

CBO report predicts Democrats' healthcare reform proposals will be costly.

The [New York Times](#) (12/19, A19, Pear) reports, "The Congressional Budget Office (CBO) said Thursday that many of the healthcare proposals championed by President-elect Barack Obama and other Democrats would carry a high price tag and would generate only modest savings." For its analysis, the budget office examined "115 options, including proposals to expand coverage and slow the growth of health spending." In addition, "some of the options, including proposals to increase taxes on cigarettes and nondiet soft drinks, are sure to meet stiff political opposition." Still, the CBO estimated that the "potential savings from a requirement for doctors and hospitals to use health information technology, including electronic medical records, as a condition of participating in Medicare," might "save the federal government \$7 billion in the first five years and a total of \$34 billion over 10 years." The requirement would reduce "medical errors and" avoid "unnecessary tests and procedures," as well as "lower health insurance premiums in the private sector," the budget office said.

The report also indicated that "federal spending on Medicare and Medicaid will rise from about four percent of gross domestic product in 2009 to nearly six percent in 2019 and 12 percent by 2050," with most of the increase stemming "from rising per capita costs, rather than from the aging of the population," [Modern Healthcare](#) (12/18, Lubell) added. The budget office concluded that "policymakers face difficult trade-offs between the objectives of expanding insurance coverage and controlling both federal spending and total costs for healthcare."