPI for COLAs under consideration by Obama and Boehner
Increase Pension Contributions for Federal Employees	\$21 billion from increasing employee pension contributions from 0.8% to 2%	\$122 billion from equalizing employer and employee contributions to civilian pensions	Up to \$66 billion from gradually equalizing employer and employee contributions to civilian pensions [#]		
Eliminate In-School Interest Subsidies on Student Loans	^	\$46 billion from eliminating subsidies for undergraduate and graduate students [^]			Up to \$46 billion , with the possibility of some of the money going to strengthen Pell Grants
Fannie and Freddie Reform	\$28 billion from guarantee fees	\$30 billion from unspecified reforms			\$30-\$32 billion from increasing guarantee fees and other reforms
Aviation Security / FAA Fees	\$26 billion from increasing aviation security fees and introducing new fees on non-commercial aircraft			\$21 billion from moving to \$5 flat fee per one-way flight for aviation security	Up to \$18 billion from moving to \$5 flat fee for aviation security, and a per flight plan FAA fee

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U.S. Postal Service Reforms	\$19 billion from health benefit reforms, refunding the surplus given to FERS program, giving Postal Service authority to move to five-day delivery, allowing non-postal items to be sold, and allow products to be priced in accordance with costs		Calls for removal of restrictions that prevent Postal Service from taking action to reduce losses, such as five-day delivery and closing down of some offices		\$11-\$26 billion from allowing Postal Service to adjust postal rates, among other changes
Improve Tax Enforcement	Up to \$30 billion from "cap adjustments" for tax enforcement		Up to \$30 billion from "cap adjustments" for tax enforcement		
Reduce Food Stamps		\$127 billion from block granting food stamps at "pre-recession projected levels" in 2015			Republicans proposed \$20 billion in savings from categorical eligibility, "heat & eat", and job training
Sell Excess Federal Real Property	\$4 billion from disposing of excess real property		Directs GSA to loosen agency restrictions on selling unused buildings and land		
Reform National Flood Insurance	\$4 billion from phasing out premium subsidies for certain properties			About \$10 billion from adjusting insurance subsidies for risk	

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Tax Reform					
Reform Employer Health Exclusion	<p>\$410 billion in additional revenue by limiting itemized deductions for high earners, and then calls for tax expenditure reform. Also implements the "Buffett Rule" in which people with income over \$1 million cannot face a lower effective tax rate than people earning less than \$1 million</p>	<p>Calls for revenue neutral comprehensive tax reform, which could include elimination of various preferences</p>	<p>Calls for comprehensive reform. Illustrative plan phases out exclusion between 2014 and 2038</p>	<p>Phases out exclusion between 2018 and 2028</p>	
Reform Mortgage Interest Deduction			<p>Calls for comprehensive reform. Illustrative plan replaces deduction with 12% credit up to \$500,000, only for primary residences</p>	<p>Replaces deduction with 15% credit up to \$500,000 for primary residences only</p>	<p>Elimination of deduction on second homes under discussion by Biden group</p>
Reform Charitable Deduction			<p>Calls for comprehensive reform. Illustrative plan replaces deduction with 12% credit and 2% of AGI floor</p>	<p>Replaces deduction with 15% refundable credit given directly to charitable organization</p>	<p>Democrats proposed limiting itemized deduction for high-earners</p>
Reform State and Local Deduction			<p>Calls for comprehensive reform. Illustrative plan eliminates deduction</p>	<p>Eliminates deduction</p>	
Reform Tax Treatment of Retirement Accounts			<p>Calls for comprehensive reform. Illustrative plan consolidates accounts, caps contributions, and expands savers' credit</p>	<p>Caps contributions and expands saver's credit</p>	

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Corporate Tax Reform	\$62 billion from eliminating various business tax expenditures. Then, calls for corporate tax reform that broadens base and lowers rate	Calls for comprehensive tax reform which targets a rate of 25%	Calls for comprehensive reform. Illustrative plan eliminates corporate all tax expenditures, lowers rate to 28%, and moves to a territorial system	Eliminates most corporate tax expenditures and reduces rate to 27%	White House offered corporate tax reform, including corporate jets and LIFO rules, but offer was rejected
Eliminate Fossil Fuel Tax Preferences	\$4 billion in budget from reducing various preferences, and calls for tax expenditure reform in framework	Comprehensive tax reform which could include elimination of various preferences	Comprehensive tax reform which could include elimination of various preferences	Eliminates all tax expenditures related to oil and gas	Elimination of domestic manufacturing credit for big five integrated oil companies under discussion

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Social Security					
Raise Social Security Retirement Age	Calls for improved WEP/GPO compliance with states and localities, but does not address or mention Social Security reform beyond that. However, the April Budget Framework called for Social Security reform, parallel to deficit reduction, which would strengthen security for low-income earners and the most vulnerable and restore long-term solvency without privatization or reducing the "basic benefit" for current beneficiaries.	Establishes Social Security trigger requiring action by the Administration and Congress in any year in which the Social Security Trustees project the system to be insolvent over the next 75 years. The President would be required, in conjunction with the Social Security Trustees, to put forward a plan to restore solvency, and Congress would be required to consider those recommendations or alternative proposals under an expedited process.	Closes 18% of 75-year shortfall from indexing the retirement age to life expectancy, with hardship exemption	Closes 22% of 75-year shortfall from indexing benefit formula to account for increases in life expectancy	
Reduce Benefit Formula for Higher Earners			Closes 29% of 75-year shortfall from creating bendpoint at median income and reducing PIA factors to 90% 30% 10% 5%	Closes 4% of 75-year shortfall from reducing top PIA factor from 15% to 10%	
Increase Social Security Taxable Maximum			Closes 35% of 75-year shortfall from gradually raising the payroll tax cap to cover 90% of wages	Closes 35% of 75-year shortfall from gradually raising the payroll tax cap to cover 90% of wages	
Add State and Local Government Workers to Social Security			Closes 8% of 75-year shortfall from adding newly hired state and local workers beginning in 2021	Closes 8% of 75-year shortfall from adding newly hired state and local workers beginning in 2020	
Apply Chained CPI to Social Security*			Closes 26% of 75-year shortfall from using chained CPI to calculate annual COLAs	Closes 26% of 75-year shortfall from using chained CPI to calculate annual COLAs	Under consideration by Obama and Boehner

This list is not exhaustive of overlapping policies.

*Estimates for BPC proposals extrapolated out to 2021 and estimated without interaction from premium support or Medicaid overhaul by CRFB staff.

**Switching to the chained CPI would increase revenues by \$72 billion, reduce Social Security outlays by \$112 billion, and reduce other spending by \$48 billion over ten years. To read more, see CRFB's Moment of Truth project policy paper at <http://crfb.org/document/measuring-case-chained-cpi>.

+ Policies under discussion during debt ceiling debate as defined by memo from Congressman Eric Cantor, unless otherwise noted.
^\$18 billion in additional recommended savings already enacted as part of Budget Control Act.