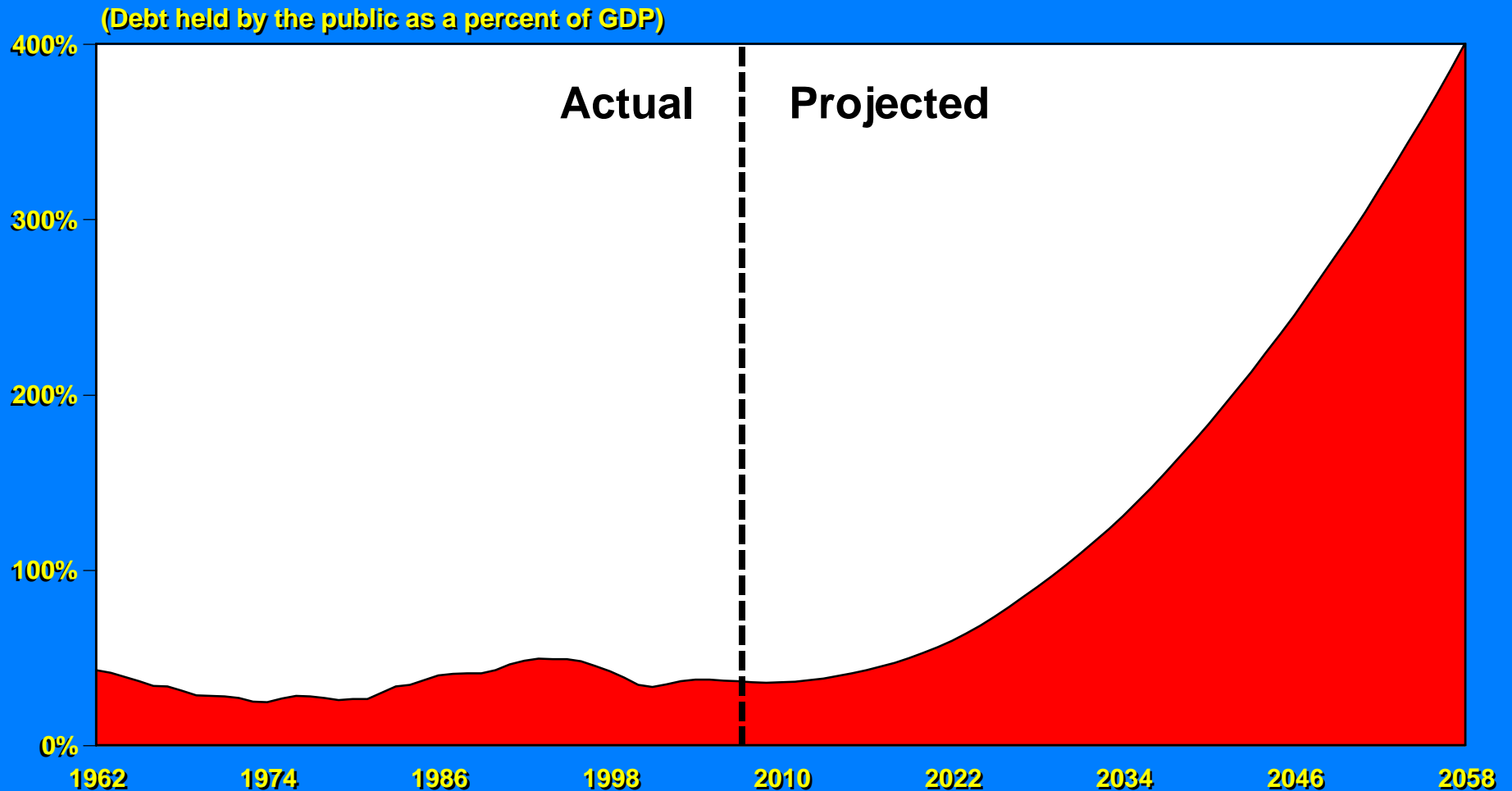


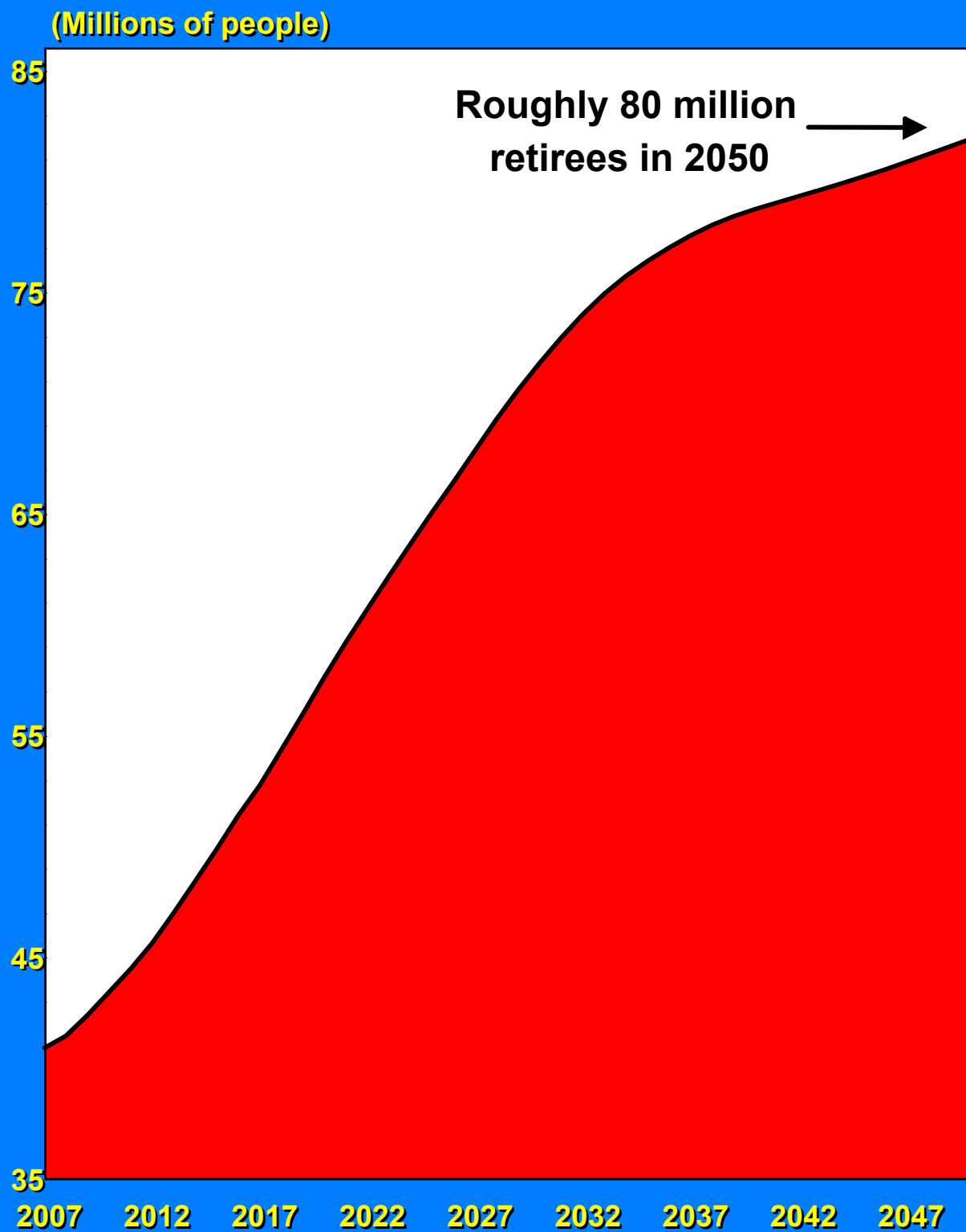
Federal Debt Soars Under CBO Long-Term Budget Scenario



Source: CBO Long-Term Budget Outlook, December 2007

Note: CBO alternative fiscal scenario with tax cuts made permanent, AMT indexed for inflation, and Medicare physician payments growing with higher MEI rate.

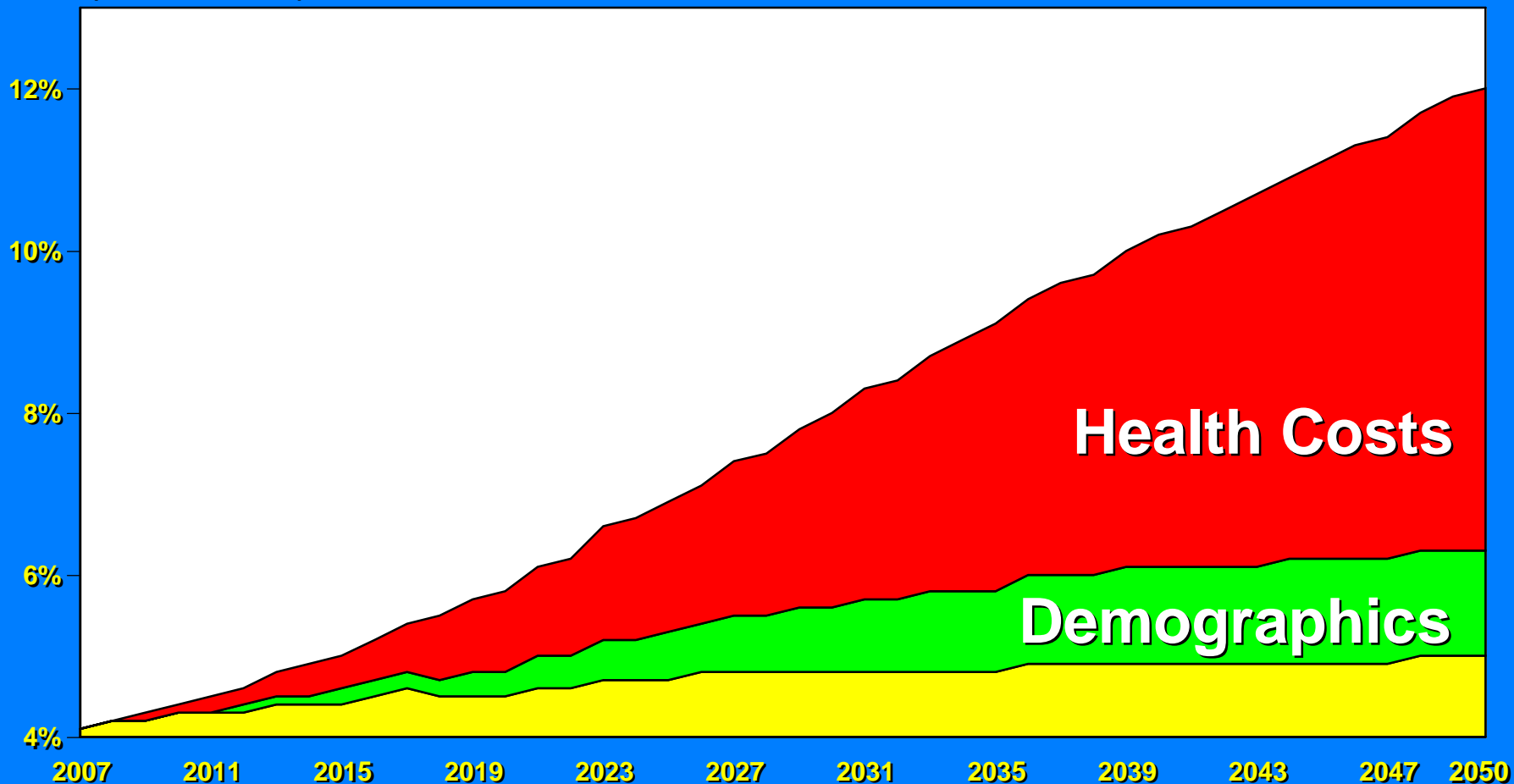
Baby Boom Generation Creates Demographic Tidal Wave



Source: 2007 Social Security Trustees Report
Note: OASI beneficiaries

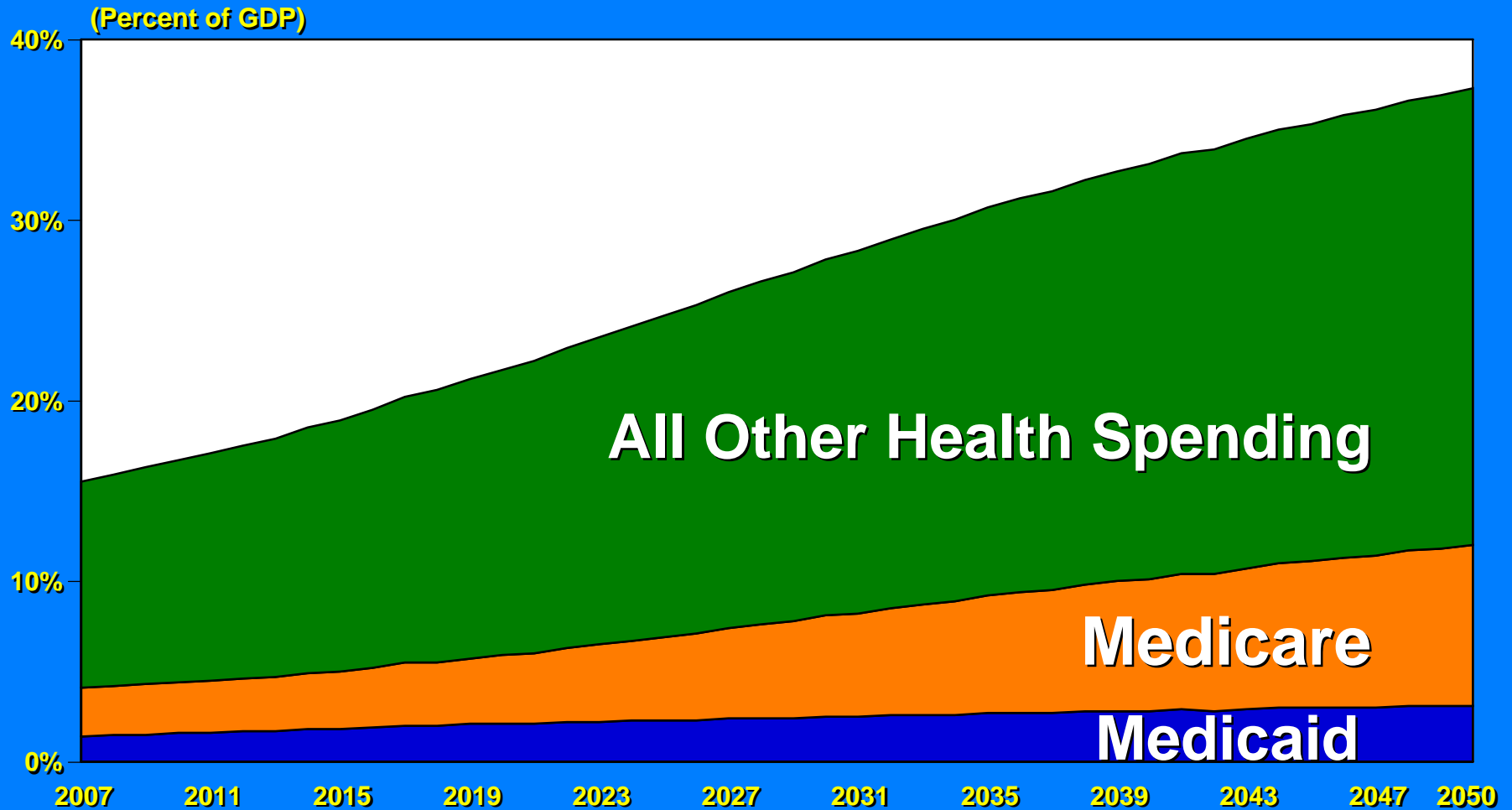
Rising Health Care Costs Driving Medicare/Medicaid Cost Growth

(Percent of GDP)



Source: CBO Long-Term Outlook for Health Care Spending, November 2007.

Spending on Health Care as Percent of GDP



Source: CBO Long-Term Outlook for Health Care Spending, November 2007.

Reform of Medicare and Medicaid Requires Overall Health Care Reform

“[F]ederal health spending trends should not be viewed in isolation from the health care system as a whole.... Rather, in order to address the long-term fiscal challenge, it will be necessary to find approaches that deal with health care cost growth in the overall health care system.”

**– Government Accountability Office Comptroller
General David Walker
Testimony before House Budget Committee
February 2005**

Health Care Reforms with Potential for Long-Term Savings *May Have Upfront Costs*

- **Expanding comparative effectiveness research**
- **Widespread adoption of Health IT and e-prescribing**
- **Coordinating care for chronically ill**
- **Changing provider incentives and beneficiary cost-sharing**
- **Promoting healthy lifestyles and preventive care**

Federal Reserve Chairman Bernanke on Budget Outlook

“... [O]ne might look at these projections and say, ‘Well, these are about 2030 and 2040 and ... so we don’t really have to start worrying about it yet.’ But, in fact, the longer we wait, the more severe, the more draconian, the more difficult ... the adjustments are going to be. I think the right time to start is about 10 years ago.”

**–Federal Reserve Chairman Ben Bernanke
Testimony before Senate Budget Committee
January 18, 2007**