CORKER “DOLLAR-FOR-DOLLAR” BILL SUMMARY

“I’ve introduced dollar-for-dollar legislation that will raise the debt ceiling by roughly $1 trillion in exchange for roughly $1 trillion in reforms to Social Security, Medicare and Medicaid. This bill incorporates many of the recommendations made in the bipartisan Simpson-Bowles and Domenici-Rivlin proposals. This bill meets our obligations to older and younger Americans. Young Americans expect us to solve our fiscal issues so they aren’t saddled with debt and robbed of their opportunity for the American dream. And seniors expect us to honor the commitments we have made to them.” –U.S. Senator Bob Corker

Proposal	Spending Reduction	Debt Ceiling
Medicare Reform	$689 Billion	
Social Security Reform	$62 Billion	
Chained-CPI Government Wide	$136 Billion	
Medicaid Reform	$50 Billion	
Total	**$937 Billion**	**$937 Billion**

MEDICARE: ***Structurally Transforms Medicare, Keeping Fee-for-Service Medicare in Place, Competing Side-by-Side with Private Options that Seniors Can Choose Instead. Would Significantly Reduce Costs Without a Spending Cap on the Program.***

Medicare’s trust fund has $27 trillion in unfunded liabilities and is expected to be insolvent by 2024. Medicare needs to be structured in a way to provide care for current and future beneficiaries in a fiscally responsible manner. The bill would ensure that fee-for-service Medicare will exist permanently while providing beneficiaries an option of participating in a reformed Medicare Advantage program called “Medicare Total Health” with no artificial cap on spending growth. Beginning in 2017, all Medicare beneficiaries are eligible for a Total Health plan or to continue in traditional Medicare. Competition will bring down costs in both programs. In addition, this bill would update cost-sharing requirements to reflect 21st century health insurance practices like capping out-of-pocket expenditures for beneficiaries and unifying deductibles and coinsurance structures. The bill also would:

- Improve solvency by requiring higher income beneficiaries to pay more for their premiums.
- Raise the eligibility age incrementally to 67 by 2027.
- Limit direct and indirect graduate medical education payments.
- Phase out bad debt payments by fiscal year 2019 except for dual-eligibles.
- Accelerate Medicare home health productivity adjustments.

MEDICAID: ***Provides Increased Flexibility for States in Medicaid to Achieve Savings and Eliminates a Massive "Bed Tax" Gimmick Used to Bilk Federal Taxpayers.***
To alleviate the growing fiscal strain Medicaid is putting on states and our federal government, this bill would:

- Establish a waiver so states can manage their Medicaid programs with more certainty and flexibility.
- Prevent states from gaming the federal share of the program with state tax charges.

SOCIAL SECURITY: ***Achieves Long-Term Solvency for Social Security by Making Reforms Now that Would Be Much More Painful if Delayed.***
The Social Security program is now running annual deficits, and the Social Security Trust Fund is projected to be exhausted in 2033. In order to return the program to long-term solvency, the bill would:

- Enhance the progressivity of the benefit calculations.
- Provide better benefit options to those who need it most.
- Slowly raise the retirement age and benefit computation period to better reflect longevity increases.
- Strengthen the solvency of the disability insurance program by moving beneficiaries onto SSI at the early retirement age.
- Take the common-sense step of using chained CPI government-wide, including for Social Security and the tax code. Chained CPI is the Bureau of Labor Statistics' most modern and most accurate measure of inflation.

DEBT LIMIT INCREASE:
Directs that the debt limit be increased by the same amount as the savings generated from the entitlement reforms contained in this bill, as determined by the Office of Management and Budget.