

TABLE 3. PROPOSED CHANGES TO MANDATORY PROGRAMS
(Outlays in millions of dollars)

ELIMINATING SUBSIDIES: CHARGING FEES FOR GOVERNMENT SERVICES

Energy:

- Reform Power Marketing Administration
- Natural Resources and Environment:
 - Phase-in increased Inland Waterway user fees
 - Increase grazing fees: Agriculture Department
 - Increase grazing fees: Interior Department
 - Implement a Federal irrigation water surcharge
 - Increase recreation fees: Corps of Engineers
 - Increase recreation fees: Interior Department
 - Increase recreation fees: Agriculture Department
 - Permanently extend hardrock mining holding fees
 - Institute hardrock mining royalties
 - Improve enforcement of harbor maintenance fees
 - Permanently extend 50% net receipt sharing (on-shore minerals)
 - Below-cost timber sales (loss of receipts)

Agriculture:

- Eliminate subsidies to honey producers
- Target CCC subsidies to farmers with off-farm incomes below \$100,000
- Increase non-eligible payment acres (triple base) starting in 1996
- Eliminate 0/92 and 50/92 (PAY/92) programs starting in 1996
- Increase assessments on "non-program" crops starting in 1996
- Limit payments on wool and mohair to \$50 thousand per person
- Permanently extend market promotion program at 1993 level

Commerce and Housing Credit:

- Assess examination fees for State-chartered, FDIC-insured banks
- Institute Commodity Futures Trading Commission processing fees (revenue)
- Increase Securities and Exchange Commission registration fees (revenue)
- Permanently extend patent and trademark fees

Transportation:

- Increase registration fee on general aviation aircraft
- Permanently extend tonnage fees

Health:

- Complete payment of outstanding postal liabilities: FEHB portion

Income Security:

- Charge fee for State SSI administration

Administration of Justice:

- Permanently extend U.S. Customs merchandise and passenger processing fees

Undistributed Offsetting Receipts:

- Auction Federal Communications Commission spectrum
- Complete payment of outstanding postal liabilities: Cost-of-living adjustments for retirees

Subtotal, Eliminating Subsidies: Charging fees for Government Services

MANAGING GOVERNMENT FOR COST-EFFECTIVENESS AND RESULTS

Agriculture:

- Reform crop insurance program through area-yield (mandatory savings)
- Reform commodity disaster payments

Sheet1

Commerce and Housing Credit:

- Government National Mortgage Association: Real estate mortgage insurance conduits
- Reform Federal Housing Administration insurance

Education, Training, Employment, and Social Services:

- Reform student loan program
- Require States to share default costs

Income Security:

- Conform CSRS/FERS child-survivor benefits age to Social Security
- Base CSRS/FERS survivor annuities on reduced retiree annuity

Veterans Benefits and Services:

- Restore 1:9 contribution ratio for GI Bill benefits
- Implement housing down-payment for second and subsequent uses
- Pay insurance administration from excess funds
- Set housing loan fees at 2%
- Permanently extend pensions-medicare nursing homes provisions
- Permanently extend pension/medical care income verification through Internal Revenue Service
- Permanently extend medical care costs recovery
- Permanently extend prescription charge/co-payment
- Permanently extend resale loan loss provisions

Administration of Justice:

- Reform U.S. Customs overtime

General Government:

- Implement Commonwealth of the Northern Mariana Islands funding agreement

Net Interest:

- Shorten maturity of debt securities

Other:

- FTE cut offsets employer contributions
- FTE cut offsets employee contributions
- Pay reduction related employee contributions
- Increase revenues from IRS tax compliance efforts

Subtotal, Managing Government for Cost-effectiveness and results

CONTROLLING HEALTH CARE COSTS

Health:

- Institute Medicare fee limits over 65: Federal Employees Health Benefits
- Medicaid: Eliminate mandatory medicaid care
- Medicaid: Tighten estate asset rules
- Medicaid: Remove prohibition on drug formularies

Medicare:

- Pay hospitals for inpatient services by hospital-based physicians
- Put hospitals on a calendar year update
- Gradually lower indirect medical education rate to 5.65%
- Set laboratory rates at market levels
- Eliminate skilled nursing facility return on equity payments
- Durable medical equipment options
- Set erythropoietin (EPO) at non-U.S. market rates (\$10 per 1000 units)
- Medicare secondary payor (MSP) reforms
- Eliminate add-on for hospital based home health agency
- Phase-in resource-based practice expense
- Implement single fee for surgery

Sheet1

Discount for interactions

Reduce hospital update market basket minus 1% in 1994 and 1995

Permanently extend 10% capital reduction, outpatient department

Permanently extend 2% laboratory fee update

Permanently extend 10% capital reduction, Prospective Payment System neutral

Permanently extend Medicare Secondary Payer (MSP) for the disabled

Permanently extend MSP for End Stage Renal Disease after 18 months

Permanently extend Internal Revenue Service/Social Security Administration/Health Care Financing Administration data ma

Permanently extend reduction of payments for hospital outpatient services by 5.8%

Third party liability Enhance identification of other health coverage

Direct medical education

Ban physician self referrals

Reduce default Medicare volume performance and update

Reduce doctor fees in 1994 except primary care

Provide electronic billing incentive

Outpatient department cut at 10%

Medicare Maintain 1995 ratio of premium collections to program outlays with a 27% ceiling

Subtotal, Controlling Health Care Costs

SHARED CONTRIBUTION

Health:

Medicaid: Equate matching rates for welfare program

Social Security:

Retain Social Security threshold and tax 85% (revenue)

Income Security:

Strengthen child support enforcement

Equate matching rates for welfare program

End lump-sum benefit

Subtotal, Shared Contribution

TOTAL, PROPOSED ENTITLEMENT SAVINGS

MEMORANDUM:

Revenue items included above

Sheet1

1994	1995	1996	1997	1998	1994-97 Total
		-100	-100	-100	-200
-35	-115	-210	-460	-460	-820
-2	-5	-8	-13	-19	-28
-4	-8	-14	-22	-32	-48
-10	-10	-10	-15	-15	-45
-18	-18	-18	-18	-18	-72
-29	-34	-39	-45	-50	-147
-10	-11	-12	-13	-13	-46
-80	-80	-80	-80	-80	-320
	-63	-131	-277	-277	-471
-10	-25	-65	-65	-65	-165
-40	-42	-43	-45	-47	-170
38	48	58	58	58	202
-12	-10	-6	-4	-3	-32
-75	-115	-140	-140	-140	-470
		-310	-720	-720	-1030
		-273	-664	-640	-937
		-450	-450	-450	-900
-10	-68	-68	-66	-66	-212
-52	-52	-52	-52	-52	-208
-255	-265	-275	-286	-297	-1081
-55	-57	-60	-63	-66	-235
-44	-46	-48	-50	-52	-188
		-111	-115	-120	-226
-18	-31	-44	-58	-60	-151
		-67	-68	-70	-135
	-116	-116	-116		-348
-50	-110	-180	-180	-190	-520
		-564	-579	-597	-1143
	-374	-1623	-2083	-340	-4080
	-231	-231	-231		-693
-771	-1838	-5290	-7020	-4981	-14919
	-238	-246	-255	-264	-739

Sheet1

-146	-146	-146	-146	-146	-584
-28	-66	-78	-81	-83	-253
171	213	-378	-1343	-1833	-1337
-80	-122	-126	-131	-137	-459
-5	-10	-15	-20	-25	-50
-35	-70	-105	-140	-175	-350
-68	-83	-90	-98	-108	-339
-17	-17	-17	-17	-17	-68
-25	-28	-29	-31	-32	-113
-153	-155	-155	-157	-165	-620
				-300	
				-197	
-46	-326	-391	-407	-425	-1170
				-42	
-19	-20	-20	-21	-22	-80
-18	-18	-18	-18	-18	-72
-6	-7	-8	-10	-12	-31
-1634	-2660	-3264	-3919	-4877	-11477
115	269	284	310	320	978
29	67	71	77	80	244
71	95	109	131	141	406
-11	-74	-297	-554	-601	-936
-1905	-3396	-4919	-6830	-8938	-17050
-12	-18	-21	-24	-27	-75
	-1190	-1355	-1540	-1760	-4085
-25	-80	-135	-155	-170	-395
-10	-15	-20	-25	-30	-70
	-80	-150	-160	-180	-390
-1000	-1140	-1180	-1290	-1420	-4610
		-580	-1360	-1600	-1940
-390	-690	-890	-1120	-1390	-3090
-110	-140	-150	-160	-170	-560
-75	-125	-150	-160	-175	-510
-30	-40	-40	-50	-50	-160
-127	-240	-275	-305	-345	-947
-160	-200	-230	-250	-280	-840
-100	-350	-700	-875	-950	-2025
-50	-100	-110	-120	-130	-380

Sheet1

160	200	490	940	1410	1790
-550	-1380	-1560	-1700	-1860	-5190
		-110	-150	-170	-260
-30	-110	-220	-380	-570	-740
		-300	-380	-420	-680
		-650	-960	-1085	-1610
		-35	-35	-35	-70
		-45	-120	-205	-165
		-425	-525	-600	-950
	-150	-250	-400	-450	-800
-350	-340	-340	-330	-320	-1360
	-50	-100	-100	-100	-250
		-200	-650	-1225	-850
-200	-300	-350	-400	-425	-1250
		-90	-175	-175	-265
		-315	-375	-425	-690
		-1145	-3870	-6560	-5015
-3059	-6538	-11631	-17204	-21892	-38432
-160	-400	-440	-490	-540	-1490
-2700	-5600	-6200	-6900	-7700	-21400
-27	-80	-112	-109	-177	-328
-40	-80	-90	-90	-90	-300
		-2100	-3032	-3197	-5132
-2927	-6160	-8942	-10621	-11704	-28650
-8662	-17932	-30782	-41675	-47515	-99051
-2755	-5755	-6700	-7884	-8723	-23094