

This year, Medicare may be pretty far down the list of U.S. House Republicans' worries.

House Budget Committee Chairman Paul Ryan and other Republicans last year were widely criticized for their proposal to overhaul Medicare as part of their budget. House Speaker John Boehner and his caucus are now struggling to write a fiscal plan addressing spending cuts.

Lawmakers say they want their annual tax-and-spending blueprint to explain how they'll address about \$1 trillion in automatic cuts set to begin in 2013. So far, there's no agreement.

"That's the big question," said Representative James Lankford, an Oklahoma Republican on the House Budget Committee. "Part of where we're struggling right now is to say 'How do you do this?'"

A group of self-described House conservatives, known as the Republican Study Committee, is pushing for a budget fight by proposing that most of the automatic cuts come from spending bills that fund agencies for the fiscal year starting Oct. 1. That would raise the possibility of a government shutdown shortly before the November election because Democrats say it would upend a budget deal struck last year with the Obama administration.

"The whole idea of the budget is to tell the voters what the Republicans will be about if we run the House, the Senate and the presidency," said Representative Tim Huelskamp, a Kansas Republican.

Compromise Elusive

Republican leaders in the chamber, including Majority Leader Eric Cantor of Virginia, who met last week with budget writers, so far have been unable to broker a compromise. Failing to adopt a budget resolution would be a major embarrassment for Boehner and Cantor, especially after Republicans lambasted Senate Democrats for announcing that they will skip the budget exercise this year.

House Republicans insist they will come to an agreement.

“We’ve made too big of point out of the Democratic failure to write a budget,” said Representative Tom Cole, an Oklahoma Republican. “So I think at the end of the day, we’ll get there. That’s a powerful incentive.”

The more conservative House members are pitted against older, more moderate Republicans on the Appropriations Committee who would have to write the spending bills. They say the cuts would be so large as to be untenable, and they’re pushing to find the savings elsewhere in the government’s budget.

Medicare Overhaul

At issue is the party’s budget plan laying out its fiscal agenda for the year. Republicans were accused last year by Democrats of plotting to end Medicare when their budget proposed overhauling the health care program for the elderly. They probably will revive their Medicare plan this year, though with changes to reflect a compromise that Ryan has since written with Democratic Senator Ron Wyden of Oregon.

The core issue this year for Republicans is what to do about the automatic cuts that were designed last year to push a deficit-reduction supercommittee to agree on a deficit plan. The panel failed, so \$55 billion will be automatically subtracted from the Pentagon’s budget next year, for a 10 percent cut.

Another \$55 billion will mostly come from the non-defense discretionary portion of the budget that funds programs such as the National Institutes of Health, NASA, the national parks and hundreds of other programs.

Republicans probably can’t count on their Medicare overhaul to contribute much in savings because they are committed to phasing in changes slowly, to give the public time to adjust. That means the plan won’t contribute much to reducing the budget deficit any time soon.

Vote This Month

Republicans, who will probably have to pass their plan on a party-line vote, aim to release their budget proposal next week and put it to a vote by the end of March.

A minority of Republicans including **California Representative John Campbell** say the automatic cuts should be allowed to take effect without any changes, including the defense cuts many of his colleagues and the Pentagon say would be devastating.

“There’s a lot of waste in defense and I think we should be cutting it out,” Campbell said.

Most members of the conservative Republican Study Committee, such as its chairman, Jim Jordan of Ohio, want most - - if not all -- of the cuts to come out of the non-defense discretionary portion of the budget.

“We’re \$15 trillion in debt and you can’t do \$100 billion in savings?” Jordan said.

\$900 Billion

Appropriators are balking. That’s partly because Congress already agreed, as part of a budget agreement last year, to cut \$900 billion from discretionary spending over the next decade.

They say that portion of the budget is relatively small compared with the size of the scheduled cuts. If Republicans decide to shield defense spending from additional cuts, it would require reducing everything else by 18 percent.

“Discretionary has taken all the hits it can take,” said House Appropriations Committee Chairman Hal Rogers, a Kentucky Republican. He and his colleagues want the cuts to come out of entitlement programs, most of which are exempt from the automatic spending reductions.

“All the cuts that have been significant to this moment in time have been borne by the non-defense discretionary side,” said Representative Steve LaTourette, an Ohio Republican also on the appropriations panel. “Everybody says the entitlements are where the money is, and they’re right, but nobody ever does anything about the entitlements.”

That’s precisely the issue for Huelskamp, who said he has become skeptical of promises to tackle entitlement spending.

“Discretionary is the only thing we usually handle around here,” he said. “To suggest we should undo discretionary cuts that are guaranteed in law in exchange for savings that may or may not occur” isn’t a solution to the spending issues facing Congress, he said.