

**Additional Information on CBO's Long-Term Analysis  
of a Budget Proposal by Chairman Ryan<sup>1</sup>**

**Answers to some questions we've been asked:**

**Who would get a medical savings account (MSA) payment and when?**

As specified by the Chairman's staff, Medicare beneficiaries with income below the federal poverty level would receive the full MSA deposit, and Medicare beneficiaries with income between 100 percent and 150 percent of the federal poverty level would receive 75 percent of the MSA deposit. MSA payments would not start until 2022, and they would be made only to qualifying Medicare beneficiaries who also receive a premium support payment.

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<sup>1</sup> Congressional Budget Office, *Long-Term Analysis of a Budget Proposal by Chairman Ryan* (April 2011).



**What would be the average net federal spending per capita on Medicare under CBO’s long-term scenarios or the average premium support payment for Medicare beneficiaries under Chairman Ryan’s proposal?**

The table below shows average net federal spending on Medicare for a typical 65-year-old and for Medicare beneficiaries age 65 and older in 2022 under the extended-baseline scenario and the alternative fiscal scenario. It also shows the premium support payment under the proposal for a typical 65-year-old in 2022. (Because CBO assumed that no beneficiaries who were eligible for traditional Medicare would switch to the premium support system, there would be no beneficiaries older than 65 receiving premium support payments in 2022.)

(Nominal dollars)			
		<u>2022</u>	
		Extended-Baseline Scenario	
Average net federal spending on Medicare			
For a typical 65-year-old		7,900	
For all beneficiaries age 65 or older		14,800	
		Alternative Fiscal Scenario	
Average net federal spending on Medicare			
For a typical 65-year-old		8,500	
For all beneficiaries age 65 or older		16,000	
		Proposal	
Average premium support payment			
For a typical 65-year-old		8,000	
Source: Congressional Budget Office			
Notes: The proposal that CBO analyzed is as specified by Chairman Paul Ryan and his staff.			
The extended-baseline and alternative fiscal scenarios are as described in Congressional Budget Office, <i>The Long-Term Budget Outlook</i> (June 2010).			