The Economic Condition of the US and its Relation to Healthcare Reform

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Red River Showdown
Oklahoma & Texas Lone Star Chapters
Healthcare Financial Management Association
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US Economic Condition & Healthcare Reform

• Purpose
  – Provide update on the economic context for healthcare reform
    • Background
    • Current status
    • Future options
  – Summarize key financial features of healthcare reform in the current economy
• Context
  – The *Western* world is dying
    • Death rate exceeds birth rate
      – USA: < 2 Babies / family
      – Western Europe: 1.5 Babies / family
      – Japan: 1 Baby / family
      – Populations growing through immigration: legal & other
    • WW-II Generation dying at 1,000 / day
    • Arlington National Cemetery internments: 35 / day
    • Baby-Boomers turning age 65 at 10,000 / day
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• Context
  • 8 US Workers per retiree at start of Medicare program
    • Dropping to 3 by 2020, and 2.3 by 2030
    • Many delaying retirement due to funds lost in market crash
  • Medical / Hospital / LTC Utilization escalating with aging population
    • 30% of US Population on Medicare & Social Security by 2030
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• In contrast: the growing developing world
  − Rapidly accelerating population growth
    • 4 to 6 Babies / family
  − Increased demand for costly services
    • Healthcare
    • Education

• International Healthcare Crisis
  − The same regardless of country or social system
    • Increasing, unlimited demand, in the face of
    • Limited resources, combined with
    • Escalating total costs
Key Definitions:

- **Deficits**—the government’s net income or loss **for a year**
  - “Off-budget”—Social Security & Post Office
  - “On-budget”—all else
  - Definition changes, per the Congress
- “Surpluses” of late 1990’s
  - Unexpected extra SSI tax collections
    - All off-budget
    - Refunded to taxpayers, instead of SSI Trust Fund
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Key Definitions:

• **Debt**—money the government **borrows**
  - **Public** debt—loans from
    - General public
    - Foreign governments
  - **Government** debt—loans from
    - Other US government agencies (non-marketable “Certificates of Indebtedness” & Bonds, IOUs)
      - Medicare Trust Funds
      - Hospital Insurance (HI)
      - Supplementary Medical Insurance (SMI)
    - Social Security Trust Funds
      - Old-Age & Survivors Insurance (OASI)
      - Disability Insurance (DI)
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Key Definitions:

- **Government** debt
  - **Spent** on programs
  - GAO—not one dime of principal ever repaid, (principal & int. just rolled into new IOUs)
    - Some interest paid this year to help keep Trust Funds solvent
  - IOUs expected to be repaid with
    - Future **tax** collections
    - Proceeds from Treasury Bonds sold to the public
      - **Public** debt
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Real US Federal Social Services Expenditures
GDP Price Index Adjusted
(Base Year = 2014)

* Note: Inflation adjusted. Actual nominal dollars are $3.4 trillion.

Source: *Historical Tables, Budget of the US Government, Fiscal Year 2014.*
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Real US National Debt
GDP Price Index Adjusted
(Base Year = 2014)

Yes, that’s $19.7 TRILLION*

* Notes: Inflation adjusted. Actual nominal dollars = $21.7 tr. (Includes both Public debt & Government debt for 2019.) More than 46.5% ($6.0 tr.) of our $12.9 tr. in nominal publicly-held debt for 2014 was loaned by foreign investors—mostly China (21.1%) and Japan (20.3%).

Source: Historical Tables, Budget of the US Government, Fiscal Year 2014.
Source: OMB, Budget, Historical Tables, Table 1.3—Summary of Receipts, Outlays, and Surpluses or Deficits (−) in Current Dollars, Constant (FY 2005) Dollars, and as Percentages of GDP: 1940–2017; Bureau of Labor Statistics, Inflation Calculator. Compiled by TCAII. Note: 2012 revenues and outlays are based on OMB table estimates for consistency.
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Real US National Debt
GDP Price Index Adjusted
(Base Year = 2014)

* Notes: Inflation adjusted. Actual nominal dollars = $21.7 tr. (Includes both Public debt & Government debt for 2019.) More than 46.5% ($6.0 tr.) of our $12.9 tr. in nominal publicly-held debt for 2014 was loaned by foreign investors—mostly China (21.1%) and Japan (20.3%).

Source: Historical Tables, Budget of the US Government, Fiscal Year 2014.
Foreign Holders of
US Publically Held Debt
June 2014

46.5% Foreign Holders ($6.0 tr. / $12.9 Public debt)

Oil Export Countries: Ecuador, Venezuela, Indonesia, Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, the United Arab Emirates, Algeria, Gabon, Libya, and Nigeria.

Caribbean Banking Centers: Bahamas, Bermuda, British Virgin Islands, Cayman Islands, Netherlands Antilles, and Panama.

Source: Department of the Treasury / Federal Reserve Board, Aug. 15, 2014.
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US Federal Debt to GDP

Source: Historical Tables, Budget of the US Government, Fiscal Year 2014.
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Number of Households

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US Federal Debt / Median Household Income

127% higher than 1993 (closest to WW-II)

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Number of Tax Returns Filed

But only about **56.7% of the filers actually pay taxes.**

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Who Pays No Income Tax?

Pay Tax; 56.7%
Don’t Pay Tax; 43.3%

W/H but No Tax Liability; 28.9%
Inc. Under $20k; 3.4%
Elderly; 9.7%
Others; 1.3%

Sources: The Urban Institute and Brookings Institution, Tax Policy Center, June 2013
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Real US Federal Debt per Tax Return Filed
GDP Price Index Adjusted
(Base Year = 2014)

Debt per Tax-Paying Return: $201,217 in 2012

265% higher than WW-II

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- **The Bailouts***: Outflows ($611.8 b., as of Aug. 12, 2014)

  - Banks & Other Financial Institutions: $245.0
  - Fannie & Freddie: $187.0
  - Auto Companies: $79.7
  - AIG: $67.8
  - "Purchases: $13.5
  - Bad Debt: $18.6

Note: Bailouts = Troubled Asset Relief Program (TARP) and separate Fannie Mae & Freddie Mac bailouts.
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• The Bailouts: **Inflows** ($653.2 b., as of Aug. 12, 2014)

- Repaid by Bailed-out Companies: $388.0
- Dividends Earned: $234.0
- Fees & Sales of Stock or Other Assets: $19.6
- Sale of Stock Warrents Held on Companies that Repaid: $9.5
- Interest Earned: $1.8
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- **The Bailouts:** *Net Gain* ($41.3 b., as of Aug. 12, 2014)

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<td>$653.2</td>
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<td><strong>Net Gain 😊</strong></td>
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<td>$41.3 b.</td>
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• Current Status: Obligation Analysis

$ 21.7 tr. US National Debt (2019 nominal dollars)
46.0 tr. PV of Medicare obligations (less premiums) at current benefit rates
64.3 tr. PV of Social Security obligations at current benefit rates
6.5 tr. PV of federal employee and VA retirement & health benefit obligations at current benefit rates
14.1 tr. PV of 50 State Medicaid and employee pension, healthcare and other post-retirement benefits obligations at current benefit rates
+ 3.6 tr. Cost of renovating our 50–100+ year old infrastructure (roads, bridges, levees, dams, water, sewer, rail, schools, aviation, transit, etc.)
$ 156.2 tr. Obligations left to the next generation to repay, when they will have less than half the collective earning power we have right now. (Dropping to 2.3 workers per retiree.)
Total household & NP org. net worth = $81.5 tr. (Q2 2014)  $156.2 / $81.5 = 192%

That is, we owe 92% more than our total net worth (including Bill Gates’, Warren Buffet’s, George Soros’ and all NP orgs.’ net worth). If we confiscated all of the wealth in the entire country, we could only pay about 52% of these listed obligations.

Divided over 122,459,000 households = $1,275,529 obligations / household.

Median household income = $51,939.  $1,275,529 / $51,939 = 25 years of income.

That is, the federal & state governments would have to tax away the entire median income of every household in America for the next 25 years in order to pay off just these obligations.

Or alternatively, since under a 100% income tax all of the taxpayers would die of starvation in the first two weeks, maybe a 50% income tax for the next 50 years would work better.
But that assumes all of the tax revenues would go to nothing else but paying off these listed obligations...

- Never mind things like operating defense, schools, fire department, police, transportation, water, sanitation, criminal justice systems....
- If we want all the other government services, the tax rate goes up from there...
– **Observation:**

- We have gone from being the greatest *lender* nation in the world, after WW-II
- To being the greatest *debtor* nation in the *history* of the world
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Obligation Analysis

Sources, adapted from:

- American Society of Civil Engineers
- Budget of the US Government
- Medicare Trust Funds Annual Report
- Social Security Trust Fund Annual Report
- US Census
- US Congressional Budget Office
- US Department of Commerce
- US Federal Reserve
- US Internal Revenue Service
- Other
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- The economic options:

1. **Raise taxes** (hardly an eyedropper). Payroll taxes up, State/local gov’ts. raising property & sales taxes; ACA raises $0.5 tr. over 10 yrs. in new taxes, fees, premiums & penalties—but collectability is uncertain.

2. **Cut benefits** (requires major law changes)
   - Healthcare (ACA cuts $0.7 tr. over 10 yrs., much out of Medicare Advantage prog.) but adds new $1.2 tr. entitlement program
   - Social Security (Voting seniors on fixed incomes most hurt)

3. **Grow the economy** (would require sustained double-digit growth for decades [which we’ve never had] while recovering from the worst recession since 1930, and 30% of pop. retires out of the workforce)
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- The economic options:

4. Default on payments (5 cities bankrupt, 15 municipalities bankrupt, more than 261 municipal bonds defaulted, 14 cities on verge of bankruptcy: Phoenix, Los Angeles, San Diego, San Francisco, San Jose, Honolulu, Chicago, Baltimore, Las Vegas, Reno, New York City, Yonkers, Harrisburg, Norfolk) Limited availability of bond insurance.

- Trustees project 25% cut in benefit payments needed
  - Contrast with 2% Medicare Sequestration

“Pay-as-You-Go” …or, not…
The economic options:

5. Inflate the currency

- Federal Reserve “monetized the federal debt” at $85 b. a month (that’s $1 tr. every year)... (Jan. 2014 signaled scaleback to $75 b., $65 b., then $45 b. a month)
  - “Expanding the Money Supply”
  - “Quantitative Easing-III”
  - “Buying Treasury Bonds”
  - “Pushing investors into the stock and corporate bond markets”

- Giving the Federal gov’t. dollars it needs to pay it’s bills
  - And earning interest on the printed-up dollars!
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**Inflation of US Money Supply 1940–2014**

(Billions)

- **$0.8 tr.** Added
  - **$3.2 tr.** Added
  - (4.7x in the last 6 yrs.)

- **1973**
- **2008**
- **Weimar Republic**
  - German Mark Price for 1 Oz. of Gold
  - 1919–1923
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2 Scoops.

They Shrunk the Scoop!

15 oz. Regular size
1.5 oz. Indiv. size
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Civilian Labor Force Participation Rate (CIVPART)

Source: St. Louis Fed Bank
2014 research.stlouisfed.org

Shaded areas indicate US recessions.
# US Economic Condition & Healthcare Reform

## Supplemental Nutrition Assistance Program (SNAP)

### No. Persons Participating
As of September 5, 2014

<table>
<thead>
<tr>
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<th>Ave. 2008</th>
<th>Jun. 2014</th>
<th>% Change</th>
</tr>
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<tbody>
<tr>
<td><strong>Total</strong></td>
<td>28,223,000</td>
<td>46,496,145</td>
<td>+64.7%</td>
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</table>

### % of Population

<table>
<thead>
<tr>
<th></th>
<th>Population</th>
<th>Jun. 2014</th>
<th>% of Pop.</th>
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<tbody>
<tr>
<td><strong>Total</strong></td>
<td>308,745,538</td>
<td>46,496,145</td>
<td>15.1%</td>
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Nearly 1 out of every 6 people!

Source: U.S. Department of Agriculture
The economic options:

- **Global response**—
- **Inflating the currency, rather than cutting the budget like Germany and the UK**, eroding confidence in the US$:
  - China *down-graded* US bond ratings
  - Now making *direct investments* in oil & gas, real estate, farm production, *etc.* instead
  - Diversifying away from US$ as reserve currency and into basket of gold & other currencies
    - China and India each bought **200 metric tons of gold** to bolster their reserves
  - China positioning Yuan to compete with US$ as the major world currency
    - “*The dollar’s role should be reconsidered.*”
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- The economic options:
  - **Inflation of money supply further increases** our expenses
    - Entitlement program benefits are **indexed to inflation**
    - Costs **GO UP** with inflation
    - **De-indexing** requires law changes
    - **Voting** seniors on fixed incomes most hurt by rising cost of living
  - Food & Fuel prices up
    - But can’t risk raising interest rates yet
The U.S. Economic Condition

The economic options:

- The only foreseeable source of wealth big enough to meet our $156.2 tr. in obligations is the oil & gas reserves in the
  - Alaska North Slope
  - Colorado-Utah-Wyoming Green River Shale
  - Deep-water Gulf
  - North Dakota Bakken Shale
  - Texas Eagle Ford Shale
- At 301 billion metric tons, our oil shale deposits are the largest in the world
- The Eastern US deposits cover 250,000 sq. mi.
- The Western US deposits are among the richest in the world
Observation:

- We cannot continue racing down the path to economic collapse when we have more than enough undeveloped wealth in the U.S. to help meet our obligations.

- We owe it to our children and our grandchildren to do what it takes to pay our debts and clear the books.
Healthcare Reform: Key Financial Issues

• $1.2 trillion cost over 10 years
  – 40% paid for by taxes, premiums, fees and penalties
  – 60% paid for by cuts in other program costs, such as Medicare Advantage plans
    – Take place 1 month before 2014 midterm elections
Health Reform “Income Statement”
Revised per 1st Supreme Court Ruling
(Billions, 2012–2022)

Revenues $515

Less:
  Program Costs $1,128
  IRS & HHS Impl. Costs 20
  Other Program Auth. Costs 20

Total Costs $1,168

Gross Margin (Loss) $(653)

Add:
  Cuts in Other Programs $716

(Source: Adapted from US Congressional Budget Office)

Net Income $63
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Congressional Budget Office

Notable Quotes
(Emphasis added)

“...estimates of the effects of comprehensive reforms are extremely uncertain.

“...most of the money will pay for new programs and will not enhance the government’s economic ability to pay Medicare benefits.

“...the health reform legislation maintains and puts into effect a number of policies that might be difficult to sustain over a long period of time.

Speaking of Medicare cost reduction:

“It is unclear whether such a reduction can be achieved, and, if so, whether it would be through greater efficiencies in the delivery of health care or through reductions in access to care or the quality of care.

(Source: US Congressional Budget Office)
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- Collectability of penalties and premiums is uncertain
  - Low income individuals and small businesses may lapse for nonpayment (3-mos. grace period)
- Patients stay in, or end up, back in the ER
  - Hospitals tempted to pay the back premiums for them, to get the insurance coverage
  - Kickback violation, inducement
  - Word will spread quickly among beneficiaries
    - Just show up at the ER every 3 mos. and the hospital will pay your premiums for you…What a deal!
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- **Limited recourse**
  - Withhold penalty from *Earned Income Credit* on tax return?
  - Businesses cutting work hours to <30
  - Small businesses may *split* to reduce number of employees
  - *Franchise-out* individual chain stores to get all under the 50-employee threshold
Healthcare Reform: Key Financial Issues

• **Large Employers** are “doing the math”
  • High-cost employee health & benefit plans
  • **Low penalties, delayed to 2015**
  • Reported **+$5,000** per employee added to bottom-line profits if
    • Drop all or part of health plans
      • Time-Warner, Sears, Home Depot, Walgreens, Darden Restaurants, Securitas, Trader Joe’s, *etc.*
    • Just pay the penalties
      • Send employees to public or private exchanges
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Healthcare Reform: Key Financial Issues

• **Mini-med** plans get *temporary* relief on
  • Minimum Loss Ratios
    • **Not** held to 80%
  • Annual / lifetime limits
    • Some as **low** as $2,000
• **Expected** **shift to State Exchange** plans over time
  • More than 1,231 plans exempted
• **LTC** portion of ACA dropped by HHS as economically not feasible

LTC portion of ACA dropped by HHS as economically not feasible
Healthcare Reform: Key Financial Issues

- Healthcare Reform does relatively little to
  - Reduce administrative costs
  - **Increases** IRS and HHS implementation costs by **$20 billion** over 10 years
- Reduce cost of care
- Improve efficiency in delivery of care
- These are where reform is still **very much needed**
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Healthcare Reform: Key Financial Issues

• Only 14 States Running their Own Health Insurance Exchange
• Other 36 Are Federal or Fed/State Run
  • 25 Fed-Only Operations
  • 11 Joint Fed-State Operations
• Fed’s Need to Learn 50 Different Sets of State Insurance Laws for Implementation
• Limited Sets of Plans Offered for 2014
• Millions of private individual policies cancelled, some reinstated
  • Computer system challenges largely resolved
    • Capacity and data trsfr. to Ins. Co’s still challenging
Healthcare Reform: Key Financial Issues

• 2nd Legal Challenge in 4 “States”:
  • OK, IN, VA, DC

• Everything in the ACA states that subsidies, tax credits and penalties are made through an exchange “established by the State.”

• Allegation: IRS exceeded its authority and has no statutory basis in ruling that ACA provisions extend to exchanges established by the Federal government.
Healthcare Reform: Key Financial Issues

• If upheld, the 36 Federal exchanges would not be able to offer subsidies, tax credits or impose penalties
  • Eliminates the employer mandate
    • Penalties only apply if one employee enrolls in a “subsidized” plan through an exchange
  • Eliminates the individual mandate
    • Penalties can’t be imposed for failure to buy insurance where the subsidy is not available
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Healthcare Reform: Key Financial Issues

• **First** judicial ruling **denied** Justice Department’s motion to dismiss
  • Allows case to **proceed**
• **Second** ruling **upheld** the IRS position
• Judicial rulings will likely follow **partisan** lines
  • As with previous legal challenges
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Healthcare Reform: Key Financial Issues

• **3rd Legal Challenge:**
  • 11 State A/Gs call ACA-fixes “illegal”
    • AL, GA, ID, KS, LA, MI, NE, OK, TX, VA, WV
  • Allegations:
    • Repeated changes to the ACA have **no statutory authority**
    • President **exceeded authority** in making changes without Congressional law changes
    • Asking States to **violate existing Federal law**
    • May pursue State rather than Federal court venue
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Healthcare Reform: Key Financial Issues

• 4th Legal Challenge:
  • Catholic church & nearly 50 private business owners
• Allegations:
  • ACA coverage requirement for abortifacient drugs & devices is violation of conscience & religious beliefs
  • NP & FP orgs. entitled to same religious protections as the individuals who own or operate them
• FP challenge upheld in Jun. 30, 2014 SCOTUS ruling
• Church-related NP challenge advancing in lower courts
Healthcare Reform: Key Financial Issues

- **5th Legal Challenge:**
  - Sissel vs. HHS & Treasury

- **Allegations:**
  - ACA Violates “Origination Clause”
  - 1st SCOTUS Ruling: Penalties = Tax
  - But all Tax Bills **Must Originate in the HOUSE, NOT the SENATE**
    - A “bill for raising revenue”
    - Tax imposed directly through Internal Revenue Code
    - Raises billions in general revenues for U.S. Treasury
    - Congress can spend on any purpose
Healthcare Reform: Key Financial Issues

• Allegations (cont’d):
  • Govt’s argument that Senate’s ACA bill was merely an “amendment” to House bill H.R. 3590 must fail
    • H.R. 3590 was not a revenue-raising bill
    • Senate completely replaced text of H.R. 3590 with new text on totally unrelated matters
      • H.R. 3590 provided tax credits to first-time homebuyers
      • ACA overhauls the health-insurance market
    • If ACA is an “amendment” to H.R. 3590, then anything would be
    • District Court’s dismissal should be reversed
      • District Court Judge was current Administration’s Appointee
        • Judicial rulings will likely follow partisan lines
          • As with previous legal challenges
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Healthcare Reform: Key Financial Issues
- **Insurance companies**
  - Higher costs
    - Minimum Loss Ratios
    - No Annual / Lifetime Limits
    - Guaranteed Insurability
      - 48% (est. 3.8 million) of 8 million total exchange sign-ups previously uninsured
      - Only 9% of the 41 million uninsured population
  - Adverse risk self-selection
    - Only 25% Young & Healthy (age 18–34)
      - Still <40% target
      - Eligible for additional Federal payment
  - Lower margins
  - More regulation
  - Potential loss of employer markets
    - Large and Mini-med
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Healthcare Reform: Key Financial Issues

• Some health insurers staying on sidelines for 1st year of ACA
  • Uncertainty over premiums, demand, costs, I/S problems, rule changes, federal funding, etc.
• Possible insurance industry outcomes
  • May replace lost business and do well through
  • Plans sold on Exchanges
  • Bidding for expanded State Medicaid plans
  • In time, may exit the market
• Leaving only a “public option”
And program costs will certainly escalate over time

Today Medicare costs 18,887% more than its first full-year in 1967

Healthcare Reform projected $63 billion surplus is highly uncertain
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• **Note:** From date ACA signed (3-30-2010) to date Healthcare.gov was supposed to be operational (10-10-2013) = 3 yrs. 6 mos. & 10 days.

• **In comparison:** From date we entered WW-II to date Germany surrendered, was one month less than we had to get the ACA websites working properly.
  • That includes our nation's industrial surge ahead of the invasion of North Africa and Italy, D-Day, the Battle of the Bulge, and the race to Berlin, all while fully engaged on a second warfront in the Pacific.

• **Bottom line:** We marshaled all of the vast, complex production, logistics, international alliances, and fought and won a World War in less time than it took to get a website running, because it was “so complicated.”

• Healthcare.gov contract with CGI Inc. not renewed
  • Now awarded to Accenture
The Moment of Truth
— Report of the National Commission on Fiscal Responsibility and Reform
December 2010

– A bi-partisan commission –

Key quotes…
(emphasis added)

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Throughout our nation's history, Americans have found the courage to do right by our children's future... We cannot play games or put off hard choices any longer...

Our challenge is clear and inescapable: America cannot be great if we go broke. Our businesses will not be able to grow and create jobs, and our workers will not be able to compete successfully for the jobs of the future without a plan to get this crushing debt burden off our backs...

The American people are counting on us to put politics aside, pull together not pull apart, and agree on a plan to live within our means and make America strong for the long haul.
As members of the National Commission on Fiscal Responsibility and Reform, we spent the past eight months studying the same cold, hard facts. Together, we have reached these unavoidable conclusions: The problem is real. The solution will be painful. There is no easy way out...

We come from different backgrounds, represent different regions, and belong to different parties, but we share a common belief that America's long-term fiscal gap is unsustainable and, if left unchecked, will see our children and grandchildren living in a poorer, weaker nation... Every modest sacrifice we refuse to make today only forces far greater sacrifices of hope and opportunity upon the next generation.
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Over the course of our deliberations, the urgency of our mission has become all the more apparent. The contagion of debt that began in Greece and continues to sweep through Europe shows us clearly that no economy will be immune. If the U.S. does not put its house in order, the reckoning will be sure and the devastation severe...

We do not pretend to have all the answers. We offer our plan as the starting point for a serious national conversation in which every citizen has an interest and all should have a say.

Our leaders have a responsibility to level with Americans about the choices we face, and to enlist the ingenuity and determination of the American people in rising to the challenge...
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The American people are a long way ahead of the political system in recognizing that now is the time to act. We believe that far from penalizing their leaders for making the tough choices, Americans will punish politicians for backing down—and well they should.

In the weeks and months to come, countless advocacy groups and special interests will try mightily through expensive, dramatic, and heart-wrenching media assaults to exempt themselves from shared sacrifice and common purpose. The national interest, not special interests, must prevail...
After all the talk about debt and deficits, it is long past time for America's leaders to put up or shut up. The era of debt denial is over, and there can be no turning back.

Epilog:

—The Report was voted down. And today we have ongoing sequestration and budget battles.
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Sequestration Cuts $1.2 tr.
2013–2021

Billions

Defense Discretionary

Other Mandatory

66
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• Accounts **Exempt** from Sequestration
  • President’s Salary
  • Interest on Debt
  • Payments to Health Care Trust Funds
  • Medicare cuts cannot exceed 2%
  • Medicaid
  • Children’s Health Insurance Program (CHIP)
  • VA Benefits
  • DOD Medicare-Eligible Retiree Health Care Fund
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- **Sequestration Exempt Accounts**
  - Military Personnel (cut at President’s Option)
  - Military Overseas Contingency Operations
  - Military Retirement Fund
  - Social Security & Tier-I Railroad Retirement
  - Administration of U.S. Territories
  - Federal Reserve Bank Reimbursement Fund
  - FDIC, Farm Credit, *etc.*
  - Postal Service Fund
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• **Sequestration Exempt Accounts**
  • Pell Grants
  • Refundable Tax Credits, *e.g.*, 
    • Earned Income Credit
    • Child Tax Credit
  • Unemployment Insurance
  • Temporary Assistance for Needy Families (TANF)
  • Food Stamps (SNAP)
  • Low-Rent Public Housing
  • Most Other Low Income Programs
  • Many others
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• It was **four years** before the Senate passed a mandatory **annual** budget resolution (since April 2009)
  • The largest federal government in the world was left running “by the seat of it’s pants” for four years

• Most members of Congress **never even read** the $1.2 tr. **ACA** bill before voting on it

• What would **YOU** do with a $180,000+ a year employee (or 100 of them) who operated like that in **YOUR** organization?
Any Questions?

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