

# Entitlement Reform Remains in Limbo as Democrats Stall on Proposing Federal Budget

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Although Democrats have assailed the federal budget proposed by Republicans, which the House of Representatives voted for earlier this year, they have yet to propose a similar measure of their own.

The budget put forth by House Budget Chairman Paul Ryan (R-WI) and the hypothetical proposal by Sen. Kent Conrad (D-SD) are impossible to compare. Ryan's budget is a detailed document with specific means for controlling health care spending, whereas the Conrad budget has yet to be released.

Conrad has struggled to put together a budget bill in the wake of the breakup of the Senate's "Gang of Six," a bipartisan group of senators, after Sen. Tom Coburn (R-OK) left the group, according to Cato Institute budget analyst Tad DeHaven.

"The press is reporting that Conrad intends to release a budget that calls for \$2 trillion in tax increases and \$2 trillion in spending cuts. To my knowledge, he has not officially released his budget, so there are no details," DeHaven said.

## **No Clear Path**

Robert Moffit, a Heritage Foundation senior fellow in domestic and economic policy studies, thinks the Conrad proposals are unlikely to present a realistic alternative approach to entitlement reform.

"It is hard to say what Conrad is doing," said Moffit. "It is pretty thin on details. We know what Ryan would do. Conrad is talking about making specified cuts that he said would be smaller than in the House budget, but I have not seen any real policy."

Moffit notes cuts and changes in government health care spending are already slated to take place.

"Seniors under every scenario will pay a lot more for Medicare benefits. Under current law they are going to be paying more. Even under Obamacare, those premiums are going to increase," said Moffit. "And they are going to be paying higher drug costs under changes to Medicare Part D."

## **Choice Is Taxes or Cuts**

Since Medicare sets the prices the government is willing to pay for medical services and products, it has a strong effect on the market price, Moffit says.

"Generally speaking, Ryan's plan focuses on cutting spending without raising taxes; thus Ryan's plan would be preferable given that the government has a spending problem, not a revenue problem," Moffit said.

Moffit notes the real choice is going to be between more taxes and entitlement cuts, and that most economists believe the nation cannot tax itself out of its current economic downturn or entitlement commitments.

"To date, there is no comprehensive alternative to the Ryan plan that is on the table. Ryan has got a reform plan. His critics don't. End of story," Moffit said.

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