

Congressman Yarmuth Town Hall Meeting
September 2, 2010, Central High School
Transcript: begins at 35:50

Question by James Coyle: Ok, well, during the campaign cycle we were made a lot of promises about how our tax dollars weren't going to go up and 95 percent of Americans wouldn't pay any more in taxes. We were told that the eventual President, Obama, was going to go line-by-line and get rid of wasteful government spending. That hasn't happened. We have a Medicare system that is broke and has no money. We have Medicare, Medicaid, Social Security...all these programs. Everyone will agree – if they aren't broke now, they will be shortly. By adding another cloak of Federal government bureaucracy around all of that – at a trillion plus dollars – how in the world are we going to pay for it? And, please, Congressman, don't tell me we are going to pay for it with savings.

John: You ask a lot of questions in there and I will try address some of them. The main one is. The main one is. The Questions was: how are we going to pay for this. The answer is: I don't know. But, let me explain how we are going to pay for this proposal. We have a lot serious problems. Long-term problems that have been here for a while and developed. Let me tell you about the problem with Medicare. We face, with Medicare, \$37 trillion in additional debt over the next two generations if we don't make changes in the Medicare program. \$37 trillion, very year we wait. But wait a minute, this is an answer to why we have to act even though these aren't the best times. Every year we wait to begin change the trajectory of costs in Medicare, we add between \$1-\$2 trillion to the ultimate national debt. So, yes, it's tough. **But here is how we are proposing to pay for this proposal. Half of the money, roughly \$500 billion dollars is as a surcharge on the taxes of people making over half a million dollars a year. That's half of it. Oh, we have that many people? We have a very rich crowd. Or people who are really concerned about very rich people.**

Second. The second part of it. The other half of the program is paid for with some cuts in programs like Medicare Advantage. It's ok if you disagree with the cuts, but I am explaining what it is. I know it seems counter-intuitive to say that that there are \$500 billion worth of in cuts in Medicare and Medicaid. We will spend over those next ten years somewhere around ten trillion dollars on Medicare and Medicaid, so half a billion dollars is about 5 percent. If anyone doesn't think that we can find five percent of savings in those programs. I think, you know, it is pretty easy to do it. Let me just explain one more thing about Medicare. Medicare works very well for people who have the benefit, but it has an insufficient finance mechanism. Right now, when it was created in 1965, there were ten workers paying Medicare tax to support every beneficiary and the life expectancy was 67 or 68, now it is 80, we have 3 workers supporting every beneficiary. The Medicare system does very well with the money it has, but it doesn't have nearly enough money. And that is the problem with the entire health care system. We are all Americans. We want to do everything we want to do: eat, drink, smoke anything we want and then when we get sick we want the best health care in the world. We don't want to pay for it. I understand all that but that is the problem we face. We have a culture that we need to crack.