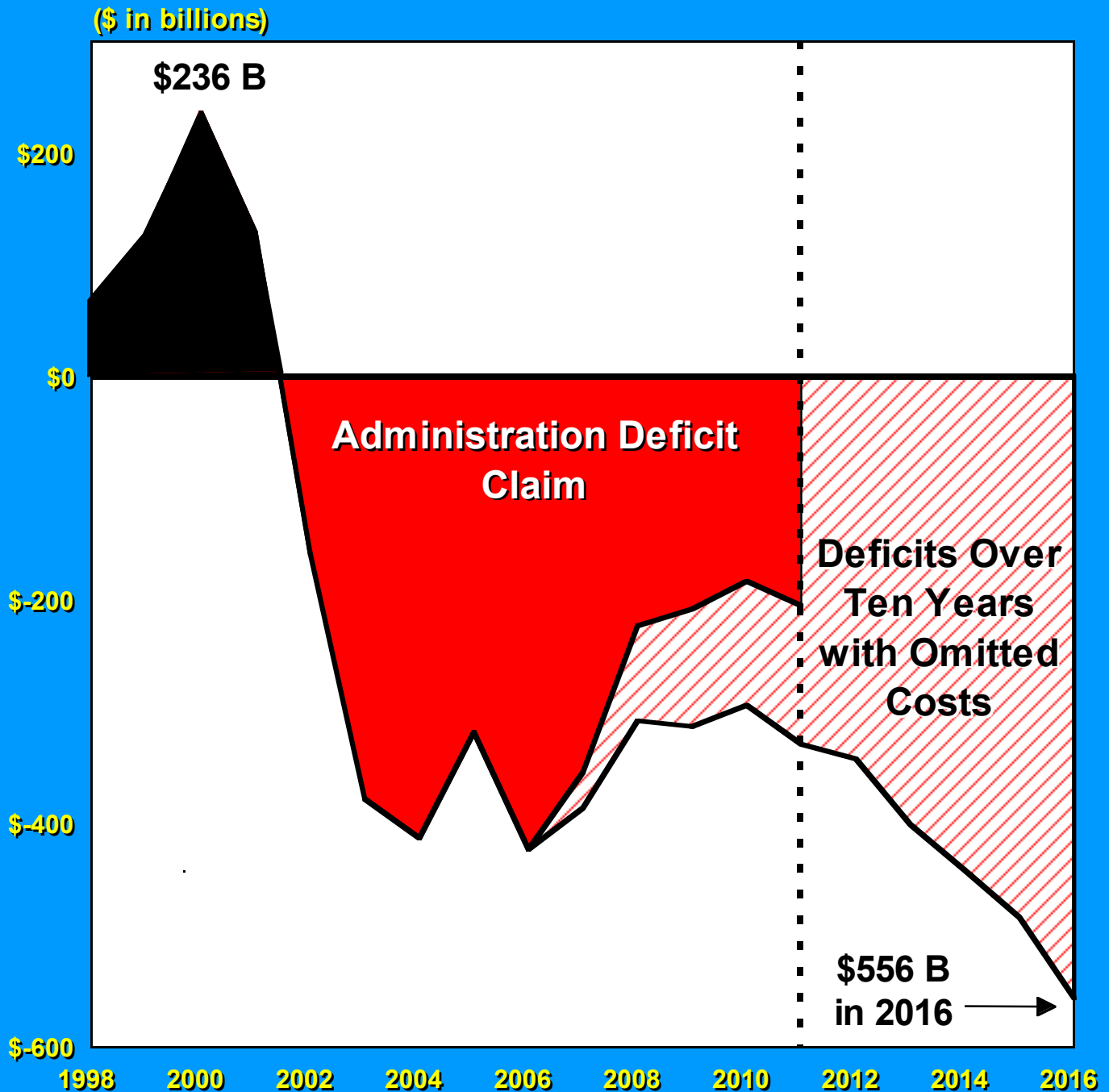


Long-Term Budget Outlook

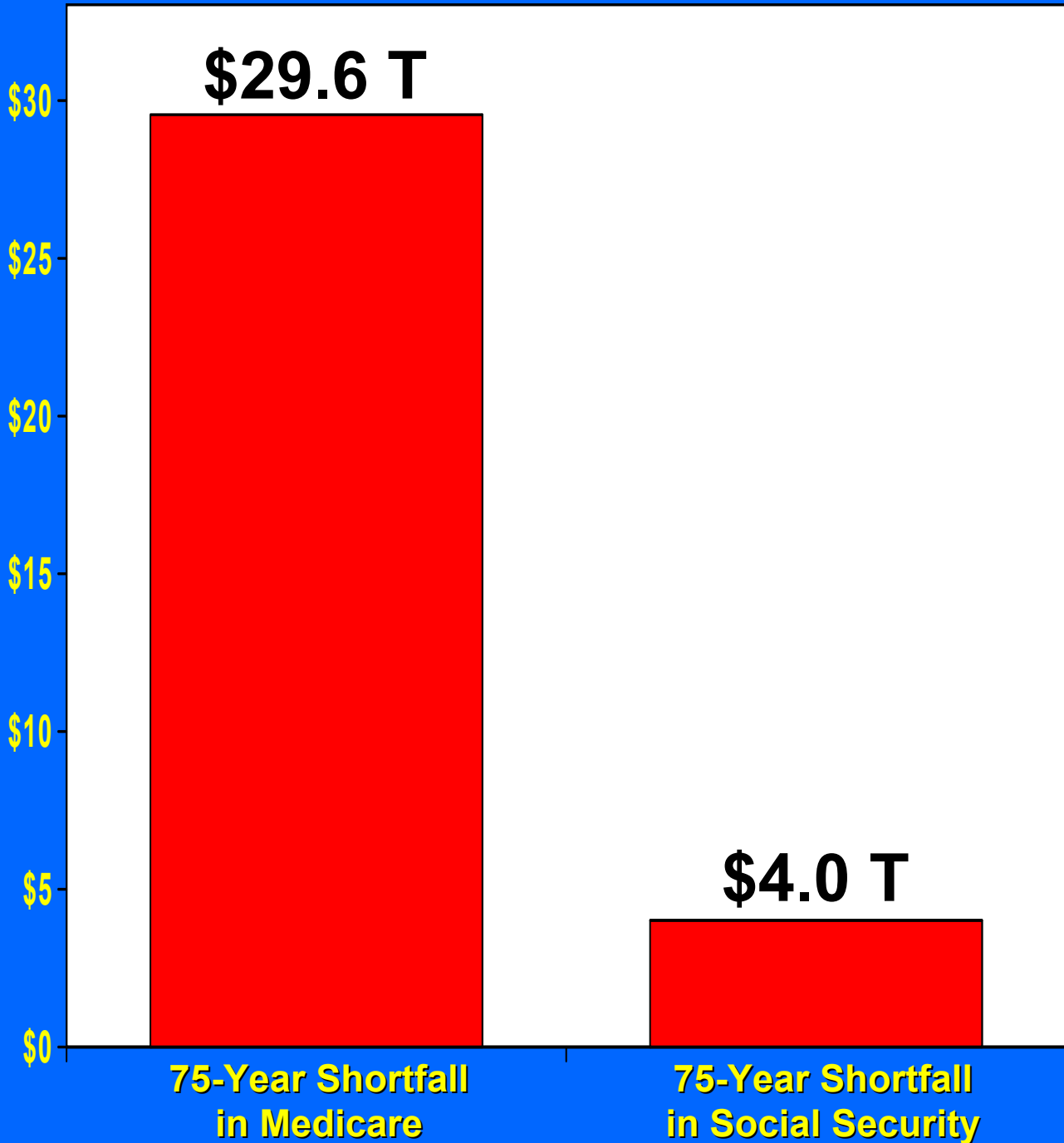


Source: OMB, CBO, SBC Democratic staff
Note: Bush FY 2007 Budget extended over ten years with AMT reform and ongoing war costs.

Comparing Long-Term Costs of Medicare and Social Security

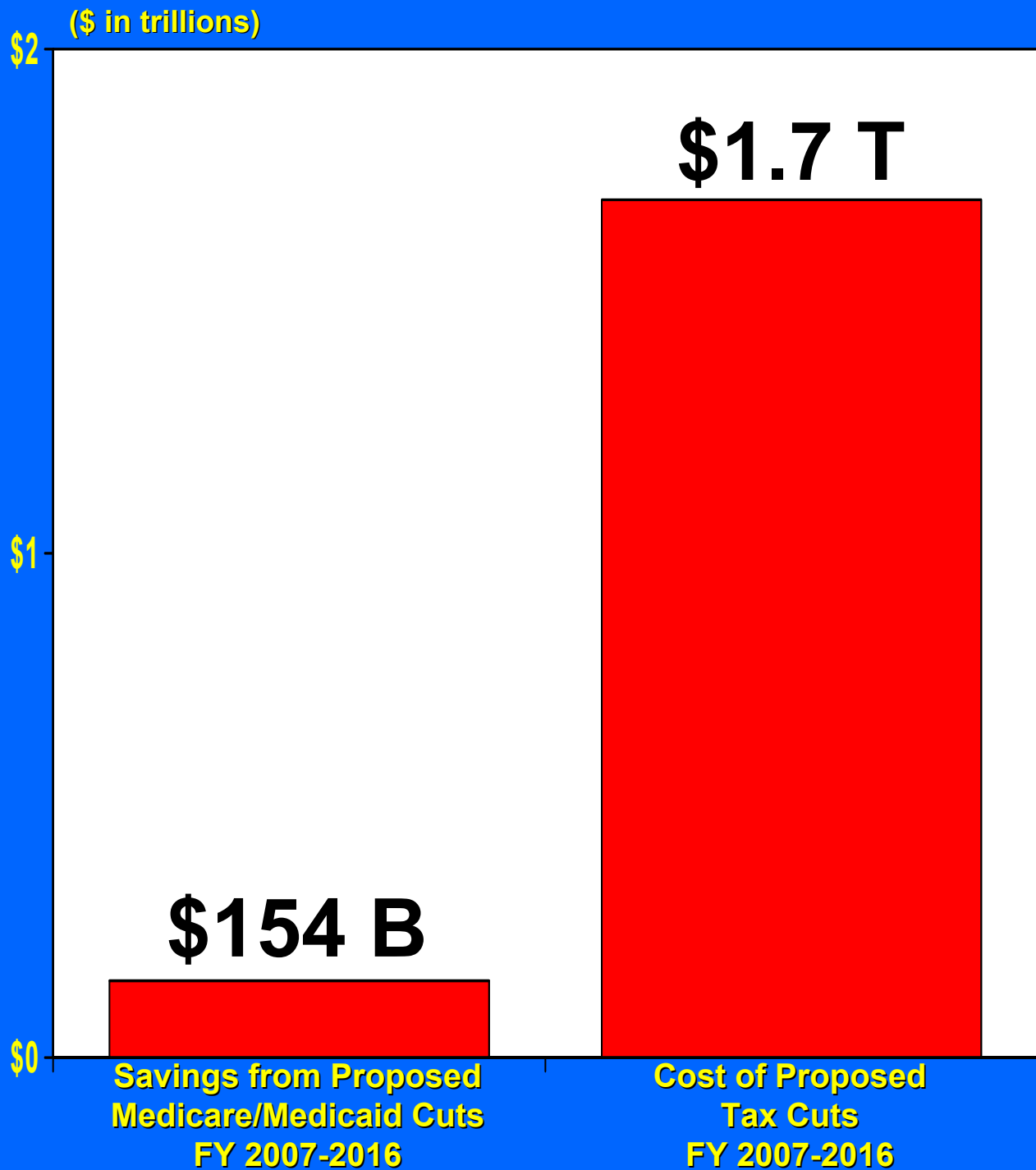
Present Value of Costs Over Next 75 Years

(\$ in trillions)



Source: Social Security Trustees 2005 Annual Report

Savings from Medicare/Medicaid Cuts More than Wiped Out by Tax Cuts in Bush Budget



Source: OMB, Bush FY 2007 Budget

Note: Savings from new legislative and regulatory proposals

Secretary Leavitt on Health Care Cuts

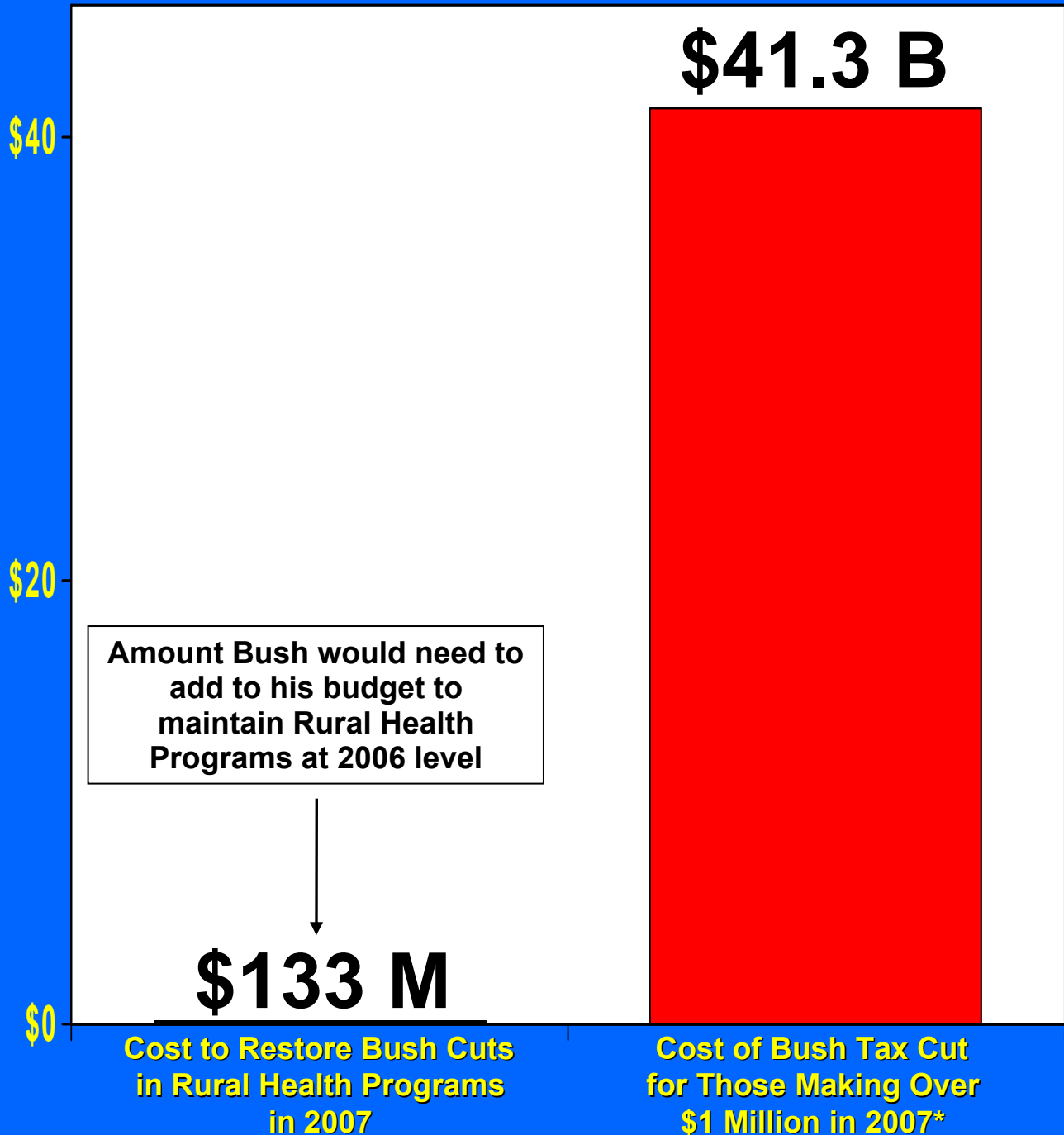
**“We had to make hard choices,
hard choices about very well-
intentioned programs.”**

**– Health and Human Services Secretary
Michael Leavitt
as quoted in *Washington Post*
February 14, 2006**

The Wrong Priorities:

Bush Plan to Cut 83% in Rural Health Programs Saves Little Compared to Cost of Tax Cuts for Millionaires

(\$ in billions)



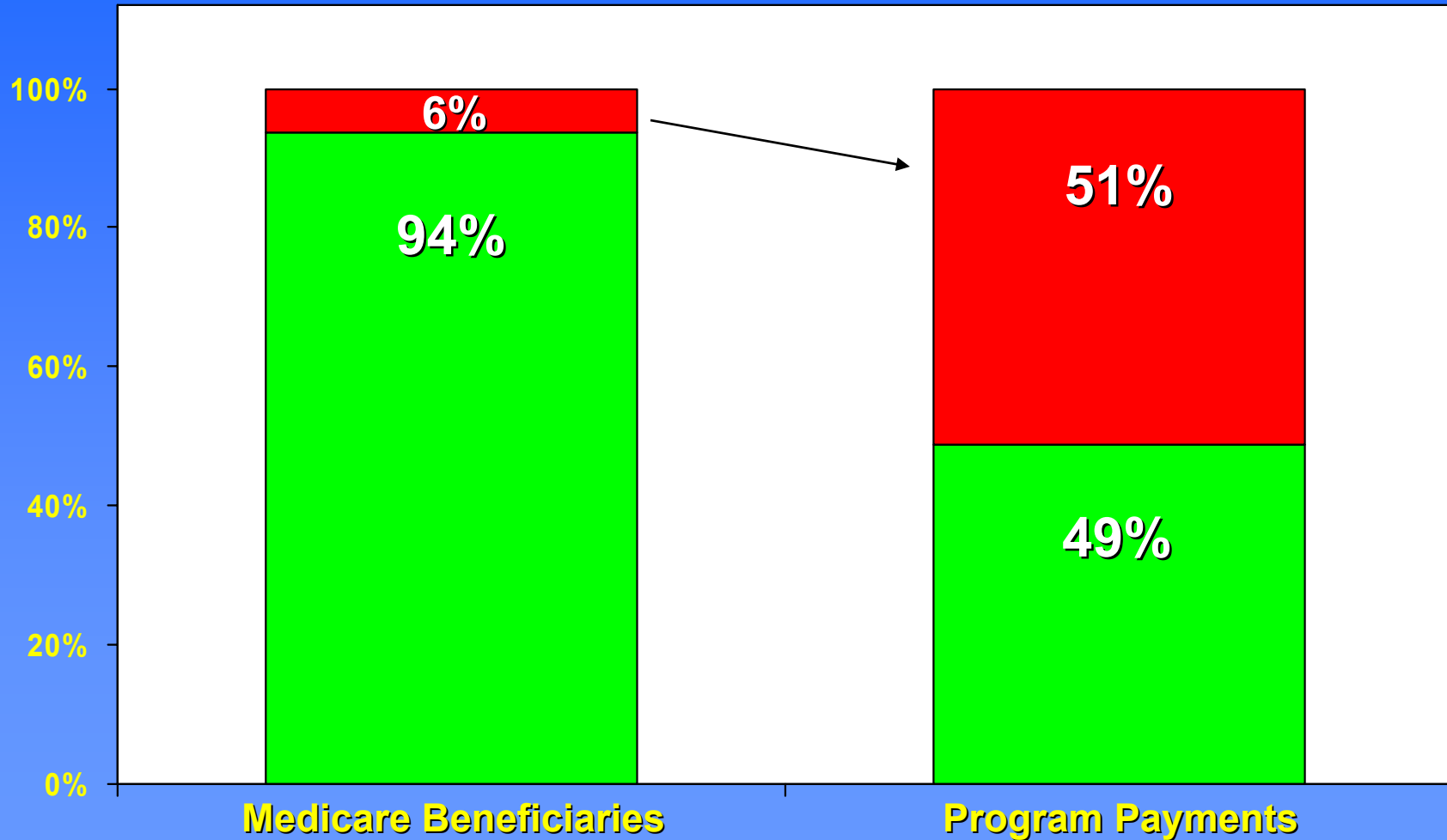
*Assumes extension of 2005 AMT relief, indexed for inflation.
Source: OMB, Urban-Brookings Tax Policy Center

North Dakota Hospital Opposes Proposed Medicare/Medicaid Cuts

“We cannot absorb...cuts of this magnitude without reducing access to needed services and negatively impacting the health of our communities.”

**– Letter to Senator Kent Conrad (D-ND) from
Mercy Hospital, Valley City, North Dakota
February 23, 2006**

Six Percent of Medicare Beneficiaries Account for Roughly 51 Percent of Program Costs



Source: CMS and CSR based on payments for fee-for-service beneficiaries population in 2001.