

# CBO's Estimate of the Budgetary Effects of the Senate Finance Committee's Reconciliation Proposals

Based on the legislative language ERN05935, dated October 24, 2005.

Date: October 24, 2005

Figures are outlays by fiscal year, in millions of dollars. Costs or savings of less than \$500,000 are noted with an asterisk.

Section	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
<b>SUBTITLE A -- MEDICAID</b>												
<b>Chapter 1 -- Prescription drugs</b>												
6001		-750	-1,025	-1,250	-1,500	-1,700	-1,925	-2,150	-2,400	-2,675	-4,595	-15,445
6002	-70	-255	-265	-305	-345	-375	-415	-455	-505	-550	-1,400	-3,700
6003	-230	-30	-40	-45	-50	-60	-70	-80	-90	-105	-180	-585
6004	-15	-35	-35	-35	-35	-35	-35	-35	-40	-40	-150	-335
<b>Chapter 2 -- Long-term care</b>												
6011	-36	-59	-70	-85	-85	-85	-110	-110	-120	-130	-335	-890
6012	0	0	0	5	5	5	5	5	5	5	10	35
<b>Chapter 3 -- Fraud, waste, and abuse</b>												
6021	-20	-70	-110	-140	-140	-150	-160	-170	-170	-190	-480	-1,320
6022	0	0	0	0	0	0	0	0	0	0	0	0
6023	0	1	-1	-7	-18	-32	-44	-60	-77	-96	-25	-333
6024	0	0	-1	-2	-4	-7	-9	-12	-16	-19	-7	-70
6025	*	*	*	*	*	*	*	*	*	*	*	*
6026	59	75	75	94	100	79	75	75	75	75	403	781
<b>Chapter 4 -- State financing</b>												
6031	-30	-100	-180	-230	-220	-230	-250	-260	-280	-290	-760	-2,070
6032	1,875	65	0	0	0	0	0	0	0	0	1,940	1,940
6033	-5	-15	-15	-20	-20	-20	-25	-25	-25	-30	-75	-200
6034	10	10	10	10	15	15	15	15	15	20	55	135
6035	20	20	20	20	20	21	21	22	22	23	100	209
6036	10	20	0	0	0	0	0	0	0	0	30	30
<b>Chapter 5 -- Medicaid / SCHIP expansions</b>												
6042	0	0	10	160	550	780	930	1,000	1,080	1,170	720	5,680
6043	0	2	8	11	15	31	14	13	10	6	36	110
6044	0	2	3	4	2	*	*	0	0	0	11	11
6045	0	20	25	30	30	35	40	40	45	50	105	315
6051-54	165	245	-90	-70	-110	-110	-90	-155	-95	-95	140	-405
6055	0	10	20	20	15	10	10	10	10	5	65	110
6061	0	0	0	20	85	210	350	460	400	285	105	1,810
<b>Chapter 6 -- Option to delay application</b>												
6071	2	0	0	0	0	0	0	0	0	0	2	2
Total, Subtitle A												
	1,725	-844	-1,661	-1,815	-1,689	-1,618	-1,673	-1,872	-2,156	-2,581	-4,285	-14,184

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Section	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
<b>SUBTITLE B -- MEDICARE</b>												
6101 Extend Medicare-dependent hospital program	0	3	3	4	4	4	0	0	0	0	14	18
6102 Cut bad debt payments to SNFs	0	-10	-50	-90	-100	-110	-120	-130	-140	-150	-250	-900
6103 Extend 50% threshold for determining IRFs	30	70	5	0	0	0	0	0	0	0	105	105
6104 Prohibit certain physician self-referrals	-4	-4	-4	-5	-5	-5	-5	-6	-6	-6	-22	-50
6105 Payment updates for physician services	2,000	3,200	3,200	2,500	-100	-2,300	-3,100	-2,900	-2,100	-1,100	10,800	-700
6106 Extend hold harmless provision for certain hospitals	130	40	0	0	0	0	0	0	0	0	170	170
6107 Increase composite rate for dialysis services	60	100	110	120	130	140	150	150	160	170	520	1,290
6108 Extend moratorium on therapy caps for 1 year	530	180	0	0	0	0	0	0	0	0	710	710
6109 Require purchase of DME rentals after 13 months	-140	-190	-190	-190	-200	-210	-230	-250	-270	-290	-910	-2,160
6110 Pay-for-performance proposals	0	-1,220	-860	-1,450	-980	-1,020	-680	-600	-220	-190	-4,510	-7,220
6111 Phase-out risk adjustment payments to MA plans	0	0	-1,440	-2,090	-2,930	-3,610	-3,320	-3,880	-4,270	-4,490	-6,460	-26,030
6112 Eliminate MA regional stabilization fund and payment holiday	-5,160	4,060	-1,450	-1,450	-1,440	-1,530	-1,390	-1,420	-390	0	-5,440	-10,170
6113 Development grants for rural PACE programs	5	9	9	7	7	7	7	8	8	9	37	76
6114 Waive Part B late enrollment penalty for certain individuals	0	4	5	5	6	6	7	7	8	9	20	57
6115 Allow FQHCs to bill Medicare for additional services	5	5	10	10	10	15	15	15	20	20	40	125
Medicare Advantage interaction	0	80	200	170	50	-110	-200	-230	-220	-160	500	-420
Premium interaction	0	-1,195	-370	-45	565	1,165	1,300	1,320	1,000	750	-1,045	4,490
Total, Subtitle B	-2,544	5,132	-822	-2,504	-4,983	-7,558	-7,566	-7,916	-6,420	-5,428	-5,721	-40,609
<b>Net effect of all provisions on deficit</b>	<b>-819</b>	<b>4,288</b>	<b>-2,483</b>	<b>-4,320</b>	<b>-6,672</b>	<b>-9,176</b>	<b>-9,239</b>	<b>-9,787</b>	<b>-8,576</b>	<b>-8,009</b>	<b>-10,006</b>	<b>-54,794</b>

**Abbreviations:**

- DME = durable medical equipment
- DSH = disproportionate share hospital
- FMAP = federal medical assistance percentage
- FQHC = federally-qualified health center
- IRF = inpatient rehabilitation facility
- MCO = managed care organization
- MA = Medicare Advantage
- PACE = Program for All-Inclusive Care for the Elderly
- SCHIP = State Children's Health Insurance Program
- SNF = skilled nursing facility
- SSI = Supplemental Security Income
- TCM = targeted case management