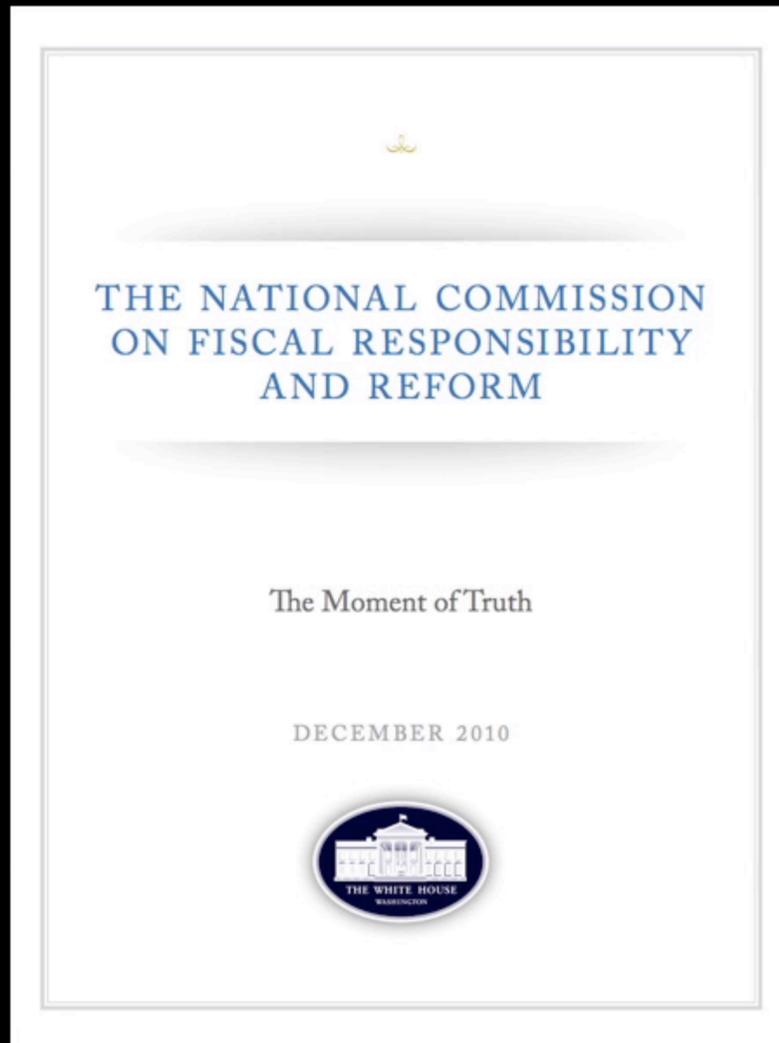


Majority Leader

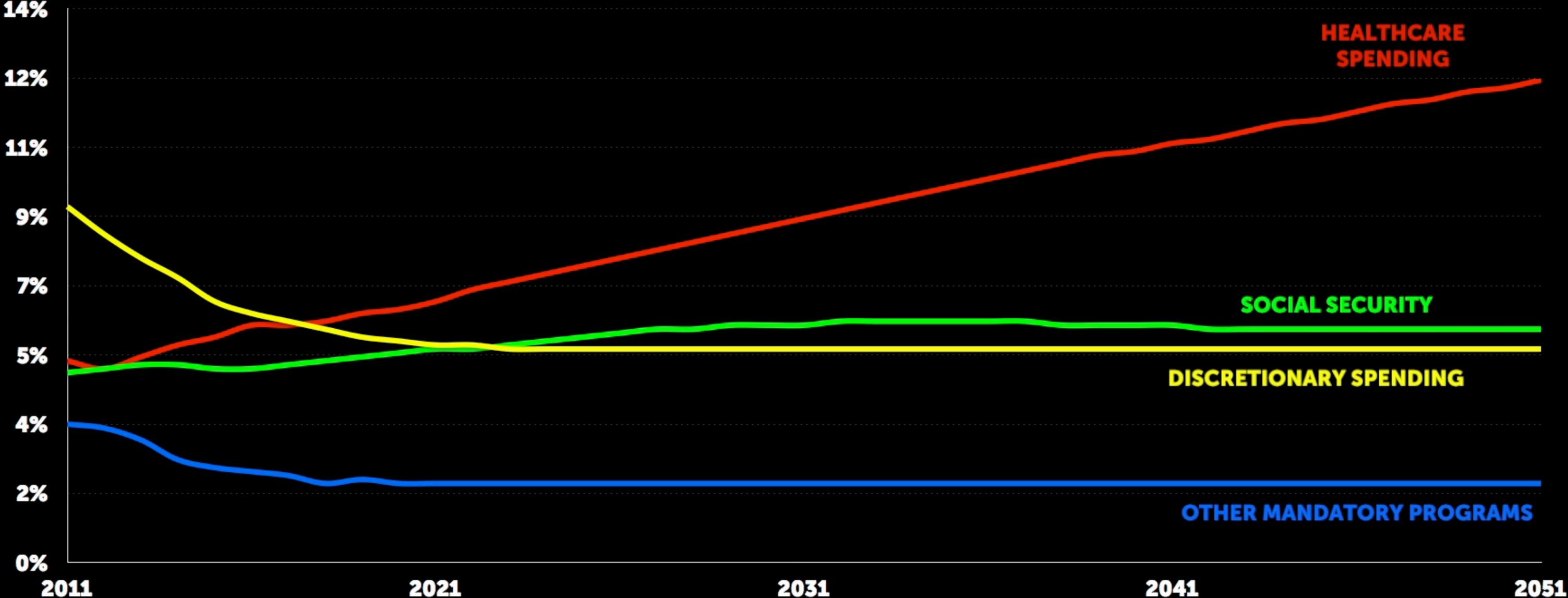
MAJORITY LEADER

HOUSE OF REPRESENTATIVES
UNITED STATES OF AMERICA

BOWLES-SIMPSON COMMISSION



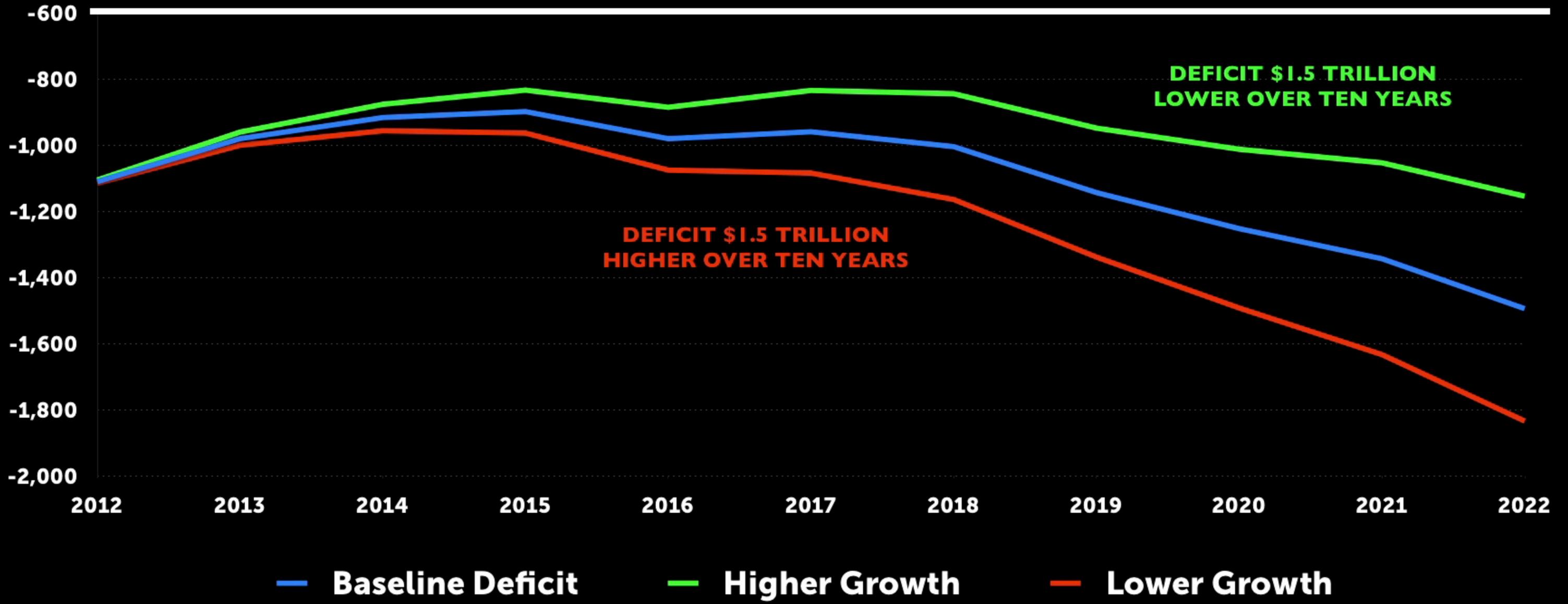
HEALTHCARE COSTS ARE THE PRIMARY DRIVER OF DEBT



SOURCE: CBO

ECONOMIC GROWTH = SMALLER DEFICITS

VARIABLE = GDP + OR - RELATIVE TO BASELINE EACH YEAR



How does

BOWLES-SIMPSON

handle these two issues?

BOWLES-SIMPSON **AWOL** *on* **OBAMACARE**

"The Commission as a whole
does not take a position on
which view is correct..."

BOWLES-SIMPSON

Proposes no structural reforms
for Medicare or Medicaid

PRESIDENT OBAMA'S NEW HEALTH CARE LAW

New, open-ended entitlement
Expanded existing entitlements

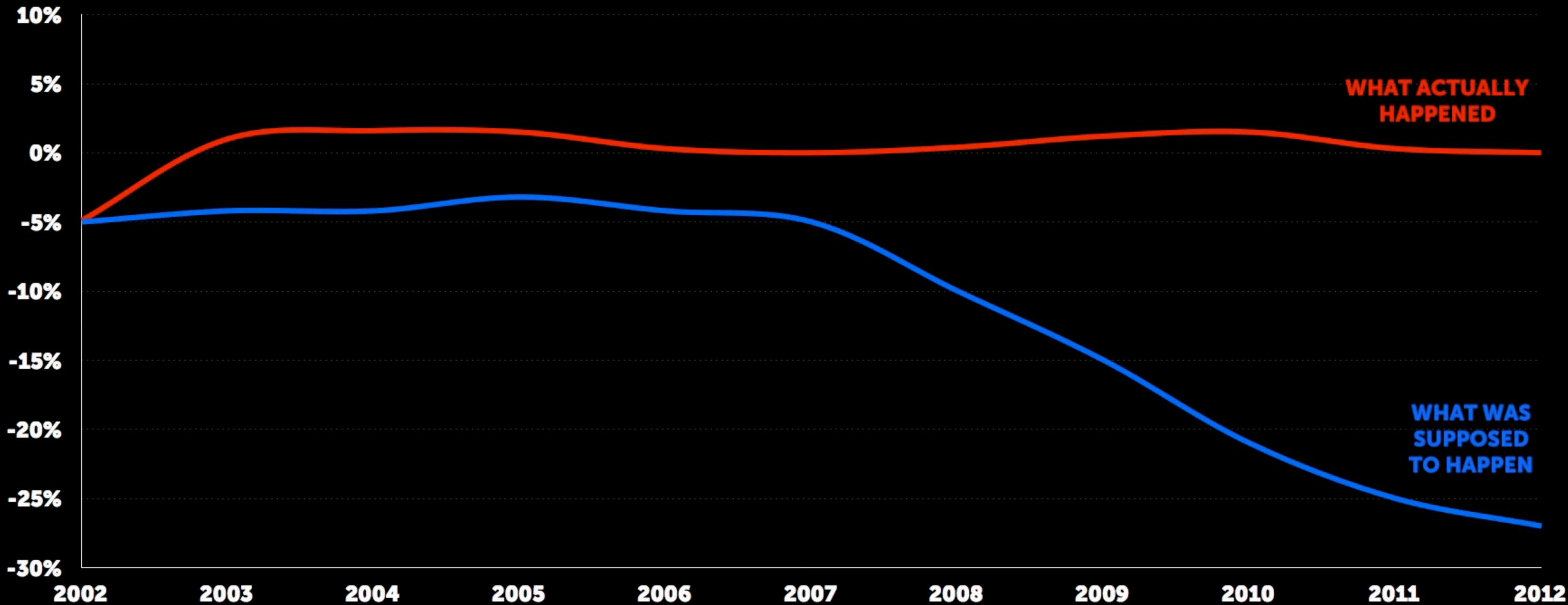
**PRESIDENT OBAMA'S
NEW HEALTH CARE LAW
\$1.7 TRILLION**

**WHY DO WE NEED
STRUCTURAL REFORM?**

CONTROLLING HEALTH CARE COSTS

Government can restrict how
much we pay health care providers

PHYSICIAN PAYMENTS UNDER *the* 1997 FORMULA



CONTROLLING HEALTH CARE COSTS

Empower and incentivize
individuals to make decisions
that help control costs



\$1 *in* **REVENUE**

- for every -

\$2 *in* **SPENDING CUTS?**

**\$983 BILLION
TAX INCREASE**

IMPACT OF INCREASING TAXES



Employment Falls 710,000
Economic Output Falls 1.3%

**Source: Long-Run Macroeconomic Impact of Increasing Tax Rates on High-Income Taxpayers in 2013,
Published July 2012**

BOWLES-SIMPSON

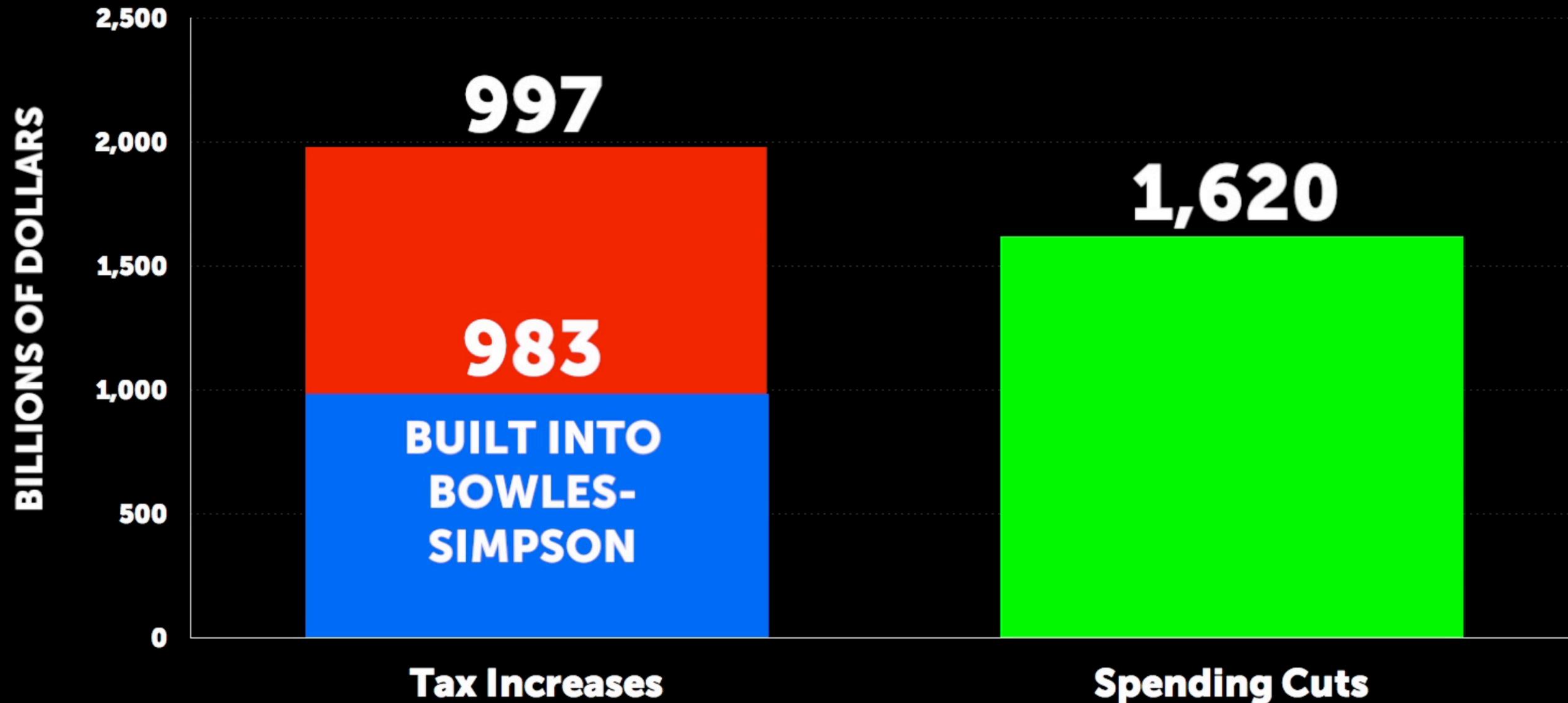
V.S.

CURRENT POLICY

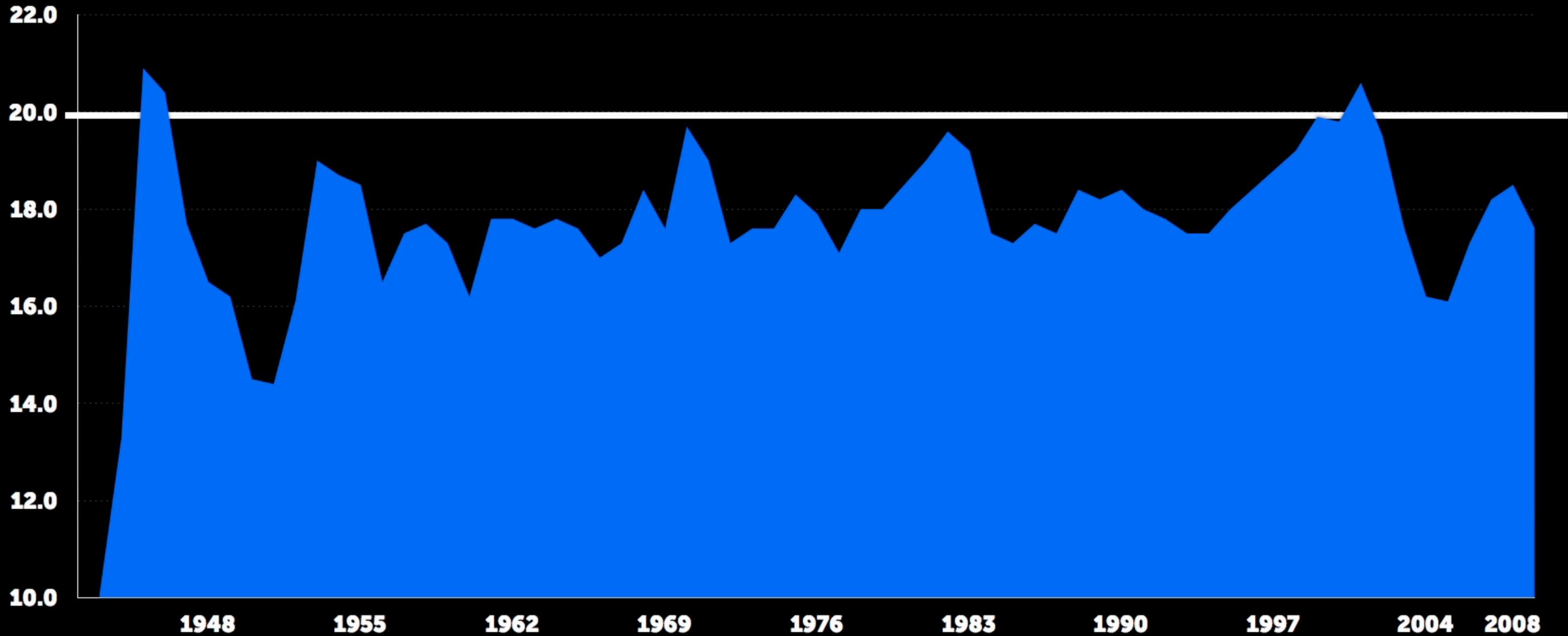
BOWLES-SIMPSON

V.S.

CURRENT POLICY



REVENUE AS A SHARE OF GDP



BOWLES-SIMPSON HAS MANY GOOD IDEAS

Lower Tax Rates

Federal Retirement & Compensation

Social Security

THE PATH FORWARD

- incorporates -

THE BEST IDEAS

- from -

ALL PROPOSALS

Majority Leader

MAJORITY LEADER

HOUSE OF REPRESENTATIVES
UNITED STATES OF AMERICA