



March 18, 2010

Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

Dear Madam Speaker:

The Congressional Budget Office (CBO) and the staff of the Joint Committee on Taxation (JCT) have completed a preliminary estimate of the direct spending and revenue effects of an amendment in the nature of a substitute to H.R. 4872, the Reconciliation Act of 2010; that amendment (hereafter called “the reconciliation proposal”) was made public on March 18, 2010. The estimate is presented in three ways:

- An estimate of the budgetary effects of the reconciliation proposal, in combination with the effects of H.R. 3590, the Patient Protection and Affordable Care Act (PPACA), as passed by the Senate;¹
- An estimate of the *incremental* effects of the reconciliation proposal, over and above the effects of enacting H.R. 3590 by itself;
- An estimate of the budgetary impact of the reconciliation proposal under the assumption that H.R. 3590 is not enacted (that is, an estimate of the bill’s impact relative to current law as of today).

Although CBO completed a preliminary review of legislative language prior to its release, the agency has not thoroughly examined the reconciliation proposal to verify its consistency with the previous draft. This estimate is therefore preliminary, pending a review of the language of the reconciliation proposal, as well as further review and refinement of the budgetary projections.

The reconciliation proposal includes provisions related to health care and revenues, many of which would amend H.R. 3590. It also includes amendments to the Higher Education Act of 1965, which authorizes most federal programs involving postsecondary education.

¹An estimate by CBO and JCT of the direct spending and revenue effects of H.R. 3590 as passed by the Senate was provided in a letter to the Honorable Harry Reid on March 11, 2010. That estimate is available at www.cbo.gov (and JCT’s detailed table of revenue effects is available at www.jct.gov).

CBO and JCT estimate that enacting both pieces of legislation—H.R. 3590 and the reconciliation proposal— would produce a net reduction in federal deficits of \$138 billion over the 2010–2019 period as result of changes in direct spending and revenue (see the top panel of Table 1 and subtitle A of title II on Table 5). Approximately \$85 billion of that reduction would be on-budget; other effects related to Social Security revenues and spending as well as spending by the U.S. Postal Service are classified as off-budget. CBO has not completed an estimate of the potential impact of the legislation on discretionary spending, which would be subject to future appropriation action.

CBO and JCT previously estimated that enacting H.R. 3590 by itself would yield a net reduction in federal deficits of \$118 billion over the 2010-2019 period, of which about \$65 billion would be on-budget. The incremental effect of enacting the reconciliation proposal—assuming that H.R. 3590 had already been enacted—would be the difference between the estimate of the combined effect and the previous estimate for the Senate-passed bill, H.R. 3590. That incremental effect is an estimated net reduction in federal deficits of \$20 billion over the 2010-2019 period over and above the savings from enacting H.R. 3590 by itself; almost all of that reduction would be on-budget (see the bottom panel of Table 1 and subtitle A of title II on Table 5).²

The budgetary impact of the reconciliation proposal if H.R. 3590 is not also enacted would be different. Although estimates on that basis have been completed for most of the provisions of the reconciliation proposal, CBO does not yet have such an estimate for all of its provisions. By CBO’s estimate, the provisions that have been analyzed so far would reduce deficits by \$82 billion over the 2010-2019 period (see Table 6).

Details on the budgetary effects of the health and revenue provisions of the reconciliation proposal, along with its effects combined with H.R. 3590, are provided in Tables 1, 2, and 3:

- Table 1 summarizes the effect on the deficit of the health and revenue provisions of the reconciliation proposal combined with H.R. 3590; it also shows the net incremental effect of those provisions of the reconciliation proposal over and above the impact of enacting H.R. 3590 by itself.
- For the two pieces of legislation combined, Table 2 provides estimates of the changes in the number of nonelderly people in the United States who would have health insurance and presents the primary budgetary effects of the provisions related to health insurance coverage.

² The reconciliation proposal would require the Secretary of the Treasury to transfer amounts from the on-budget general fund to the off-budget Social Security trust funds to offset any reduction in the balances of those trust funds that would result from other provisions of the proposal. As a result, the off-budget changes estimated for that proposal represent only its effect on outlays of the Postal Service.

- For the two pieces of legislation combined, Table 3 displays detailed estimates of the costs or savings from the health provisions that are not related to health insurance coverage (primarily involving the Medicare program) and from certain of the revenue provisions that are not related to insurance coverage. The table does not include the effect on revenues of title IX, a set of tax provisions whose impact is reported separately by JCT.

Tables 4 and 5 show the incremental budgetary effects of the reconciliation proposal (except for title IX), over and above the effects of enacting H.R. 3590 by itself:

- Table 4 presents the incremental effects of the health and revenue provisions of the reconciliation proposal---that is, the difference between the effects of the two pieces of legislation combined and the effects of H.R. 3590 by itself (as shown in CBO's March 11 letter to Senator Reid).
- Table 5 summarizes the incremental effects of the health, revenue, and education provisions of the reconciliation proposal, also assuming that H.R. 3590 has been enacted. (The impact of the health and revenue provisions is shown in more detail in Table 4.)

Table 6 shows the estimated effect of enacting the reconciliation proposal relative to current law---that is, assuming that H.R. 3590 is not enacted. That table does not include some effects that have not yet been estimated.

Effects of the Legislation Beyond the First 10 Years

Although CBO does not generally provide cost estimates beyond the 10-year budget projection period, certain Congressional rules require some information about the budgetary impact of legislation in subsequent decades, and many Members have requested CBO's analyses of the long-term budgetary impact of broad changes in the nation's health care and health insurance systems. Therefore, CBO has developed a rough outlook for the decade following the 2010-2019 period by grouping the elements of the legislation into broad categories and (together with the staff of the Joint Committee on Taxation) assessing the rate at which the budgetary impact of each of those broad categories is likely to increase over time. Our analysis indicates that H.R. 3590, as passed by the Senate, would reduce federal budget deficits over the ensuing decade relative to those projected under current law—with a total effect during that decade that is in a broad range between one-quarter percent and one-half percent of gross domestic product (GDP).³ The imprecision of that calculation reflects the even greater degree of uncertainty that attends to it, compared with CBO's 10-year budget estimates.

³ For a more extensive explanation of that analysis, see Congressional Budget Office, letter to the Honorable Harry Reid regarding the longer-term effects of the manager's amendment to the Patient Protection and Affordable Care Act (December 20, 2009).

Using that same analytic approach, the combined effect of enacting H.R. 3590 and the reconciliation bill would also be to reduce federal budget deficits over the ensuing decade relative to those projected under current law—with a total effect during that decade that is in a broad range around one-half percent of GDP. The incremental effect of enacting the reconciliation bill (over and above the effect of enacting H.R. 3590 by itself) would thus be to further reduce federal budget deficits in that decade, with a total effect that is in a broad range between zero and one-quarter percent of GDP.

Relative to H.R. 3590, the reconciliation proposal would make a number of changes that would affect its longer-term impact on the budget. In particular, it would increase the subsidies offered in the new insurance exchanges and would reduce the impact of an excise tax on health insurance plans with premiums above certain thresholds. An important component of the longer-term analysis is that, beginning in 2019, the reconciliation proposal would change the annual indexing provisions so that the premium subsidies offered through the exchanges would grow more slowly; over time, the spending on exchange subsidies would therefore fall back toward the level under H.R. 3590 by itself. Another key component of the longer-term analysis is that, beginning in 2020, the reconciliation proposal would index the thresholds for the high-premium excise tax to the rate of general inflation rather than to inflation plus one percentage point.

CBO has not extrapolated estimates further into the future because the uncertainties surrounding them are magnified even more. However, in view of the projected net savings during the decade following the 10-year budget window, CBO anticipates that the reconciliation proposal would probably continue to reduce budget deficits relative to those under current law in subsequent decades, assuming that all of its provisions would continue to be fully implemented.

Congressional rules governing the consideration of reconciliation bills also require an assessment of their budgetary impact separately by title. The effects of the reconciliation proposal over the 2010–2019 period are shown in Table 5, assuming that H.R. 3590 is also enacted). CBO’s analysis of the longer-term effects, by title, is as follows:

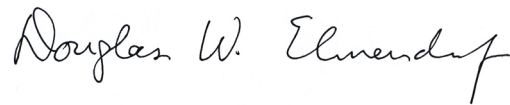
- Most of the changes to H.R. 3590 that have significant budgetary effects would be made by title I of the reconciliation proposal, so the conclusions about the longer-term impact for the proposal as a whole—that it would reduce deficits, relative to H.R. 3590—also apply to that title.
- The changes regarding health care contained in title II have a smaller budgetary impact than those in title I, and would by themselves increase budget deficits somewhat. That title also contains the proposal’s education provisions, which CBO estimates would reduce future deficits. In CBO’s estimation, the savings generated by the education provisions would continue to outweigh the costs

related to health care stemming from title II, so that the title as a whole would continue to reduce the budget deficit in future years.

CBO has not yet completed an assessment of the impact for the longer term of enacting the reconciliation proposal by itself.

I hope this analysis is helpful for the Congress's deliberations. If you have any questions, please contact me or CBO staff. The primary staff contacts for this analysis are Philip Ellis and Holly Harvey.

Sincerely,

A handwritten signature in cursive script that reads "Douglas W. Elmendorf".

Douglas W. Elmendorf
Director

Enclosures

cc: Honorable John A. Boehner
Republican Leader

Honorable John M. Spratt Jr.
Chairman
Committee on the Budget

Honorable Paul Ryan
Ranking Member

Honorable Harry Reid
Senate Majority Leader

Honorable Mitch McConnell
Senate Republican Leader

Honorable Kent Conrad
Chairman
Senate Committee on the Budget

Honorable Judd Gregg
Ranking Member

Table 1. Summary of Preliminary Analysis of Health and Revenue Provisions of Reconciliation Legislation Combined with H.R. 3590 as Passed by the Senate

Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff
(Billions of dollars, by fiscal year)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019
EFFECT ON THE DEFICIT OF HEALTH AND REVENUE PROVISIONS OF RECONCILIATION LEGISLATION AND H.R. 3590 COMBINED												
Net Cost of Coverage Provisions ^a	3	8	10	10	49	88	133	154	165	175	80	794
Effects of Other Revenue Provisions ^b	1	-9	-12	-38	-48	-46	-57	-62	-66	-68	-106	-406
Effects on Direct Spending and Revenues from Other Provisions	3	3	-11	-22	-48	-57	-68	-85	-102	-119	-75	-507
CHANGE IN DEFICIT	6	2	-13	-50	-47	-16	7	7	-3	-12	-102	-119
On-Budget	6	2	-13	-45	-45	-11	15	17	9	*	-96	-66
Off-Budget ^c	*	*	*	-4	-2	-5	-8	-10	-11	-13	-6	-53
INCREMENTAL EFFECT ON THE DEFICIT OF HEALTH AND REVENUE PROVISIONS OF RECONCILIATION LEGISLATION RELATIVE TO H.R. 3590 BY ITSELF												
Change in Net Cost of Coverage Provisions Relative to H.R. 3590	0	1	1	7	15	18	23	31	36	38	23	170
Change in Effects of Other Revenue Provisions Relative to H.R. 3590	2	-3	-2	-8	-22	-16	-24	-26	-28	-29	-33	-156
Change in Effects on Direct Spending and Revenues from Other Provisions Relative to H.R. 3590	*	6	2	5	-1	-2	-1	-4	-9	-11	12	-15
CHANGE IN DEFICIT RELATIVE TO H.R. 3590	2	4	1	4	-9	*	-3	1	*	-1	3	*
On-Budget	2	4	1	4	-9	*	-3	1	*	-1	3	*
Off-Budget ^c	0	*	*	*	*	*	*	*	*	*	*	*

Sources: Congressional Budget Office and staff of the Joint Committee on Taxation.

Notes:

Negative numbers indicate reductions in the deficit; * = between \$0.5 billion and -\$0.5 billion. Components may not sum to totals because of rounding.

a. Includes excise tax on high-premium insurance plans.

b. Excludes excise tax on high-premium insurance plans.

c. The draft legislation would require the Secretary of the Treasury to transfer the necessary amounts from the general fund to the Social Security trust funds to offset any reduction in the income and balances of those trust funds from enactment of other provisions in the reconciliation bill. As a result of those transfers, any off-budget changes reflect only the impact of the reconciliation bill on Postal Service spending.

Table 2. Preliminary Estimate of the Effects of the Insurance Coverage Provisions of the Reconciliation Legislation Combined with H.R. 3590 as Passed by the Senate

Based on draft legislative language and modifications discussed with staff

EFFECTS ON INSURANCE COVERAGE /a		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
(Millions of nonelderly people, by calendar year)											
Current Law Coverage /b	Medicaid & CHIP	40	39	39	38	35	34	35	35	35	35
	Employer	150	153	156	158	161	162	162	162	162	162
	Nongroup & Other /c	27	26	25	26	28	29	29	29	30	30
	Uninsured /d	<u>50</u>	<u>51</u>	<u>51</u>	<u>51</u>	<u>51</u>	<u>51</u>	<u>52</u>	<u>53</u>	<u>53</u>	<u>54</u>
	TOTAL	267	269	271	273	274	276	277	279	281	282
Change (+/-)	Medicaid & CHIP	*	-1	-2	-3	10	15	17	16	16	16
	Employer	*	3	3	3	4	1	-3	-3	-3	-4
	Nongroup & Other /c	*	*	*	*	-2	-3	-5	-5	-5	-5
	Exchanges	0	0	0	0	8	13	21	23	24	24
	Uninsured /d	*	*	-1	-1	-19	-25	-30	-31	-31	-32
Post-Policy Uninsured Population											
	Number of Nonelderly People /d	50	49	50	50	31	26	21	22	22	23
	Insured Share of the Nonelderly Population /a										
	Including All Residents	81%	82%	82%	82%	89%	91%	92%	92%	92%	92%
	Excluding Unauthorized Immigrants	83%	83%	83%	84%	91%	93%	95%	95%	95%	95%
Memo: Exchange Enrollees and Subsidies											
	Number w/ Unaffordable Offer from Employer /e					*	1	1	1	1	1
	Number of Unsubsidized Exchange Enrollees					1	2	4	5	5	5
	Average Exchange Subsidy per Subsidized Enrollee						\$5,200	\$5,300	\$5,500	\$5,800	\$6,000

Sources: Congressional Budget Office and the staff of the Joint Committee on Taxation.

Note: CHIP = Children's Health Insurance Program; * = between 0.5 million and -0.5 million people.

a. Figures for the nonelderly population include only residents of the 50 states and the District of Columbia.

b. Figures reflect average annual enrollment; individuals reporting multiple sources of coverage are assigned a primary source.

c. Other, which includes Medicare, accounts for about half of current-law coverage in this category; the effects of the proposal are almost entirely on nongroup coverage.

d. The count of uninsured people includes unauthorized immigrants as well as people who are eligible for, but not enrolled in, Medicaid.

e. Workers who would have to pay more than a specified share of their income (9.5 percent in 2014) for employment-based coverage could receive subsidies via an exchange.

Table 2. Preliminary Estimate of the Effects of the Insurance Coverage Provisions of the Reconciliation Legislation Combined with H.R. 3590 as Passed by the Senate

Based on draft legislative language and modifications discussed with staff

EFFECTS ON THE FEDERAL DEFICIT / a,b (Billions of dollars, by fiscal year)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2019
Medicaid & CHIP Outlays /c	0	-1	-2	-4	29	56	80	87	91	98	434
Exchange Subsidies & Related Spending /d	0	2	2	2	20	45	77	97	106	115	466
Small Employer Tax Credits /e	<u>2</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>5</u>	<u>4</u>	<u>3</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>40</u>
Gross Cost of Coverage Provisions	2	5	5	5	54	104	161	187	201	216	940
Penalty Payments by Uninsured Individuals	0	0	0	0	0	-2	-3	-4	-4	-4	-17
Penalty Payments by Employers /e	0	0	0	0	-3	-8	-10	-10	-10	-11	-52
Excise Tax on High-Premium Insurance Plans /e	0	0	0	0	0	0	0	0	-12	-20	-32
Other Effects on Tax Revenues and Outlays /f	<u>1</u>	<u>3</u>	<u>4</u>	<u>6</u>	<u>-1</u>	<u>-7</u>	<u>-15</u>	<u>-19</u>	<u>-10</u>	<u>-6</u>	<u>-44</u>
NET COST OF COVERAGE PROVISIONS	3	8	10	10	49	88	133	154	165	175	794

Sources: Congressional Budget Office and the staff of the Joint Committee on Taxation.

Note: CHIP = Children's Health Insurance Program.

a. Does not include federal administrative costs that would be subject to appropriation.

b. Components may not sum to totals because of rounding; positive numbers indicate increases in the deficit, and negative numbers indicate reductions in the deficit.

c. Under current law, states have the flexibility to make programmatic and other budgetary changes to Medicaid and CHIP. CBO estimates that state spending on Medicaid and CHIP in the 2010-2019 period would increase by about \$20 billion as a result of the coverage provisions.

d. Includes \$5 billion in spending for high-risk pools and the net budgetary effects of proposed collections and payments for reinsurance and risk adjustment.

e. The effects on the deficit of this provision include the associated effects of changes in taxable compensation on tax revenues.

f. The effects are almost entirely on tax revenues. CBO estimates that outlays for Social Security benefits would increase by about \$2 billion over the 2010-2019 period, and that the coverage provisions would have negligible effects on outlays for other federal programs.

3/18/2010

Page 2 of 2

Table 3. Preliminary Estimate of the Effects of Non-Coverage Health Provisions of Reconciliation Legislation Combined with H.R. 3590 as passed by the Senate

Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff
Billions of dollars, by fiscal year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019	Change from PPACA ^a
Changes in Direct Spending Outlays													
TITLE I—QUALITY, AFFORDABLE HEALTH CARE FOR ALL AMERICANS													
Subtitle A—Immediate Improvements in Health Care Coverage for All Americans													
1001 Amendments to the Public Health Service Act	Included in estimate for expanding health insurance coverage.												
1002 Helping Consumers Receive Quality Accountable Coverage	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle B—Immediate Assistance to Preserve and Expand Coverage													
1101 Temporary High Risk Health Insurance Pool	Included in estimate for expanding health insurance coverage.												
1102 Reinsurance for Early Retirees	1.3	2.5	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0	5.0	0.0
1103 Assistance to Consumers in Identifying Affordable Coverage Options	Included in estimate for expanding health insurance coverage.												
1104 Administrative Simplification													
Effects on Medicaid spending	0.0	0.0	-0.1	-0.1	-0.2	-0.4	-0.9	-1.7	-1.9	-2.1	-0.4	-7.3	-0.2
Effects on Medicaid spending	0.0	0.0	0.0	0.0	-0.1	-0.3	-0.6	-1.0	-1.2	-1.2	-0.1	-4.3	0.0
Subtitle C—Effective Coverage for All Americans													
Included in estimate for expanding health insurance coverage.													
Subtitle D—Available Coverage for All Americans													
Included in estimate for expanding health insurance coverage.													
Subtitle E—Affordable Coverage for All Americans													
Included in estimate for expanding health insurance coverage.													
Subtitle F—Shared Responsibility for Health Care													
Included in estimate for expanding health insurance coverage.													
Subtitle G—Miscellaneous Provisions													
1556 Equity for Certain Eligible Survivors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sections 1551-1555 and 1557-1562	Included in estimate for expanding health insurance coverage.												
TITLE II—ROLE OF PUBLIC PROGRAMS													
Subtitle A—Improved Access to Medicaid													
Sections 2001-2004	Included in estimate for expanding health insurance coverage.												
2005 Payments to Territories	0.0	0.3	0.7	0.7	0.9	0.9	0.9	1.0	1.0	1.0	2.5	7.3	2.0
2006 Special Adjustment to FMAP Determination for Certain States	Recovering from a Major Disaster												
Recovering from a Major Disaster	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.0
2007 Medicaid Improvement Fund Rescission	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2	-0.2	-0.2	0.0	0.0	-0.6	0.0
Subtitle B—Enhanced Support for the Children’s Health Insurance Program													
2101 Additional Federal Financial Participation for CHIP	Included in estimate for expanding health insurance coverage.												
2102 Technical Corrections	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0
Subtitle C—Medicaid and CHIP Enrollment Simplification													
Included in estimate for expanding health insurance coverage.													

Table 3. Preliminary Estimate of the Effects of Non-Coverage Health Provisions of Reconciliation Legislation Combined with H.R. 3590 as passed by the Senate

Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff
Billions of dollars, by fiscal year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019	Change from PPACA ^a
Subtitle D—Improvements to Medicaid Services													
2301 Coverage for Freestanding Birth Center Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2302 Concurrent Care for Children	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.0
2303 State Eligibility Option for Family Planning Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2304 Clarification of Definition of Medical Assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle E—New Options for States to Provide Long-Term Services and Supports													
2401 Community First Choice Option	0.0	0.0	0.1	0.2	0.3	0.8	0.9	1.0	1.2	1.4	0.6	6.0	-0.9
2402 Removal of Barriers to Providing Home and Community-Based Services	0.0	0.1	0.1	0.1	0.2	0.3	0.4	0.4	0.4	0.4	0.5	2.4	0.0
2403 Money Follows the Person Rebalancing Demonstration	0.0	0.0	0.0	0.0	0.1	0.2	0.3	0.4	0.3	0.3	0.2	1.7	0.0
2404 Protection for Recipients of Home and Community-Based Services Against Spousal Impoverishment	0.0	0.0	0.0	0.0	0.2	0.3	0.3	0.3	0.3	0.2	0.2	1.5	0.0
2405 Funding to Expand State Aging and Disability Resource Centers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
2406 Sense of the Senate Regarding Long-Term Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10202 Incentives for States to Offer Home and Community-Based Services as a Long-Term Care Alternative to Nursing Homes	0.0	0.0	0.1	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.7	1.8	0.2
Subtitle F—Medicaid Prescription Drug Coverage	-0.4	-2.5	-3.2	-3.3	-3.7	-4.1	-4.7	-5.0	-5.4	-5.8	-13.1	-38.1	-0.1
Subtitle G—Medicaid Disproportionate Share Hospital (DSH) Payments	0.000	0.000	0.047	0.053	-0.500	-0.600	-0.600	-1.800	-5.000	-5.600	-0.400	-14.000	4.1
Subtitle H—Improved Coordination for Dual Eligible Beneficiaries													
2601 5-Year Period for Demonstration Projects	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2602 Providing Federal Coverage and Payment Coordination for Dual Eligible Beneficiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle I—Improving the Quality of Medicaid for Patients and Providers													
2701 Adult Health Quality Measures	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.0
2702 Payment Adjustment for Health Care-Acquired Conditions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2703 State Option to Provide Health Homes for Enrollees With Chronic Conditions	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.7	0.0
2704 Demonstration Project to Evaluate Integrated Care Around a Hospitalization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2705 Medicaid Global Payment System Demonstration Project	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2706 Pediatric Accountable Care Organization Demonstration Project	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2707 Medicaid Emergency Psychiatric Demonstration Project	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0
Subtitle J—Improvements to the Medicaid and CHIP Payment and Access Commission (MACPAC)													
2801 MACPAC Assessment of Policies Affecting All Medicaid Beneficiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Table 3. Preliminary Estimate of the Effects of Non-Coverage Health Provisions of Reconciliation Legislation Combined with H.R. 3590 as passed by the Senate

Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff
Billions of dollars, by fiscal year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019	Change from PPACA ^a
Subtitle K—Protections for American Indians and Alaska Natives													
2901 Special Rules Relating to Indians													
No Cost Sharing for Indians with Income at or Below 300 Percent of Poverty	Included in estimate for expanding health insurance coverage.												
Payer of Last Resort	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Facilitating Enrollment of Indians Through the Express Lane Option	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2902 Elimination of Sunset for Reimbursement for All Medicare Part B Services													
Furnished by Certain Indian Hospitals and Clinics	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.0
Indian Health Improvement Act	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle L—Maternal and Child Health Services													
2951 Maternal, Infant, and Early Childhood Home Visiting Programs	0.0	0.1	0.3	0.4	0.4	0.2	0.1	0.0	0.0	0.0	1.2	1.5	0.0
2952 Support, Education, and Research for Postpartum Depression	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2953 Personal Responsibility Education	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.4	0.0
2954 Restoration of Funding for Abstinence Education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0
2955 Inclusion of Information About The Importance of Having a Health-Care Power of Attorney in Transition Planning for Children Aging Out of Foster Care and Independent Living Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Support for Pregnant and Parenting Teens and Women	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.0
TITLE III—IMPROVING THE QUALITY AND EFFICIENCY OF HEALTH CARE													
Subtitle A—Transforming the Health Care Delivery System													
PART I—LINKING PAYMENT TO QUALITY OUTCOMES UNDER THE MEDICARE PROGRAM													
3001 Hospital Value-Based Purchasing Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3002 Physician Quality Reporting System													
PPO Stabilization Fund	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1	-0.2	0.0
Physicians' Services	0.0	0.0	0.2	0.2	0.2	0.3	-0.1	-0.2	-0.2	-0.2	0.6	0.3	0.0
3003 Improvements to the Physician Feedback Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3004 Quality Reporting for Long-Term Care Hospitals, Inpatient Rehabilitation Hospitals, and Hospice Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
3005 Quality Reporting for PPS-Exempt Cancer Hospitals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3006 Plans for a Value-Based Purchasing Program for Skilled Nursing Facilities and Home Health Agencies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3007 Value-based Payment Modifier Under the Physician Fee Schedule	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3008 Payment Adjustment for Conditions Acquired in Hospitals	0.0	0.0	0.0	0.0	0.0	-0.2	-0.3	-0.3	-0.3	-0.3	0.0	-1.4	0.0
PART II—NATIONAL STRATEGY TO IMPROVE HEALTH CARE QUALITY													
3011 National Strategy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3012 Interagency Working Group on Health Care Quality	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3013 Quality Measure Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3014 Quality Measurement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0
3015 Data Collection; Public Reporting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Effect of Quality-Measure Development/Endorsement Provisions on Medicare Spending	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Table 3. Preliminary Estimate of the Effects of Non-Coverage Health Provisions of Reconciliation Legislation Combined with H.R. 3590 as passed by the Senate

Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff
Billions of dollars, by fiscal year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019	Change from PPACA ^a
PART III—ENCOURAGING DEVELOPMENT OF NEW PATIENT CARE MODELS													
3021 Establishment of Center for Medicare and Medicaid Innovation	0.0	0.1	0.2	0.2	0.2	0.2	0.0	-0.3	-0.7	-1.2	0.7	-1.3	0.0
3022 Medicare Shared Savings Program	0.0	0.0	0.0	-0.1	-0.3	-0.6	-0.7	-0.9	-1.0	-1.2	-0.5	-4.9	0.0
3023 National Pilot Program on Payment Bundling	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3024 Independence at Home Demonstration Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3025 Hospital Readmissions Reduction Program	0.0	0.0	0.0	-0.1	-0.3	-1.1	-1.3	-1.3	-1.4	-1.5	-0.5	-7.1	0.0
3026 Community-Based Care Transitions Program	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.3	0.5	0.0
3027 Extension of Gainsharing Demonstration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle B—Improving Medicare for Patients and Providers													
PART I—ENSURING BENEFICIARY ACCESS TO PHYSICIAN CARE AND OTHER SERVICES													
3101 Increase in the Physician Payment Update	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3102 Extension of the Work Geographic Index Floor and Revisions to the Practice Expense Geographic Adjustment Under the Medicare Physician Fee Schedule	0.7	0.9	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.8	1.8	0.0
3103 Extension of Exceptions Process for Medicare Therapy Caps	0.3	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.8	0.0
3104 Extension of Payment for Technical Component of Certain Physician Pathology Services	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0
3105 Extension of Ambulance Add-Ons	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0
3106 Extension of Certain Payment Rules for Long-Term Care Hospital Services and of Moratorium on the Establishment of Certain Hospitals and Facilities	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.0
3107 Extension of Physician Fee Schedule Mental Health Add-On	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3108 Permitting Physician Assistants to Order Post-Hospital Extended Care Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3109 Exemption of Certain Pharmacies From Accreditation Requirements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3110 Part B Special Enrollment Period for Disabled TRICARE Beneficiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3111 Payment for Bone Density Tests	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0
3112 Revision to the Medicare Improvement Fund	0.0	0.0	0.0	0.0	-15.6	-5.2	0.0	0.0	0.0	0.0	-15.6	-20.7	0.0
3113 Treatment of Certain Complex Diagnostic Laboratory Tests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0
3114 Improved Access for Certified-Midwife Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Table 3. Preliminary Estimate of the Effects of Non-Coverage Health Provisions of Reconciliation Legislation Combined with H.R. 3590 as passed by the Senate

Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff
Billions of dollars, by fiscal year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019	Change from PPACA ^a
PART II—RURAL PROTECTIONS													
3121 Extension of Outpatient Hold Harmless Provision	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.0
3122 Reasonable Costs Payments for Certain Clinical Diagnostic Laboratory Tests Furnished to Hospital Patients in Certain Rural Areas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3123 Extension of the Rural Community Hospital Demonstration Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3124 Extension of the Medicare-Dependent Hospital (MDH) Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3125 Payment Adjustment for Low-Volume Hospitals	0.0	0.0	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0
3126 Demonstration Project on Community Health Integration Models	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3127 Study on Adequacy of Medicare Payments in Rural Areas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3128 Technical Correction Related to Critical Access Hospital Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3129 Medicare Rural Hospital Flexibility Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PART III—IMPROVING PAYMENT ACCURACY													
3131 Payment Adjustments for Home Health Care (includes effect of section 3401)	0.0	-0.4	-0.8	-1.1	-1.9	-3.3	-5.3	-7.5	-9.0	-10.3	-4.2	-39.7	0.0
3132 Hospice Reform	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
3133 Medicare Disproportionate Share Hospital (DSH) Payments	0.0	0.0	0.0	0.0	0.0	-3.6	-4.0	-5.0	-4.4	-5.1	0.0	-22.1	3.0
3134 Misvalued Codes Under the Physician Fee Schedule	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3135 Equipment Utilization Factor for Advanced Imaging Services	0.0	-0.1	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.9	-2.3	-1.2
3136 Revision of Payment for Power-Driven Wheelchairs	0.0	-0.4	-0.1	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.6	-0.8	0.0
3137 Hospital Wage Index Improvement	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3	0.0
3138 Treatment of Certain Cancer Hospitals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3139 Payment for Biosimilar Biological Products	Included in estimate for title VII, subtitle A.												
3140 Medicare Hospice Concurrent Care Demonstration Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3141 Application of Budget Neutrality on a National Basis in the Calculation of the Medicare Hospital Wage Index Floor	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3142 HHS Study on Urban Medicare-Dependent Hospitals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle C—Provisions Relating to Part C													
3201 Medicare Advantage Payments	0.0	-1.8	-6.0	-9.4	-11.9	-15.4	-18.2	-20.5	-22.6	-26.1	-29.1	-131.9	-13.7
3202 Benefit protection and simplification	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3203 Repealed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7
3204 Simplification of Annual Beneficiary Election Periods	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3205 Extension for Specialized MA Plans for Special Needs Individuals	0.0	0.1	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.6	0.7	-0.2
3206 Extension of Reasonable Cost Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3207 Technical Correction to MA Private Fee-for-Service Plans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
3208 Making Senior Housing Facility Demonstration Permanent	Included in estimate for section 3205.												
3209 Authority to Deny Plan Bids	Included in estimate for section 3201.												
3210 Development of New Standards for Certain Medigap Plans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0

Table 3. Preliminary Estimate of the Effects of Non-Coverage Health Provisions of Reconciliation Legislation Combined with H.R. 3590 as passed by the Senate

Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff
Billions of dollars, by fiscal year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019	Change from PPACA ^a
Subtitle D—Medicare Part D Improvements for Prescription Drug Plans and MA–PD Plans													
3301 Medicare Coverage Gap Discount Program	0.3	2.5	1.7	2.3	2.8	3.5	4.6	5.4	6.2	8.3	9.5	37.6	19.8
3302 Determination of Medicare Part D Low-Income Benchmark Premium	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.7	0.0
3303 Voluntary de minimis Policy for Subsidy Eligible Individuals Under Prescription Drug Plans and MA–PD Plans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.4	0.0
3304 Special Rule for Widows and Widowers Regarding Eligibility for Low-Income Assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.0
3305 Improved Information for Subsidy Eligible Individuals Reassigned to Prescription Drug Plans and MA–PD Plans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3306 Funding Outreach and Assistance for Low-Income Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3307 Improving Formulary Requirements for Prescription Drug Plans and MA–PD Plans With Respect to Certain Categories or Classes of Drugs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3308 Reducing Part D Premium Subsidy for High-Income Beneficiaries	0.0	-0.3	-0.5	-0.7	-0.9	-1.1	-1.3	-1.6	-2.0	-2.4	-2.4	-10.7	0.0
3309 Elimination of Cost Sharing for Certain Dual Eligible Individuals.	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3	1.1	0.0
3310 Reducing Wasteful Dispensing of Outpatient Prescription Drugs in Long-Term Care Facilities	0.0	0.0	-0.1	-0.3	-0.5	-0.8	-1.0	-1.0	-0.9	-1.1	-1.0	-5.7	0.0
3311 Medicare Prescription Drug Plan and MA–PD Plan Complaint System	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3312 Uniform Exceptions and Appeals Process for Prescription Drug Plans and MA–PD Plans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3313 Office of the Inspector General Studies and Reports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3314 Including Costs Incurred by AIDS Drug Assistance Programs and Indian Health Service in Providing Prescription Drugs Toward the Annual Out-of-Pocket Threshold Under Part D	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.6	0.0
3315 Immediate Reduction in Coverage Gap in 2010	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10328 Improvement in Part D Medication Therapy Management Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle E—Ensuring Medicare Sustainability													
3401 Revision of Certain Market Basket Updates and Incorporation of services Productivity Improvements into Market Basket Updates that do not Already Incorporate Such Improvements (effect of productivity adjustment for home health included in estimate for section 3131)	-0.1	-1.1	-3.8	-7.4	-11.3	-15.3	-19.5	-25.4	-32.3	-40.5	-23.7	-156.6	-9.9
3402 Temporary Adjustment to the Calculation of Part B Premiums	0.0	-1.3	-1.9	-1.9	-2.5	-2.6	-2.8	-3.2	-4.0	-4.9	-7.5	-25.0	0.0
3403 Independent Payment Advisory Board	0.0	0.0	0.0	0.0	0.0	-1.5	-2.5	-2.7	-3.2	-3.5	0.0	-13.3	14.7
Subtitle F—Health Care Quality Improvements													
10323 Medicare Coverage for Individuals Exposed to Environmental Health Hazards	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.3	0.0
10324 Protections for Frontier States	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.8	2.0	0.0
10325 Revision to Skilled Nursing Facility Prospective Payment System	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10326 Pilot Testing of Pay-for-Performance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10329 Methodology to Assess Health Plan Value	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10330 Modernizing CMS Computer and Data Systems	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10331 Public Reporting of Performance Information	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10332 Availability of Medicare Data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10333 Community-based Collaborative Care Networks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Table 3. Preliminary Estimate of the Effects of Non-Coverage Health Provisions of Reconciliation Legislation Combined with H.R. 3590 as passed by the Senate

Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff
Billions of dollars, by fiscal year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010- 2014	2010- 2019	Change from PPACA ^a
TITLE IV—PREVENTION OF CHRONIC DISEASE AND IMPROVING PUBLIC HEALTH													
Subtitle A—Modernizing Disease Prevention and Public Health Systems													
4002 Prevention and Public Health Fund	0.1	0.6	0.8	1.0	1.3	1.6	1.8	1.9	2.0	2.0	3.7	12.9	0.0
Sections 4001, 4003, 4004	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle B—Increasing Access to Clinical Preventive Services													
4101 School-Based Health Centers	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.0
4102 Oral Healthcare Prevention Activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4103 Medicare Coverage of Annual Wellness Visit Providing a Personalized Prevention Plan	0.0	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.5	0.5	1.4	3.6	0.0
4104 Removal of Barriers to Preventive Services in Medicare	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.8	0.0
4105 Evidence-Based Coverage of Preventive Services in Medicare	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.3	-0.7	0.0
4106 Improving Access to Preventive Services for Eligible Adults in Medicaid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
4107 Coverage of Comprehensive Tobacco Cessation Services for Pregnant Women in Medicaid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
4108 Incentives for Prevention of Chronic Diseases in Medicaid	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0
Subtitle C—Creating Healthier Communities													
4201 Community Transformation Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4202 Healthy Aging, Living Well; Evaluation of Community-Based Prevention and Wellness Programs for Medicare Beneficiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0
4203 Removing Barriers and Improving Access to Wellness for Individuals With Disabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4204 Immunizations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4205 Nutrition Labeling of Standard Menu Items at Chain Restaurants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4206 Demonstration Project Concerning Individualized Wellness Plan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4207 Reasonable Break Time for Nursing Mothers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle D—Support for Prevention and Public Health Innovation													
4301 Research On Optimizing The Delivery of Public Health Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4302 Understanding Health Disparities: Data Collection and Analysis Data Collection, Analysis, and Quality Addressing Health Care Disparities	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.0
4303 CDC and Employer-Based Wellness Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4304 Epidemiology-Laboratory Capacity Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4305 Advancing Research and Treatment for Pain-Care Management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4306 Funding for Childhood Obesity Demonstration Project	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10407 Better Diabetes Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10408 Grants for Workplace Wellness	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10409 Cures Acceleration Network	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10410 Centers of Excellence for Depression	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10411 Programs Relating to Congenital Heart Disease	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10412 Automated Defibrillation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10413 Young Women's Breast Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle E—Miscellaneous Provisions													
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Table 3. Preliminary Estimate of the Effects of Non-Coverage Health Provisions of Reconciliation Legislation Combined with H.R. 3590 as passed by the Senate

Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff
Billions of dollars, by fiscal year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019	Change from PPACA ^a
TITLE V—HEALTH CARE WORKFORCE													
Subtitle A—Purpose and Definitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle B—Innovations in the Health Care Workforce	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle C—Increasing the Supply of the Health Care Workforce	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle D—Enhancing Health Care Workforce Education and Training													
Sections 5301-5314	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5315 United States Public Health Sciences Track	Included in estimate for section 4002.												
5316 Family Nurse Practitioner Training Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle E—Supporting the Existing Health Care Workforce	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle F—Strengthening Primary Care and Other Workforce Improvements													
5501 Expanding Access to Primary Care Services and General Surgery Services	0.0	0.4	0.6	0.7	0.7	0.8	0.3	0.0	0.0	0.0	2.5	3.5	0.0
5502 Medicare Federally Qualified Health Center Improvements	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.4	0.0
5503- 5506 Medicare Graduate Medical Education Policies	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3	1.1	0.0
5507 Demonstration Projects to Address Health Professions Workforce Needs and Extension of Family-To-Family Health Information Centers	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.4	0.0
5508 Increasing Teaching Capacity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.0
5509 Graduate Nurse Education Demonstration Program	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.2	0.0
Subtitle G—Improving Access to Health Care Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5707 Infrastructure to Expand Access to Care	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0
5606 State Grants to Health Care Providers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Medical Training in Underserved Communities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preventive Medicine and Public Health Training Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Scholarship and Loan program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5708 Community Health Centers and the National Health Service Corps Fund	0.0	0.7	2.2	1.8	2.3	3.3	1.8	0.2	0.0	0.0	7.0	12.3	2.5
5709 Demonstration Project to Provide Access to Affordable Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle H—General Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TITLE VI—TRANSPARENCY AND PROGRAM INTEGRITY													
Subtitle A—Physician Ownership and Other Transparency													
6001 Limitation on Medicare Exception to the Prohibition on Certain Physician Referr	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.5	0.1
6002 Transparency Reports and Reporting of Physician Ownership or Investment Int	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6003 Disclosure Requirements for In-Office Ancillary Services Exception to the Prohi	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6004 Prescription Drug Sample Transparency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6005 Pharmacy Benefit Managers Transparency Requirements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Table 3. Preliminary Estimate of the Effects of Non-Coverage Health Provisions of Reconciliation Legislation Combined with H.R. 3590 as passed by the Senate

Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff
Billions of dollars, by fiscal year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019	Change from PPACA ^a
Subtitle B—Nursing Home Transparency and Improvement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle C—Nationwide Program for National and State Background Checks on Direct Patient Care	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0
Subtitle D—Patient-Centered Outcomes Research													
6301 Patient-Centered Outcomes Research													
Medicare	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.2	0.1	-0.3	0.0
Non-Medicare	0.0	0.0	0.1	0.1	0.2	0.3	0.4	0.4	0.4	0.5	0.4	2.5	0.0
6302 Federal Coordinating Council for Comparative Effectiveness Research	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle E—Medicare, Medicaid, and CHIP Program Integrity Provisions													
6401 Provider Screening and Other Enrollment Requirements Under Medicare, Medicaid, and CHIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
6402 Enhanced Medicare and Medicaid Program Integrity Provisions	0.0	-0.2	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-1.1	-2.9	0.3
6403 Elimination of Duplication Between the Healthcare Integrity and Protection Data Bank and the National Practitioner Data Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6404 Maximum Period for Submission of Medicare Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6405 Physicians Who Order Items or Services Required to Be Medicare-Enrolled Physicians or Eligible Professionals	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.2	-0.4	0.0
6406 Requirement for Physicians to Provide Documentation on Referrals to Programs At High Risk of Waste and Abuse	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6407 Face to Face Encounter With Patient Required Before Physicians May Certify Eligibility for Home Health Services or Durable Medical Equipment Under Medicare	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.3	-1.0	0.0
6408 Enhanced Penalties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6409 Medicare Self-Referral Disclosure Protocol	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6410 Adjustments to the Competitive Acquisition Program in Medicare for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies	0.0	0.0	0.0	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-1.4	0.0
6411 Expansion of the Recovery Audit Contractor (RAC) Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10606 Health Care Fraud Enforcement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle F—Additional Medicaid Program Integrity Provisions													
6501 Termination of Provider Participation Under Medicaid If Terminated Under Medicare or Other State Plan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6502 Medicaid Exclusion From Participation Relating to Certain Ownership, Control, and Management Affiliations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6503 Billing Agents, Clearinghouses, or Other Alternate Payees Required to Register Under Medicaid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6504 Requirement to Report Expanded Set of Data Elements Under MMIS to Detect Fraud and Abuse	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6505 Prohibition on Payments to Institutions or Entities Located Outside of the United States	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6506 Overpayments	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0
6507 Mandatory State Use of National Correct Coding Initiative	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.3	0.0
6508 General Effective Date	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Table 3. Preliminary Estimate of the Effects of Non-Coverage Health Provisions of Reconciliation Legislation Combined with H.R. 3590 as passed by the Senate

Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff
Billions of dollars, by fiscal year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019	Change from PPACA ^a
Subtitle G—Additional Program Integrity Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10607 State Demonstration Programs: Alternatives to Tort Litigation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
10608 Liability Coverage in Free Clinics	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10609 FDA Labeling Changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
Subtitle H—Elder Justice Act	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle I—Sense of the Senate Regarding Medical Malpractice	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TITLE VII—IMPROVING ACCESS TO INNOVATIVE MEDICAL THERAPIES													
Subtitle A—Biologics Price Competition and Innovation	0.0	0.0	0.0	0.0	-0.1	-0.3	-0.7	-1.2	-1.9	-2.7	-0.1	-7.0	0.1
Subtitle B—More Affordable Medicines for Children and Underserved Communities													
7101 Expanded Participation in 340B Program	Included in estimate for section 2501.												
7102 Improvements to 340B Program Integrity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7103 GAO Study to Make Recommendations on Improving the 340B Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TITLE VIII—COMMUNITY LIVING ASSISTANCE SERVICES AND SUPPORTS	0.0	0.0	-5.4	-8.8	-10.0	-11.3	-11.1	-9.1	-7.6	-7.0	-24.1	-70.2	0.0
TITLE IX—REVENUE PROVISIONS	Estimates provided by the Joint Committee on Taxation in a Separate Table												
PROVISIONS OF RECONCILIATION BILL THAT ARE NOT INCLUDED IN ESTIMATES FOR PROVISIONS OF H.R. 3590													
1005 Administrative Funding	0.0	0.4	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0
1202 Improving Payments to Primary Care Practitioners	0.0	0.0	0.0	1.9	3.0	1.6	0.9	0.8	0.1	0.0	4.9	8.3	8.3
1206 Drug Rebates for New Formulations of Existing Drugs	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.6	0.6
1301-1304,1306 Program Integrity Provisions: Sections 1301, 1302,1303, 1304, 1306	0.0	0.0	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.4	-1.3	-1.3
1305 Increased Funding to Fight Fraud, Waste, and Abuse	Included in estimate for section 6402.												
2303 Drugs Purchased by Covered Entities	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.8	2.5	2.5
Funding for TAA Community College and Career Training Grant Program.	0.0	0.0	0.4	0.5	0.5	0.5	0.1	0.0	0.0	0.0	1.3	2.0	2.0
INTERACTIONS													
Medicare Advantage Interactions	0.0	0.0	-0.7	-1.9	-7.9	-7.8	-8.9	-11.7	-14.1	-17.2	-10.5	-70.4	-53.0
Premium Interactions	0.0	-0.1	0.5	1.1	6.1	4.6	4.7	5.9	7.0	8.3	7.6	38.0	6.5
Medicare Part D Interactions with Medicare Advantage Provisions	0.0	0.0	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.4	1.5	-1.5
Medicare Part B Interactions with Medicare Part D Provisions	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.8	0.0
Medicaid Interactions with Medicare Part D Provisions	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.1	0.7	0.0
Medicare Interaction with 340b	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.5	0.0
TRICARE Interaction	0.0	0.0	-0.1	-0.2	-0.3	-0.4	-0.6	-0.8	-1.0	-1.2	-0.5	-4.4	-0.9
FEHB Interaction (on-budget)	0.0	0.0	0.0	0.0	0.2	0.3	0.3	0.4	0.8	0.9	0.3	2.9	0.1
FEHB Interaction (off-budget)	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.1	0.3	0.3	0.3	1.3	-0.2
Total, Changes in On-Budget Direct Spending	2.8	2.9	-10.9	-21.9	-46.6	-54.9	-66.2	-83.2	-99.4	-116.6	-73.6	-494.0	-14.4
Total, Changes in Unified-Budget Direct Spending	2.8	2.9	-10.9	-21.9	-46.4	-54.7	-66.1	-83.1	-99.2	-116.3	-73.4	-492.7	-14.6

Table 3. Preliminary Estimate of the Effects of Non-Coverage Health Provisions of Reconciliation Legislation Combined with H.R. 3590 as passed by the Senate

Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff
Billions of dollars, by fiscal year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019	Change from PPACA ^a
Changes in Revenues													
Transitional Reinsurance - Collections for Early Retirees	0.0	0.0	0.0	0.0	1.5	1.5	0.8	0.0	0.0	0.0	1.5	3.8	0.0
Fraud, Waste, and Abuse (on-budget)	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.9	0.0
Effect of Administrative Simplification on Revenues ^b	0.0	-0.2	-0.2	0.0	0.5	0.9	1.3	1.9	2.0	2.0	0.1	8.2	0.0
Effect on Revenues of Changes in Health Insurance Premiums as a Result of Comparative Effectiveness Research, Changes in the Medicaid Drug Program, Biosimilar Biological Products, and FDA Labeling													
Income and Medicare payroll taxes (on-budget)	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.3	0.3	0.1	1.0	0.0
Social Security payroll taxes (off-budget)	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.0	0.5	0.0
Total, Changes in Unified-Budget Revenues^c	0.0	-0.1	-0.1	0.2	2.1	2.6	2.4	2.2	2.5	2.6	2.1	14.3	0.0
Total, Changes in Unified-Budget Deficits^c	2.8	3.0	-10.8	-22.1	-48.5	-57.3	-68.4	-85.3	-101.7	-118.9	-75.5	-507.1	-14.6

Memorandum

Non-scoreable Effects

Savings from HCFAC and Medicaid Integrity Spending	0.0	-0.1	-0.1	-0.2	-0.2	-0.2	-0.3	-0.3	-0.4	-0.4	-0.5	-2.1
Recovery Audit Contractor (RAC) Program in Medicaid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2

Notes: AIDS = Acquired Immune-Deficiency Syndrome; CDC = Center for Disease Control and Prevention; CHIP = Children's Health Insurance Program; CMS = Centers for Medicare & Medicaid Services; FMAP = federal medical assistance percentage; FDA = Food and Drug Administration; FEHB = Federal Employees Health Benefits program; GAO = Government Accountability Office; HCFAC = Health Care Fraud and Abuse Control; HHS = Department of Health and Human Services; MA = Medicare Advantage; MA-PD = Medicare Advantage prescription drug plan; MMIS = Medicaid Management Information System; PPO = preferred provider organization; PPS = prospective payment system.

- a. Incremental effects over the 2010-2019 period of health provisions of reconciliation language relative to H.R. 3590 as passed by the Senate.
- b. Includes both on and off-budget revenues.
- c. The revenue effects of the provisions of title IX are estimated by the Joint Committee on Taxation, and are not included in this table.

Table 4. Preliminary Estimate of Incremental Effects of Health and Revenue Provisions of Reconciliation Legislation Relative to H.R. 3590 as passed by the Senate

Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff
Billions of dollars, by fiscal year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019
Changes in Deficits												
TITLE I—COVERAGE, MEDICARE, MEDICAID, AND REVENUES												
Subtitle A—Coverage (direct spending and revenues)												
Sections 1001-1004, 1201, and 1401	0	0.5	0.7	6.3	14.3	17.6	22.0	30.7	35.8	38.0	21.8	165.9
1005 Administrative Funding	0	0.4	0.5	0.1	0	0	0	0	0	0	1.0	1.0
Subtitle B—Medicare (direct spending)												
1101 Closing the Medicare Prescription Drug “Donut Hole”	0.3	1.6	-0.2	0.8	1.2	1.7	2.4	3.1	3.7	5.1	3.8	19.8
1102 Medicare Advantage Payments	0	4.2	1.0	1.4	-0.7	-3.0	-4.2	-3.7	-3.7	-4.5	6.0	-13.2
1103 Savings from Limits on MA Plan Administrative Costs	Interacts with section 1102; budgetary effects are included in estimate for that section.											
1104 Adjustments in Disproportionate Share Hospital (DSH) Payments	0	0	0	0	*	0.2	0.5	0.7	0.7	0.9	*	3.0
1105 Revision of Certain Market Basket Updates	0	0	0	0	-0.2	-0.2	-0.4	-1.6	-3.0	-4.5	-0.2	-9.8
1106 Physician Ownership-Referral	*	*	*	*	*	*	*	*	*	*	*	0.1
1107 Payment for Imaging Services	0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.5	-1.2
Subtitle C—Medicaid (direct spending)												
1201 Increasing Federal Funding for States	Included in coverage estimate.											
1202 Improving Payments to Primary Care Physicians	0	0	0	1.9	3.0	1.6	0.9	0.8	0.1	0	4.9	8.3
1203 Disproportionate Share Hospital Payments	0	0	*	*	-0.5	2.2	3.0	2.0	-1.1	-1.6	-0.4	4.1
1204 Increasing Funding for the Territories	0	0.2	0.5	0.6	0.2	0.1	0.1	0.1	0.1	0.1	1.5	2.0
1205 Delay in Community First Choice Option	0	-0.1	-0.1	-0.1	-0.3	-0.1	*	-0.1	*	-0.1	-0.6	-0.9
1206 Drug Rebates for New Formulations of Existing Drugs	*	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.6

Table 4. Preliminary Estimate of Incremental Effects of Health and Revenue Provisions of Reconciliation Legislation Relative to H.R. 3590 as passed by the Senate

Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff
Billions of dollars, by fiscal year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019
Subtitle D—Reducing Waste, Fraud, and Abuse (direct spending)												
1301 Claims Submitted by Excluded Providers to Medicare Administrative Contractors	0	*	*	*	*	*	*	*	*	*	*	*
1302 Community Mental Health Centers	0	*	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.6
1303 Modify Certain Medicare Prepayment Medical Review Limitations	0	0	*	*	*	*	*	*	*	*	*	-0.1
1304 Establish A CMS—IRS Data Match to Identify Fraudulent Providers	0	0	0	*	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.3
1305 Increased Funding to Fight Fraud, Waste, and Abuse	0	0.1	0.1	*	*	*	*	*	*	*	0.2	0.3
1306 90-Day Period of Enhanced Oversight for Initial Claims of DME Suppliers	0	*	*	*	*	*	*	*	*	*	-0.1	-0.2
Subtitle E—Revenues (direct spending and revenues)												
Sections 1401-1409	1.9	-2.6	-2.2	-7.7	-22.3	-16.2	-24.4	-26.3	-27.6	-28.7	-32.8	-155.8
1410 No Impact on Social Security Trust Funds	Net effect on unified budget would be zero.											
Funding for TAA Community College and Career Training Grant Program (direct spending)	0	*	0.4	0.5	0.5	0.5	0.1	*	0	0	1.3	2.0
INTERACTIONS (direct spending)												
Effect of Coverage Provisions on Medicare/Medicaid/CHIP Spending	*	-0.2	-0.1	*	*	-0.1	-0.2	-0.4	-0.1	-0.1	-0.3	-1.3
Medicare Advantage Interactions	0	0	-0.3	-0.9	-6.1	-5.9	-6.5	-8.9	-11.1	-13.3	-7.2	-53.0
Premium Interactions	0	-0.4	-0.1	-0.1	0.9	0.9	1.0	1.1	1.4	1.7	0.5	6.5
IPAB Interactions	0	0	0	0	0	*	1.6	2.9	4.4	5.7	0	14.7
TRICARE Interaction	0	*	*	*	-0.1	-0.1	-0.1	-0.2	-0.2	-0.3	-0.1	-0.9
FEHB Interaction (off-budget)	0	*	-0.1	-0.1	0.1	*	-0.1	-0.1	*	*	-0.1	-0.2
Subtotal, Title I Changes in Unified-Budget Deficits	2.2	3.8	0.1	2.7	-10.2	-1.1	-4.4	-0.1	-0.8	-1.9	-1.3	-9.5

Table 4. Preliminary Estimate of Incremental Effects of Health and Revenue Provisions of Reconciliation Legislation Relative to H.R. 3590 as passed by the Senate

Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff
Billions of dollars, by fiscal year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019
TITLE II—HEALTH, EDUCATION, LABOR, AND PENSIONS												
Subtitle A—Education (direct spending)	See Table 5.											
Subtitle B—Health (direct spending and revenues)												
2301 Insurance reforms	0	0.3	0.4	0.3	0.7	0.6	0.5	0.4	0.5	0.5	1.6	4.1
2302 Drugs Purchased by Covered Entities	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.8	2.5
2303 Community Health Centers	0	0.2	0.3	0.4	0.5	0.6	0.3	*	0	0	1.5	2.5
Subtotal, Title II Subtitle B Changes in Unified-Budget Deficits	0.1	0.6	0.9	0.9	1.4	1.6	1.1	0.8	0.9	0.9	3.9	9.1

Total Changes in Unified-Budget Deficits for Title I and Subtitle B of Title II	2.3	4.4	1.0	3.6	-8.7	0.5	-3.3	0.7	0.1	-1.0	2.6	-0.4
----------------------------------------------------------------------------------------	------------	------------	------------	------------	-------------	------------	-------------	------------	------------	-------------	------------	-------------

Sources: Congressional Budget Office and staff of the Joint Committee on Taxation

Notes: * = between -\$50 million and \$50 million. Negative numbers indicate reductions in the deficit.

CMS = Centers for Medicare & Medicaid Services; CHIP = Children's Health Insurance Program; DME = durable medical equipment;

FEHB = Federal Employees Health Benefits program; IPAB = Independent Payment Advisory Board; IRS = Internal Revenue Service; MA = Medicare Advantage.

Table 5. Preliminary Estimate of the Incremental Effects of Reconciliation Legislation Relative to H.R. 3590 as Passed by the Senate

Includes effects of education provisions as well as health and revenues provisions detailed in Table 4

Based on draft legislative language with modifications discussed with staff

Billions of Dollars, by Fiscal Year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019
INCREASE OR DECREASE (-) IN THE DEFICIT FROM CHANGES IN DIRECT SPENDING OR REVENUES												
Title I - Coverage, Medicare, Medicaid, and Revenues^a												
Subtotal, Title I^b	2.2	3.8	0.1	2.7	-10.2	-1.1	-4.4	-0.1	-0.8	-1.9	-1.3	-9.5
On-Budget	2.2	3.9	0.2	2.7	-10.2	-1.1	-4.3	*	-0.8	-1.9	-1.2	-9.3
Off-Budget ^c	0	*	-0.1	-0.1	0.1	*	-0.1	-0.1	*	*	-0.1	-0.2
Title II - Health, Education, Labor, and Pensions												
Subtitle A - Education	-0.3	-0.4	3.8	-5.6	-2.5	-4.6	-3.7	-2.5	-1.8	-1.8	-5.0	-19.4
Subtitle B - Health	0.1	<u>0.6</u>	<u>0.9</u>	<u>0.9</u>	<u>1.4</u>	<u>1.6</u>	<u>1.1</u>	<u>0.8</u>	<u>0.9</u>	<u>0.9</u>	<u>3.9</u>	<u>9.1</u>
Subtotal, Title II	-0.3	0.2	4.7	-4.6	-1.1	-3.1	-2.6	-1.7	-0.9	-0.9	-1.1	-10.3
On-Budget	-0.3	0.2	4.7	-4.6	-1.1	-3.1	-2.6	-1.7	-0.9	-0.9	-1.1	-10.3
Off-Budget ^c	0	0	0	0	0	0	0	0	0	0	0	0
Net Increase or Decrease (-) in the Deficit	1.9	4.1	4.8	-2.0	-11.3	-4.1	-6.9	-1.8	-1.7	-2.8	-2.5	-19.8
On-Budget	1.9	4.1	4.8	-1.9	-11.3	-4.1	-6.9	-1.7	-1.7	-2.8	-2.4	-19.6
Off-Budget ^c	0	*	-0.1	-0.1	0.1	*	-0.1	-0.1	*	*	-0.1	-0.2

Sources: Congressional Budget Office and the staff of the Joint Committee on Taxation.

Notes: * = between 50 million and -50 million.

Components may not sum to totals because of rounding.

a. Also includes funding for TAA Community College and Career Training Grant Program.

b. See Table 4 for more detail.

c. The draft legislation would require the Secretary of the Treasury to transfer the necessary amounts from the general fund to the Social Security trust funds to offset any reduction in the balances of those trust funds from enactment of other provisions in the reconciliation bill. As a result of those transfers, off-budget changes reflect only the impact of the reconciliation bill on Postal Service spending.

Table 6. Preliminary Estimate of Incremental Effects of Reconciliation Legislation Relative to Current Law

Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff
Billions of dollars, by fiscal year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019
Changes in Deficits												
TITLE I—COVERAGE, MEDICARE, MEDICAID, AND REVENUES												
Subtitle A—Coverage (direct spending and revenues)												
Sections 1001-1003	No budgetary effect.											
1004 Simplifying Income Definitions	Budgetary effects nonzero, but not yet estimated.											
1005 Administrative Funding	0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	1.0
Subtitle B—Medicare (direct spending)												
1101 Closing the Medicare Prescription Drug “Donut Hole”	0	1.1	0.1	3.3	4.9	5.9	7.7	9.0	10.4	13.9	9.4	56.3
1102 Medicare Advantage Payments	0	-1.8	-5.8	-9.2	-11.6	-15.1	-17.9	-20.2	-22.3	-25.8	-28.4	-129.7
1103 Savings from Limits on MA Plan Administrative Costs	Interacts with section 1102; budgetary effects are included in estimate for that section.											
1104 Adjustments in Disproportionate Share Hospital (DSH) Payments	0	0	0	0	0	0	0	0	0	0	0	0
1105 Revision of Certain Market Basket Updates	0	0	0	0	0	0	0	0	0	0	0	0
1106 Physician Ownership-Referral	0	0	0	0	0	0	0	0	0	0	0	0
1107 Payment for Imaging Services	0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.5	-1.2
Subtitle C—Medicaid (direct spending)												
1201 Increasing Federal Funding for States	No budgetary effect.											
1202 Improving Payments to Primary Care Physicians	0	0	0	1.9	2.4	1.3	0.8	0.5	0.2	0	4.3	7.3
1203 Disproportionate Share Hospital Payments	0	0	*	0.1	-0.5	-0.6	-0.6	-1.8	-5.0	-5.6	-0.4	-14.0
1204 Increasing Funding for the Territories	0	0	0	0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.0
1205 Delay in Community First Choice Option	0	0	0	0	0	0	0	0	0	0	0	0
1206 Drug Rebates for New Formulations of Existing Drugs	-0.1	-0.3	-0.3	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-1.1	-2.4
Subtitle D—Reducing Waste, Fraud, and Abuse (direct spending)												
1301 Claims Submitted by Excluded Providers to Medicare Administrative Contractors	0	*	*	*	*	*	*	*	*	*	*	*
1302 Community Mental Health Centers	0	*	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.6
1303 Modify Certain Medicare Prepayment Medical Review Limitations	0	0	*	*	*	*	*	*	*	*	*	-0.1
1304 Establish A CMS—IRS Data Match to Identify Fraudulent Providers	0	0	0	0	0	0	0	0	0	0	0	0
1305 Increased Funding to Fight Fraud, Waste, and Abuse	0	0.1	0.1	*	*	*	*	*	*	*	0.2	0.3
1306 90-Day Period of Enhanced Oversight for Initial Claims of DME Suppliers	0	*	*	*	*	*	*	*	*	*	-0.1	-0.2
Subtitle E—Revenues (direct spending and revenues)												
Sections 1401-1409	Not yet estimated.											
1410 No Impact on Social Security Trust Funds (direct spending)	Net effect on unified budget would be zero.											
Funding for TAA Community College and Career Training Grant Program (direct spending)	0	*	0.4	0.5	0.5	0.5	0.1	*	0	0	1.3	2.0
INTERACTIONS (direct spending)	0	0.6	0.9	1.1	1.8	2.1	2.3	2.6	3.0	3.4	4.3	17.6
Subtotal, Title I Changes in Unified-Budget Deficits	-0.1	-0.2	-4.8	-2.7	-2.8	-6.1	-7.7	-10.1	-13.9	-14.3	-10.5	-62.7

Table 6. Preliminary Estimate of Incremental Effects of Reconciliation Legislation Relative to Current Law

Estimated effects on direct spending and revenues; based on draft legislative language and modifications discussed with staff

Billions of dollars, by fiscal year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010- 2014	2010- 2019
TITLE II—HEALTH, EDUCATION, LABOR, AND PENSIONS												
Subtitle A—Education (direct spending)	0.3	0.4	-3.8	5.6	2.5	4.6	3.7	2.5	1.8	1.8	5.0	19.4
Subtitle B—Health (direct spending and revenues)												
2301 Insurance reforms	0	0	0	0	0	0	0	0	0	0	0	0
2302 Drugs Purchased by Covered Entities	0	0	0	0	0	0	0	0	0	0	0	0
2303 Community Health Centers	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal, Title II Subtitle B Changes in Unified-Budget Deficits	-0.3	-0.4	3.8	-5.6	-2.5	-4.6	-3.7	-2.5	-1.8	-1.8	-5.0	-19.4
Total Changes in Unified-Budget Deficits for Title I and Subtitle B of Title II	-0.4	-0.6	-1.0	-8.3	-5.3	-10.7	-11.3	-12.6	-15.7	-16.1	-15.6	-82.1

Source: Congressional Budget Office

Notes: * = between -\$50 million and \$50 million. Negative numbers indicate reductions in the deficit.

CMS = Centers for Medicare & Medicaid Services; CHIP = Children's Health Insurance Program; DME = durable medical equipment;

FEHB = Federal Employees Health Benefits program; IRS = Internal Revenue Service; MA = Medicare Advantage.