



**Congressional Budget Office**

**Presentation to the  
National Association for  
Business Economics**

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## Comparison of Economic Forecasts by CBO, the Administration, and the *Blue Chip* Consensus for Calendar Years 2008 to 2013

Percentage Change, Fourth Quarter to Fourth Quarter

	Actual 2007	Forecast		Projected Annual Average, 2010 to 2013
		2008	2009	
<b>Real GDP</b>				-
<b>CBO</b>	2.5	1.6	3.0	3.1
<b>Administration</b>	2.7	2.7	3.0	2.9
<b><i>Blue Chip</i> Consensus</b>	2.5	1.6	2.8	n.a.
<b>Consumer Price Index</b>				
<b>CBO</b>	4.0	2.1	1.9	2.1
<b>Administration</b>	3.9	2.1	2.2	2.3
<b><i>Blue Chip</i> Consensus</b>	4.0	2.4	2.3	n.a.

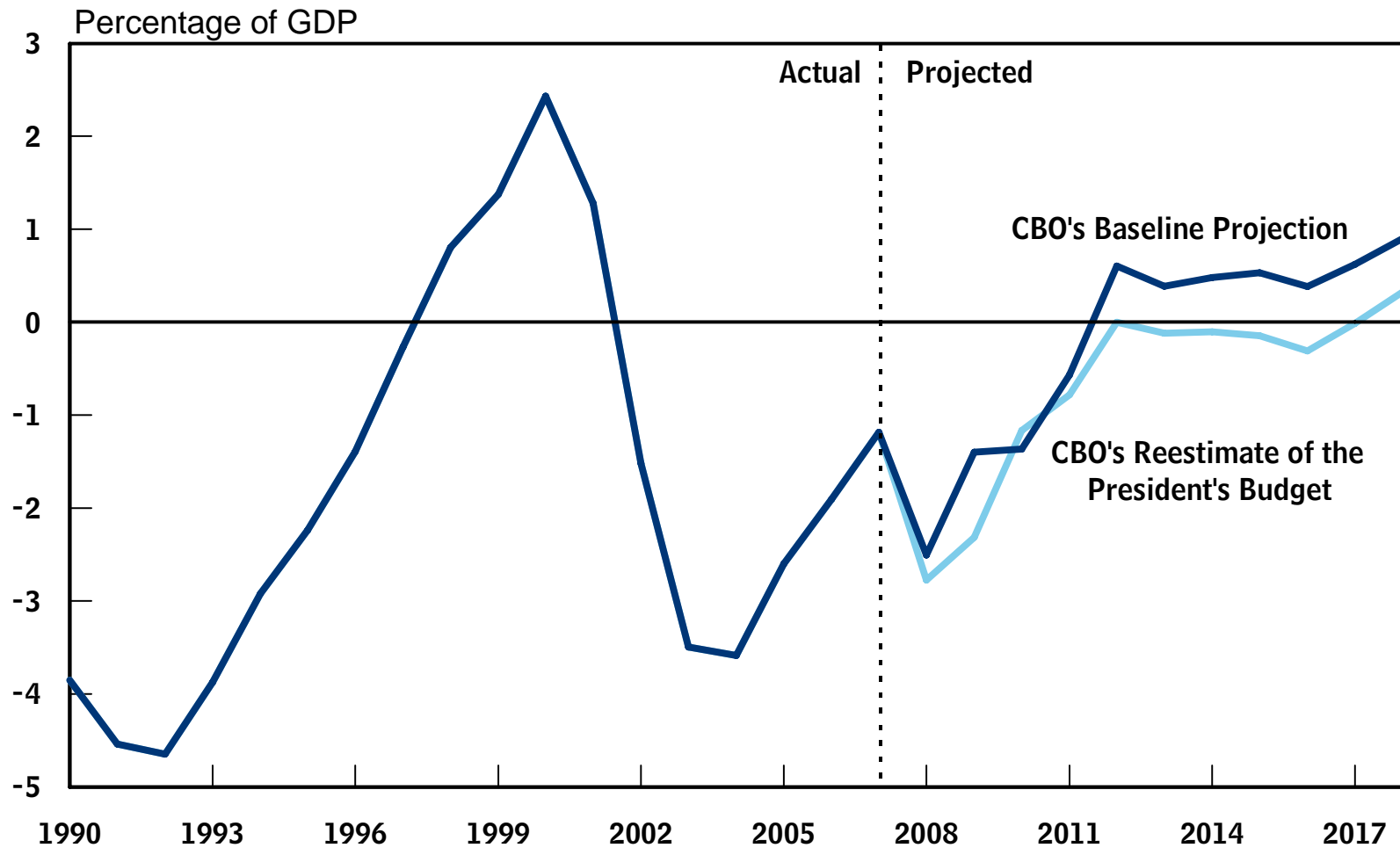


## Deficits Under the President's Budget

	<b>Actual 2007</b>	<b>2008</b>	<b>2009</b>	<b>2012</b>	<b>Total, 2009-2018</b>
<b>Billions of Dollars</b>	<b>-162</b>	<b>-396</b>	<b>-342</b>	<b>0</b>	<b>-717</b>
<b>Percentage of GDP</b>	<b>-1.2</b>	<b>-2.8</b>	<b>-2.3</b>	<b>0</b>	<b>-0.4</b>

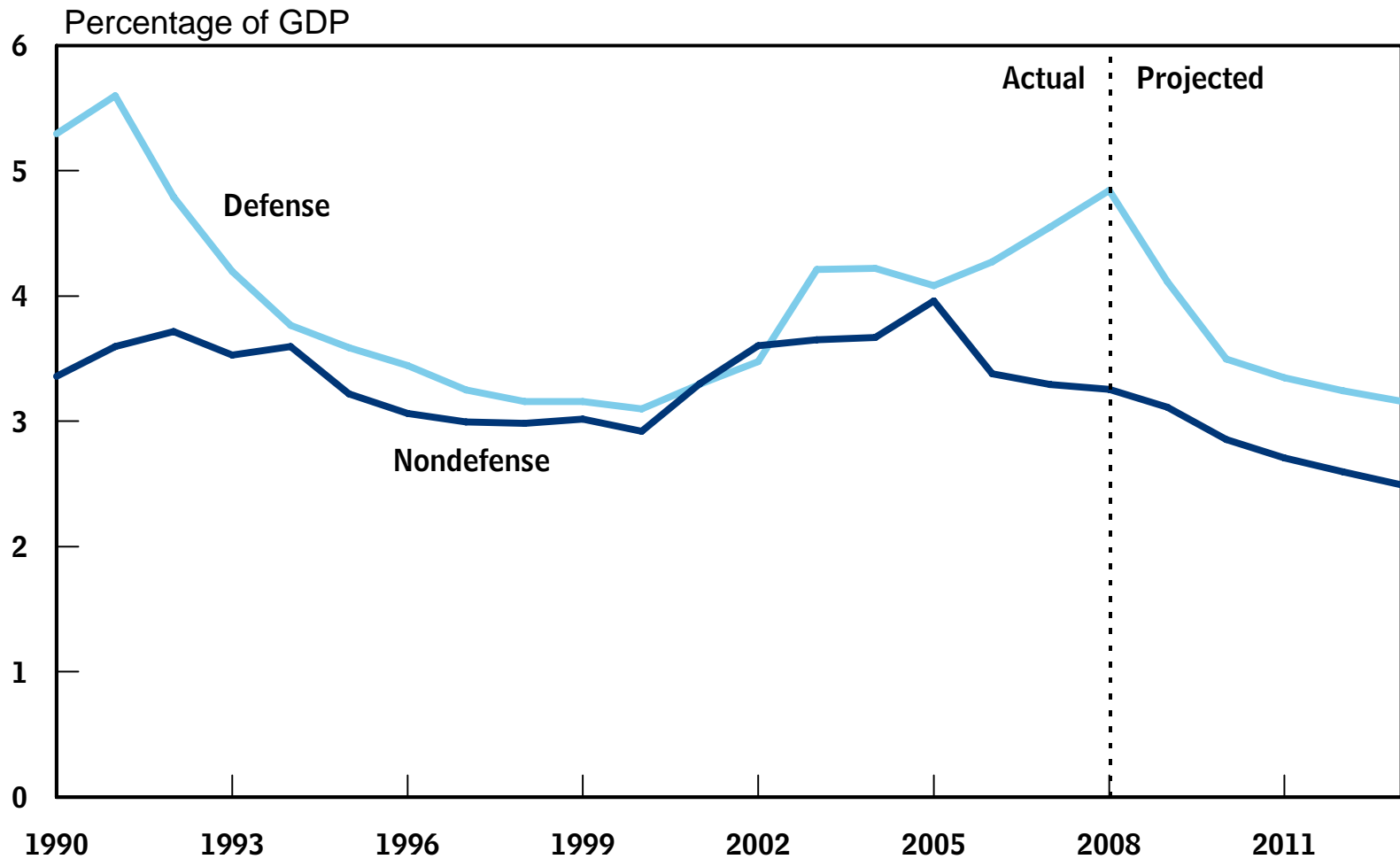


# Total Deficit or Surplus, 1990 to 2018



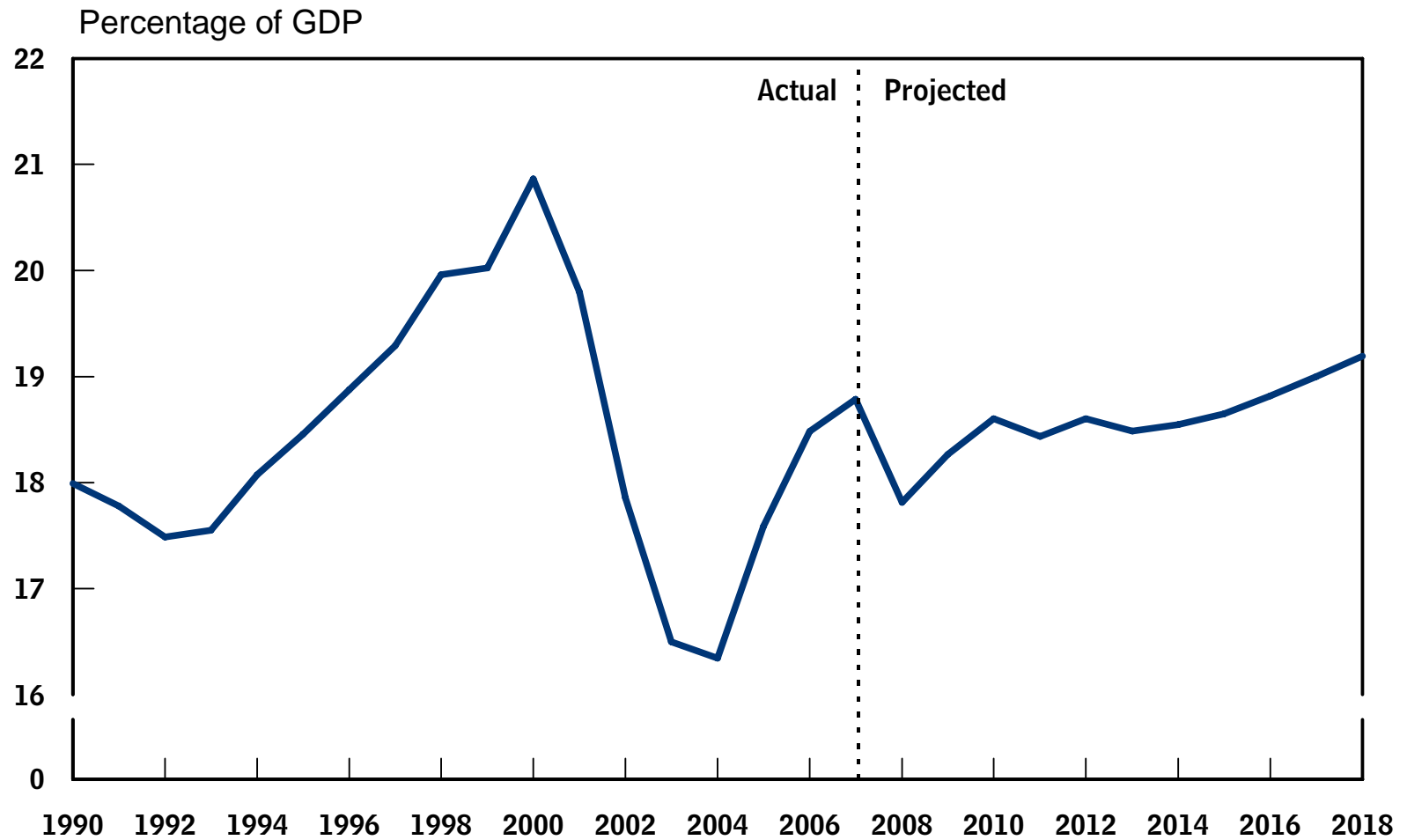


## Discretionary Budget Authority Under the President's Budget, 1990 to 2013



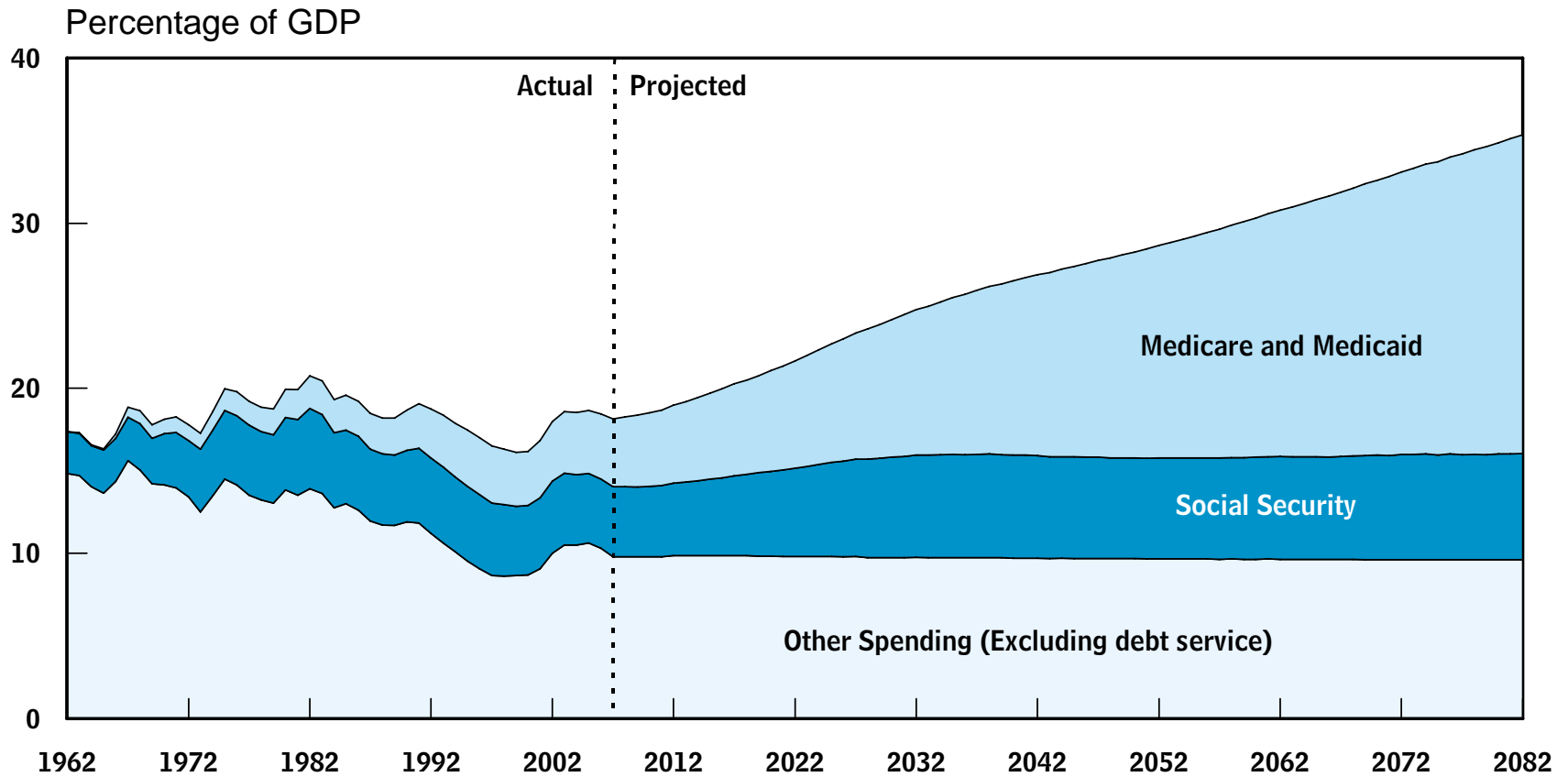


## Revenues Under the President's Budget, 1990 to 2018



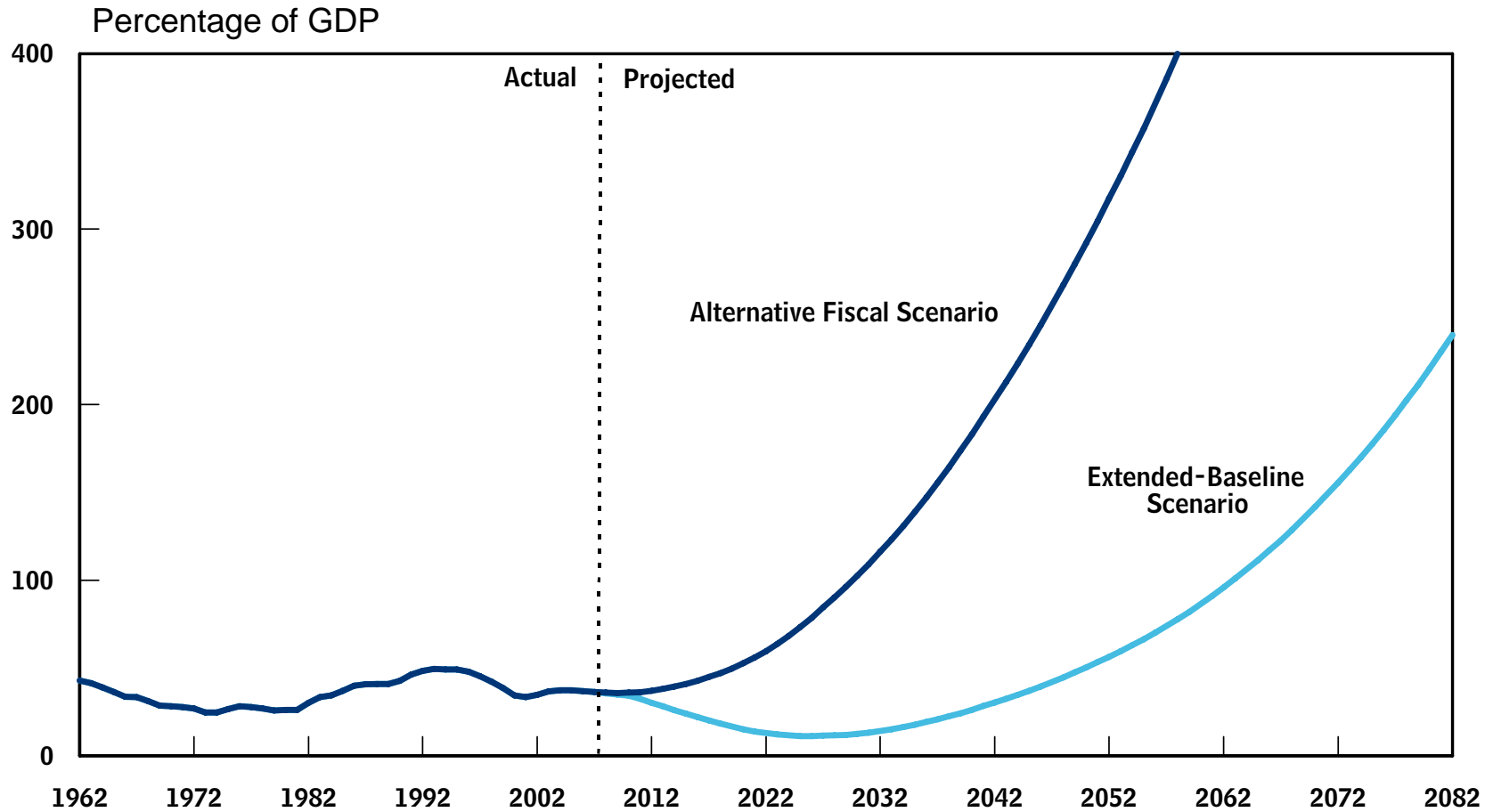


# Federal Spending Under CBO's Alternative Fiscal Scenario





# Federal Debt Held by the Public Under CBO's Long-Term Budget Scenarios







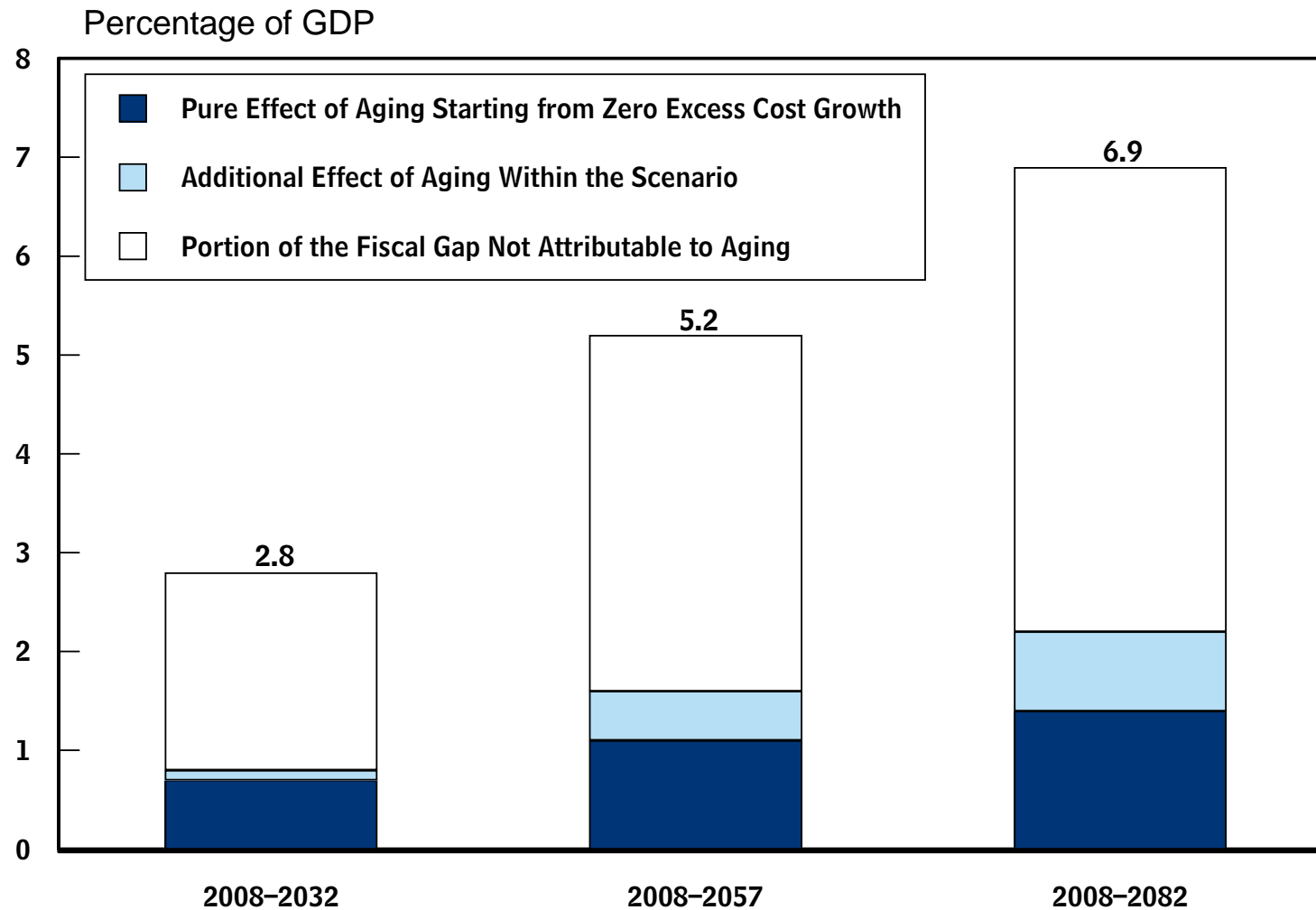
# Federal Fiscal Imbalance Under CBO's Long-Term Budget Scenarios

Percentage of GDP

Projection Period	Revenues	Outlays	Fiscal Gap
<b>Extended-Baseline Scenario</b>			
25 Years (2008–2032)	20.2	19.5	-0.7
50 Years (2008–2057)	21.3	21.9	0.6
75 Years (2008–2082)	22.1	23.8	1.7
<b>Alternative Fiscal Scenario</b>			
25 Years (2008–2032)	18.6	21.4	2.8
50 Years (2008–2057)	18.8	24.1	5.2
75 Years (2008–2082)	19.2	26.1	6.9

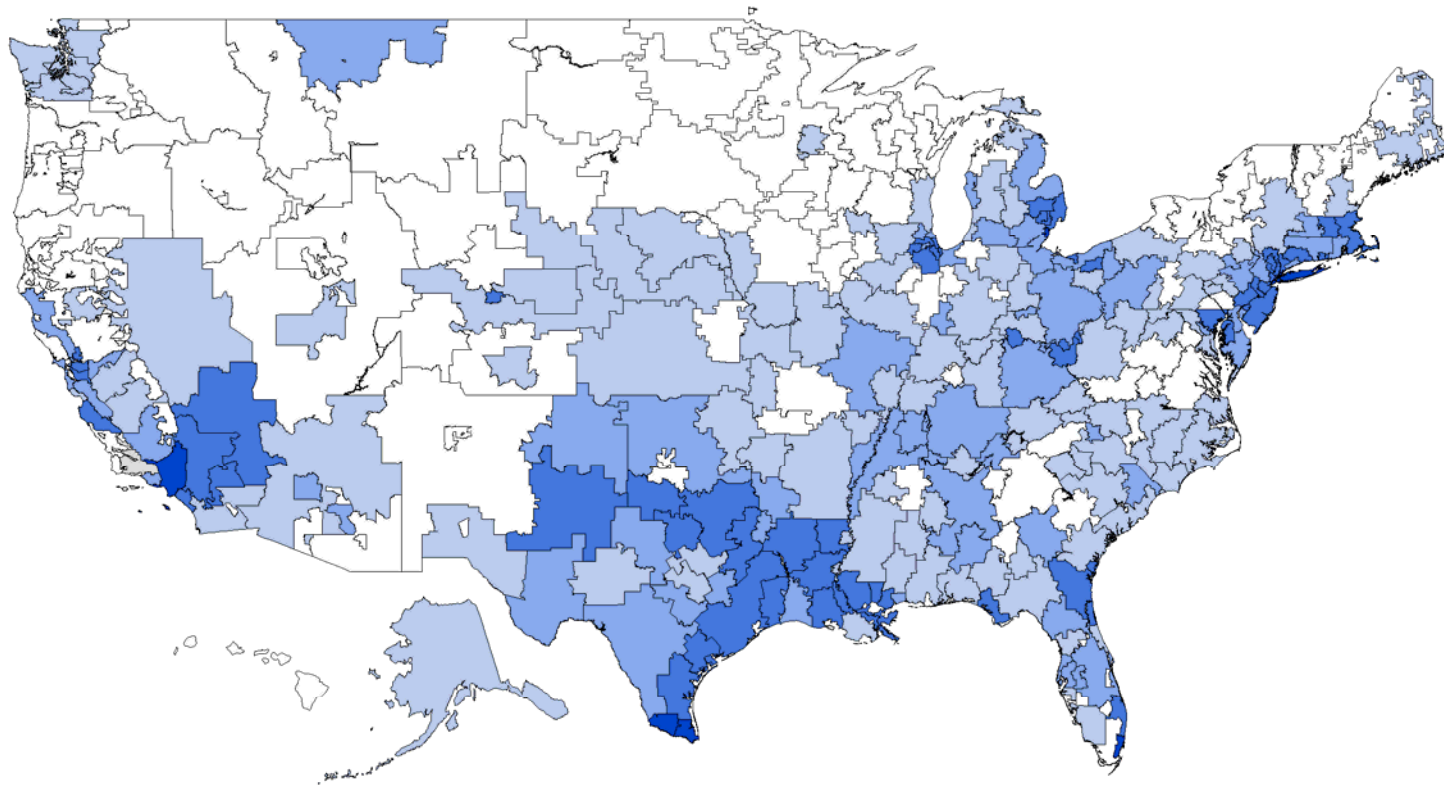


# Contribution of Aging to the Fiscal Gap Under CBO's Alternative Fiscal Scenario



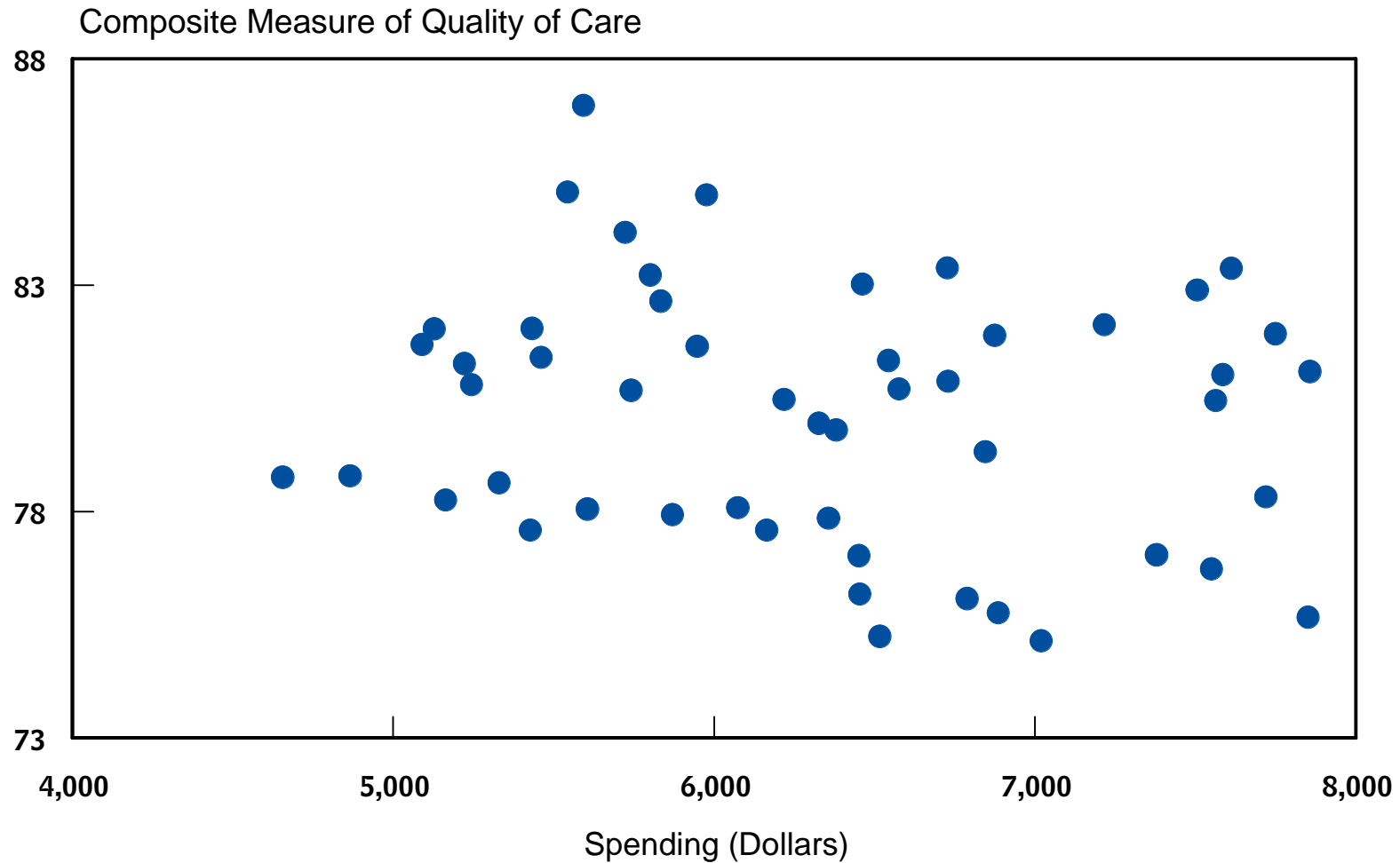


# Medicare Spending per Beneficiary in the United States, by Hospital Referral Region, 2005





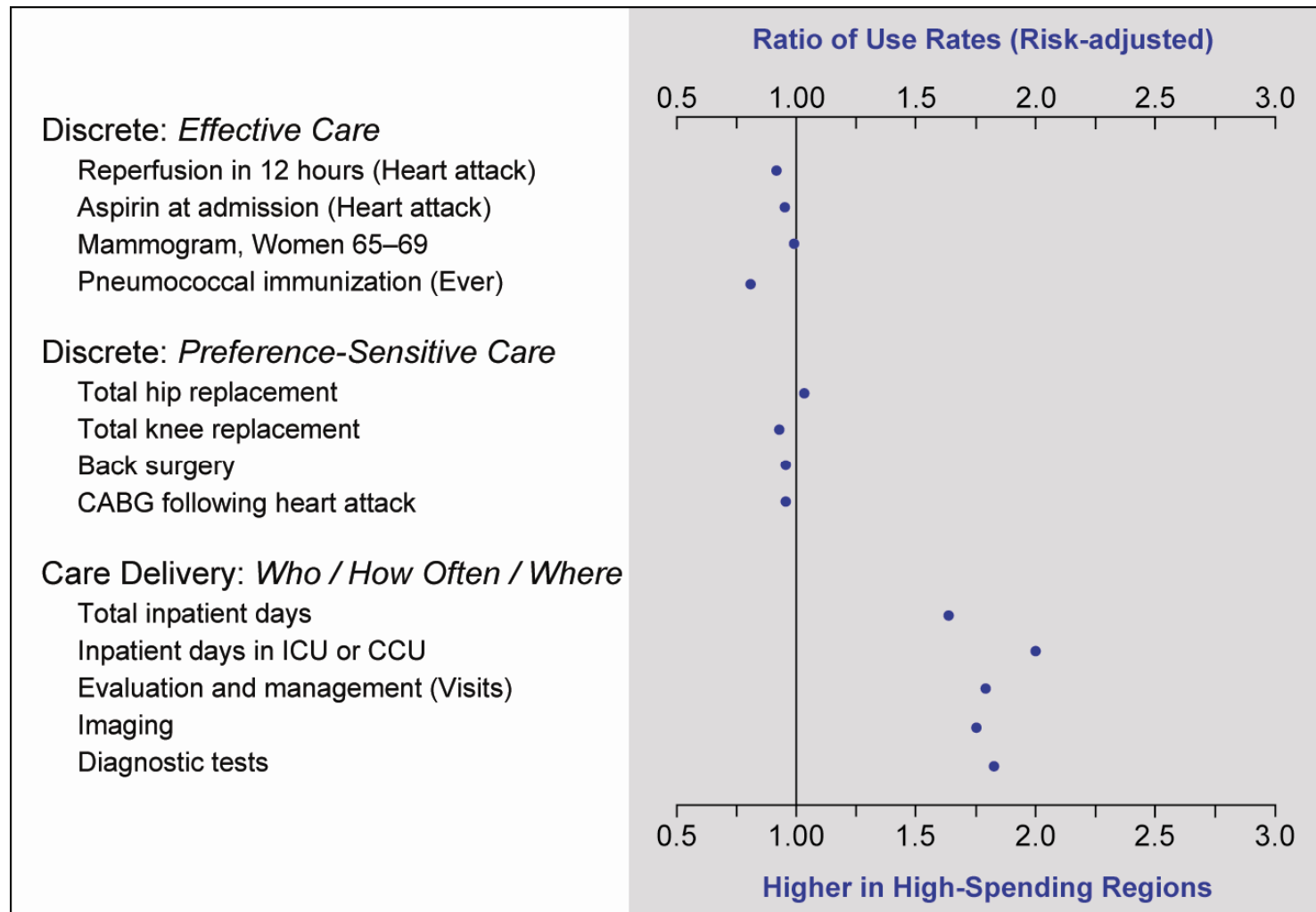
## The Relationship Between Quality and Medicare Spending, by State, 2004



Source: Data from AHRQ and CMS.



## What Additional Services Are Provided in High-Spending Regions?



Source: Elliot Fisher, Dartmouth Medical School.



## Variations Among Academic Medical Centers

*Use of Biologically Targeted Interventions and Care-Delivery Methods Among Three of U.S. News and World Report's "Honor Roll" AMCs*

	UCLA Medical Center	Massachusetts General Hospital	Mayo Clinic (St. Mary's Hospital)
<b>Biologically Targeted Interventions: Acute Inpatient Care</b>			
CMS composite quality score	81.5	85.9	90.4
<b>Care Delivery—and Spending—Among Medicare Patients in Last Six Months of Life</b>			
Total Medicare spending	50,522	40,181	26,330
Hospital days	19.2	17.7	12.9
Physician visits	52.1	42.2	23.9
Ratio, medical specialist / primary care	2.9	1.0	1.1

Source: Elliot Fisher, Dartmouth Medical School.

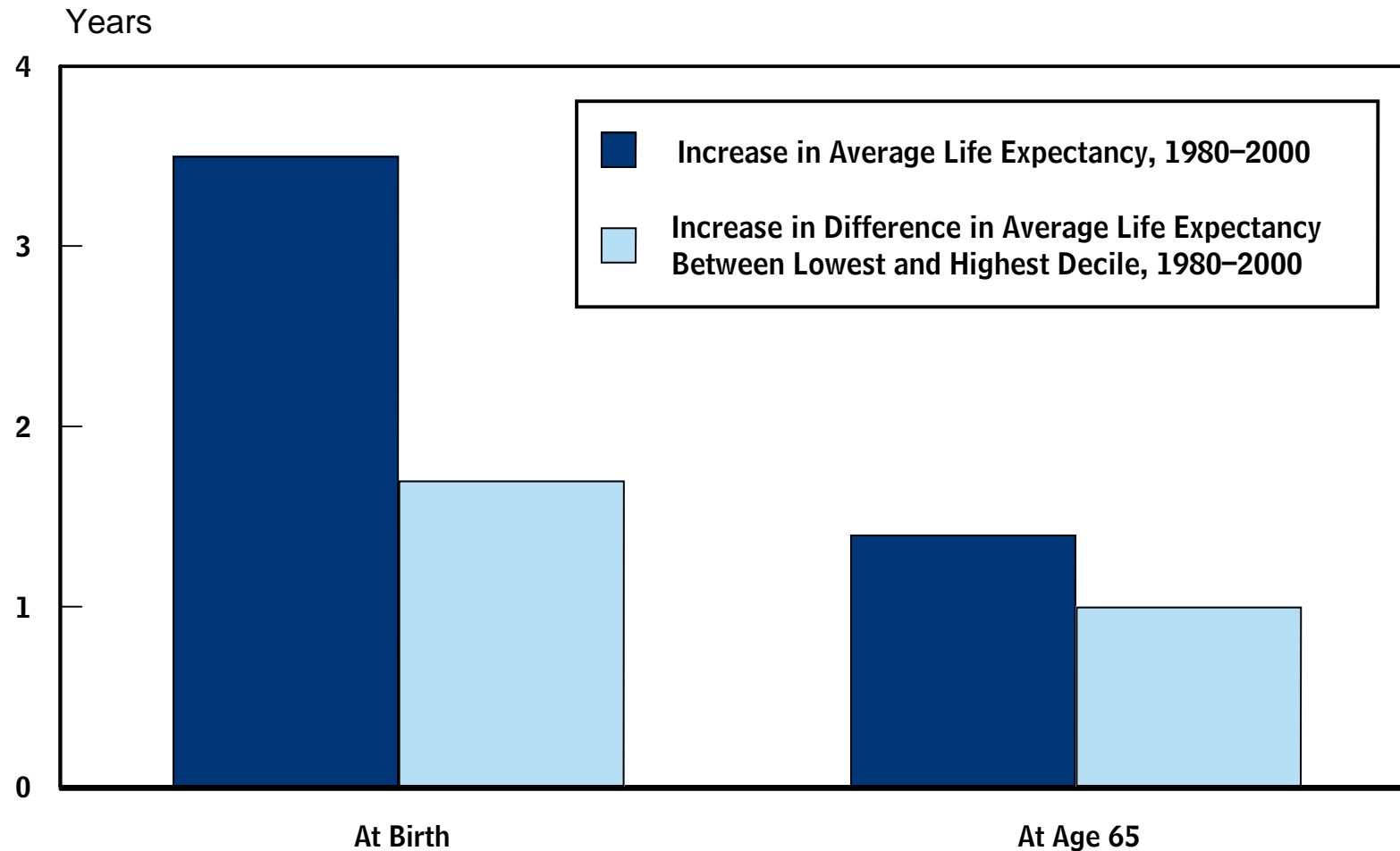


## CBO's Activities in Analyzing Health Care

- **New Hires and Expanded Staffing**
  - New deputy assistant director (Keith Fontenot) in the Budget Analysis Division
  - Increase in health staff agencywide from 30 FTEs to 40 FTEs (Plus 6 new hires)
  - FY 2009 plans
  
- **Reports and Analysis in 2008**
  - Critical Topics in Health Reform
  - Health Options



## Increase in Life Expectancy and Increase in Difference in Life Expectancy by Economic Status



Source: Data from Singh and Siahpush (2006) and CDC.