



For Immediate Release

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Deficit reduction agreement reached; more work ahead

LINCOLN—Washington has finally reached a tentative debt limit and deficit reduction agreement. While the Nebraska Hospital Association is pleased that the Budget Control Act of 2011 does not include immediate cuts to Medicare and Medicaid, the agreement carries the very real threat of future Medicare and Medicaid cuts that would further weaken access to health care services for Nebraska's most fragile residents.

The measure raises the debt ceiling by \$900 billion—\$400 billion immediately and \$500 billion in September, following a presidential request—and enacts cuts of \$917 billion over 10 years. While Medicare and Medicaid would not be impacted by the initial cuts, the legislation tasks the Joint Selection Committee on Deficit Reduction with recommending \$1.2-1.5 trillion in additional savings by November 23.

Congress must vote on the recommendations by December 23, and the president could request an additional increase in the debt ceiling of \$1.5 trillion if passed. If Congress fails to act on the committee's proposal or send a balanced budget amendment to the states before the end of the year, the bill would automatically trigger across-the-board cuts totaling \$1.2 trillion in mandatory and discretionary spending beginning in 2013. Medicaid would not be subject to the cuts, but Medicare provider payments would face a cut of no more than 2 percent over nine years (2013-2021). President Obama would then be authorized to request an additional increase in the debt ceiling of \$1.2 trillion.

(More)

Laura J. Redoutey, FACHE, president of the Nebraska Hospital Association, said, “The Nebraska Hospital Association will remain vigilant in advocating for Nebraska hospitals, working towards identifying real reform that will secure Medicare for future generations.”

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The Nebraska Hospital Association is the unified voice for Nebraska’s hospitals and health systems. The association offers collaborative leadership, assisting its members to provide comprehensive care to their communities, improving the health status of those communities. For more information, please visit the NHA Web site at www.nhanet.org.