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## Medicare, Social Security to stay afloat longer

By Richard Wolf, USA TODAY

WASHINGTON — Medicare and Social Security won't run short of money to pay beneficiaries for about two decades or more, but the inexorable aging of the Baby Boom generation will drain the trust funds unless Congress intervenes, the programs' trustees announced today.

Medicare, the government program for 46 million retirees and people with disabilities, will remain solvent until 2029 as a result of projected savings in this year's landmark health care law, the trustees' reports said. Last year's report had predicted the program would stay solvent only through 2017.

Treasury Secretary [Timothy Geithner](#) warned that the law's Medicare savings "have to be allowed to work — Congress will have to stick with them."

Social Security, the retirement program for 53 million [Americans](#), will pay out more in benefits than it receives in payroll taxes this year and next, and eventually run deficits every year starting in 2015. Still, its trust fund won't run dry until 2037, the same projection that was issued last year. At that point, its income would support only about 75% of scheduled benefits through 2084.

The program's disability insurance trust fund will run out in 2018, requiring it to borrow from the retiree insurance fund. Labor Secretary [Hilda Solis](#) said the growth in projected payments and reduction in projected taxes require action by Congress to address the imbalance.

Taken together, the reports paint a slightly rosier picture for Social Security and Medicare, which just celebrated their 75th and 45th anniversaries, respectively. Geithner called them "very encouraging" improvements in the financial position of both programs.

But the 12-year Medicare trust fund extension under the health care law is illusory for two reasons: The savings will be used to help finance an expansion of health insurance to 32 million people, leaving only IOUs. And Congress must follow through in future years on cuts to the popular Medicare Advantage program, which provides additional benefits such as prescription drug coverage, and to some health care providers.

The next steps are up to an 18-member, bipartisan commission created by President Obama to recommend deficit reduction measures after this November's midterm elections. Tax increases are unlikely because of staunch opposition from Republicans, so lobbyists for Social Security and Medicare fear proposals that would cut benefits or increase the retirement age, already headed toward 67 for future retirees.

"We should not wait for a crisis to develop to act. Americans should be confident that their earned benefits will be there for them when they need them," said AARP Executive Vice President John Rother. "Social Security's role as a foundation for economic security is too important to let politics as usual get in the way of the modest and gradual adjustments that would ensure adequate benefits for current and future generations."

Even without action by the commission and Congress, Geithner and Health and Human Services Secretary [Kathleen Sebelius](#) said, the law passed in March should bring down health care spending through increased productivity, such as more efficient medical practices and expanded use of information technology.

"These are very, very, very substantial improvements in the rate of growth in health care costs," Geithner said. "It's a very promising set of reforms."

Not so, say [Republican](#) leaders in Congress who opposed the health care law for fear it would reduce access to care, particularly for seniors on Medicare.

"Americans are tired of empty promises and are counting on us to find answers that will make our country strong again," says Rep. [Dave Camp](#), R-Mich., top Republican on the House Ways and Means Committee and a member of Obama's commission. "As this report shows, time is short, and we cannot afford to fail."

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