



November 5, 2009

Honorable John D. Dingell
U.S. House of Representatives
Washington, DC 20515

Dear Congressman:

The Congressional Budget Office (CBO) and the staff of the Joint Committee on Taxation (JCT) have estimated the direct spending and revenue effects of H.R. 3962, the Affordable Health Care for America Act, as introduced on October 29, 2009, incorporating the manager's amendment that you proposed on November 3, 2009. Among other things, the legislation would establish a mandate for most legal residents of the United States to obtain health insurance; set up insurance "exchanges" through which certain individuals and families could receive federal subsidies to substantially reduce the cost of purchasing that coverage; establish a public plan that would be administered by the Secretary of Health and Human Services (HHS); significantly expand eligibility for Medicaid; substantially reduce the growth of Medicare's payment rates for most services (relative to the growth rates projected under current law); impose an income tax surcharge on high-income individuals; and make various other changes to the federal tax code, Medicaid, Medicare, and other programs.¹

CBO and the staff of JCT estimate that, on balance, the direct spending and revenue effects of enacting H.R. 3962, incorporating the manager's amendment, would yield a net reduction in federal budget deficits of \$129 billion over the 2010-2019 period (see Table 1). CBO has not completed a comprehensive estimate of the legislation's potential impact on spending that is subject to future appropriation action.

On October 29, 2009, CBO transmitted a preliminary analysis of H.R. 3962 as introduced. This estimate differs from that preliminary analysis for several reasons:

- First, this analysis incorporates the effects on spending and revenues of the manager's amendment. Those changes are relatively small with the exception of

¹ For further description of the legislation and CBO and JCT's analysis of the bill, see Congressional Budget Office, letter to the Honorable Charles B. Rangel providing a preliminary analysis of the Affordable Health Care for America Act (October 29, 2009).

the addition of a tax provision regarding credits for producers of biofuel, which would increase net revenues by about \$24 billion over the 2010-2019 period, according to JCT.

- Second, the updated analysis reflects Medicare's payment rates for calendar year 2010 and other changes announced in final rules that were posted on the *Federal Register's* Web site on October 30, 2009. Those final rules involve home health services, hospital outpatient services, the physician fee schedule, and other Medicare Part B services.
- Finally, this analysis incorporates several technical revisions that had a small impact on the estimated budgetary effects of the legislation.

CBO and JCT have determined that the bill contains several private-sector and intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). The total cost to the private sector of those mandates, as estimated by CBO and JCT, would greatly exceed the threshold established in that act for private entities (\$139 million in 2009, adjusted annually for inflation). CBO estimates that the total cost of intergovernmental mandates would be small and would not exceed the annual threshold established for state, local, and tribal entities (\$69 million in 2009, adjusted annually for inflation).

CBO and JCT's assessment of the bill's impact on the federal budget deficit is summarized in Table 1. Table 2 shows federal budgetary cash flows for direct spending and revenues associated with the legislation. Tables 3 and 4 provide estimates of the changes in the number of nonelderly people in the United States who would have health insurance, present the primary budgetary effects of the bill's provisions directly related to insurance coverage, and display detailed estimates of the costs or savings from other proposed changes (primarily to the Medicare program) that would affect the federal government's direct spending and some aspects of federal revenues. Detailed estimates of the budgetary impact of the bill's tax provisions are provided by JCT in JCX-46-09, and an explanation of those provisions is provided in JCX-47-09 (see www.jct.gov).

Table 1. Estimate of the Effects on the Deficit of H.R. 3962, the Affordable Health Care for America Act, as Introduced on October 29, 2009, Incorporating the Manager's Amendment Offered by Representative Dingell on November 3

	By Fiscal Year, in Billions of Dollars											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2015-2019
NET CHANGES IN THE DEFICIT FROM INSURANCE COVERAGE PROVISIONS ^a												
Effects on the Deficit	*	2	2	56	92	122	137	147	160	173	152	891
NET CHANGES IN THE DEFICIT FROM OTHER PROVISIONS AFFECTING DIRECT SPENDING ^b												
Effects on the Deficit of Changes in Outlays	6	16	-16	-25	-52	-51	-54	-72	-85	-96	-69	-427
NET CHANGES IN THE DEFICIT FROM OTHER PROVISIONS AFFECTING REVENUES ^c												
Effects on the Deficit of Changes in Revenues ^d	*	-39	-41	-62	-65	-69	-72	-77	-82	-86	-209	-594
NET CHANGES IN THE DEFICIT ^a												
Net Increase or Decrease (-) in the Budget Deficit	6	-21	-55	-31	-24	3	11	-1	-7	-9	-126	-129
On-Budget	6	-21	-55	-33	-27	2	9	-3	-8	-10	-130	-141
Off-Budget ^e	*	*	*	2	2	2	2	1	1	1	4	11

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

Notes: Positive numbers indicate increases in the deficit, and negative numbers indicate reductions in the deficit.

Components may not sum to totals because of rounding; * = between \$0.5 billion and -\$0.5 billion.

- a. Does not include effects on spending subject to future appropriations.
- b. These estimates reflect the effects of interactions between insurance coverage provisions and other Medicare and Medicaid provisions. In addition, CBO has included \$33 billion of spending over the 2010–2019 period for public health, prevention, and wellness provisions in these direct spending totals, as directed by the Committee on the Budget, even though that spending would be subject to future appropriation action.
- c. The changes in revenues include effects on Social Security revenues, which are classified as off-budget.
- d. The 10-year figure of \$594 billion includes \$581 billion in revenues from tax provisions (estimated by JCT) and \$13 billion in additional revenues from certain provisions affecting Medicare, Medicaid, and other programs (estimated by JCT and CBO). For JCT's estimates, see JCX-46-09.
- e. Off-budget effects include changes in Social Security spending and revenues.

Estimated Budgetary and Insurance Coverage Effects of H.R. 3962, Incorporating the Manager's Amendment

According to CBO and JCT's assessment, enacting H.R. 3962 would result in a net reduction in federal budget deficits of \$129 billion over the 2010–2019 period (see Table 1). In the subsequent decade, the collective effect of its provisions would probably be slight reductions in federal budget deficits.² Those estimates are all subject to substantial uncertainty.

The estimate includes a projected net cost of \$891 billion over 10 years for the proposed expansions in insurance coverage. That net cost itself reflects a gross total of \$1,052 billion in subsidies provided through the exchanges (and related spending), increased net outlays for Medicaid and the Children's Health Insurance Program (CHIP), and tax credits for small employers; those costs are partly offset by \$167 billion in collections of penalties paid by individuals and employers. On balance, other effects on revenues and outlays associated with the coverage provisions add \$6 billion to their total cost.

Over the 2010–2019 period, the net cost of the coverage expansions would be more than offset by the combination of other spending changes, which CBO estimates would save \$427 billion, and receipts resulting from the income tax surcharge on high-income individuals and other provisions, which JCT and CBO estimate would increase federal revenues by \$594 billion over that period.³

By 2019, CBO and JCT estimate, the number of nonelderly people who are uninsured would be reduced by about 36 million, leaving about 18 million nonelderly residents uninsured (about one-third of whom would be unauthorized immigrants). Under the bill, the share of legal nonelderly residents with insurance coverage would rise from about 83 percent currently to about 96 percent.

The legislation would increase outlays by \$672 billion and would increase revenues by \$801 billion between 2010 and 2019 (see Table 2).⁴ Certain cash flows were not separately identified in the prior CBO estimate for H.R. 3962. For example, risk adjustment payments to health insurance plans are reflected in the top portion of Table 2

² Although the estimates presented here for fiscal years 2010 through 2019 differ slightly from CBO's October 29 estimate, the agency's assessment of the long-term outlook is essentially unchanged.

³ The \$594 billion figure includes \$581 billion in revenues from tax provisions (estimated by JCT) and \$13 billion in additional revenues from certain provisions affecting Medicare, Medicaid, and other programs (estimated by JCT and CBO). For JCT's estimates, see JCX-46-09.

⁴ The gross cost of coverage of \$1,052 billion over 10 years discussed above includes changes in both outlays and revenues. That figure includes \$610 billion in outlays for insurance subsidies and administration, \$425 billion in outlays for Medicaid and CHIP, and \$25 billion in reduced revenues from small employer tax credits. Subtracting \$4 billion in net collections of risk adjustment payments (\$69 billion in collections less \$65 billion in payments to plans) and \$5 billion in start-up costs and repayments for the public plan (shown in Table 3) yields a total of \$1,052 billion (after accounting for rounding).

as outlays of \$65 billion. Those amounts are offset by risk adjustment collections of about \$69 billion, shown in the revenue portion of that table. Risk adjustment funds are collected from all insurers in the market for individual plans and then distributed to insurers based on how the characteristics of their enrollees compare to the average enrollee. Although risk adjustment collections and payments would be equal over time, CBO expects payments for risk adjustment to lag slightly behind collections, resulting in a net deficit reduction of about \$4 billion between 2013 and 2019.

Table 2. Estimated Changes in Direct Spending and Revenues Resulting From H.R. 3962, the Affordable Health Care for America Act, Incorporating the Manager's Amendment Offered by Representative Dingell on November 3, 2009

	By Fiscal Year, in Billions of Dollars											2010- 2014	2010- 2019
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019			
CHANGES IN DIRECT SPENDING (OUTLAYS)													
Insurance Subsidies and Administration ¹													
Exchange Subsidies	0	0	0	26	54	79	93	100	107	117	79	574	
Administration of Exchanges	*	1	1	2	4	4	5	5	5	5	8	31	
Spending for High-Risk Pools	<u>0</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>*</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>	<u>5</u>	
Subtotal	*	2	3	30	57	83	97	104	112	121	92	610	
Total Risk Adjustment Payments to Plans ²	0	0	0	2	6	9	11	12	13	14	8	65	
Public Health Insurance Plan Payments for Benefits and Administration	0	0	0	15	28	41	47	50	53	57	43	291	
Collections of Enrollee Premiums, Exchange Subsidies, and Risk Adjustment Payments ³	0	0	0	-16	-29	-42	-48	-51	-54	-58	-44	-298	
Start-up Costs	<u>*</u>	<u>1</u>	<u>1</u>	<u>*</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>2</u>	
Subtotal	*	1	1	*	-1	-1	-1	-1	-1	-1	1	-5	
Effects of Coverage Provisions on Medicaid and CHIP	-1	-2	-3	27	43	58	66	72	79	85	64	425	

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Table 2. Continued.

	By Fiscal Year, in Billions of Dollars										2010-	2010-
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2014	2019
Medicare and Other Medicaid and CHIP Provisions												
Reductions in Annual Updates to Medicare												
FFS Payment Rates	-3	-9	-12	-15	-18	-23	-28	-34	-40	-46	-57	-228
Medicare Advantage Rates Based on FFS	0	-5	-11	-16	-19	-21	-22	-24	-26	-28	-50	-170
Selected Medicare Prescription Drug Provisions ⁴	*	-7	-5	-5	-4	-4	-3	-5	-5	-4	-21	-42
Medicaid Provider Payment Rates	3	6	6	7	7	6	6	6	5	5	29	57
Other	<u>3</u>	<u>27</u>	<u>7</u>	<u>7</u>	<u>-15</u>	<u>-7</u>	<u>-1</u>	<u>-7</u>	<u>-11</u>	<u>-16</u>	<u>29</u>	<u>-13</u>
Subtotal	3	13	-16	-23	-49	-48	-49	-64	-77	-88	-71	-396
Other Changes in Direct Spending												
Community Living Assistance Services and Supports												
Public Health Investment Fund & Prevention and Wellness Trust ⁵	0	2	4	6	7	8	5	1	*	*	19	33
Other	<u>3</u>	<u>5</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>*</u>	<u>*</u>	<u>-1</u>	<u>-1</u>	<u>11</u>	<u>11</u>
Subtotal	3	3	*	-2	-2	-2	-5	-8	-8	-8	2	-29
Total Outlays	6	17	-15	34	55	99	120	115	117	124	97	672
On-budget	6	17	-15	34	54	99	119	115	117	123	96	669
Off-budget	0	0	0	*	*	*	*	*	*	*	*	3
CHANGES IN REVENUES												
Surcharge on Adjusted Gross Income	0	31	32	45	49	53	57	61	64	68	157	460
Penalty Payments by Uninsured Individuals	0	0	0	0	5	6	5	5	6	6	5	33
Penalty Payments by Employers	0	0	0	6	14	18	22	23	25	27	20	135
Risk Adjustment Collections	0	0	0	3	6	9	11	12	13	14	10	69
Small Employer Tax Credit	0	0	0	-4	-8	-5	-2	-2	-2	-2	-11	-25
Other Revenues ⁶	*	8	8	14	12	15	17	18	19	20	42	130
Total Revenues	*	39	40	65	79	96	109	117	125	133	223	801
On-budget	*	39	40	66	81	97	110	118	125	133	226	810
Off-budget	*	*	*	-2	-2	-1	-1	-1	-1	-1	-4	-9

Continued

Table 2. Continued.

	By Fiscal Year, in Billions of Dollars											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019
NET IMPACT ON THE DEFICIT FROM CHANGES IN DIRECT SPENDING AND REVENUES ⁷												
Net Change in the Deficit	6	-21	-55	-31	-24	3	11	-1	-7	-9	-126	-129
On-budget	6	-21	-55	-33	-27	2	9	-3	-8	-10	-130	-141
Off-budget	*	*	*	2	2	2	2	1	1	1	4	11

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

Notes: Does not include effects on spending subject to future appropriation. Components may not sum to totals because of rounding.

* = between \$0.5 billion and -\$0.5 billion.

CHIP = Children's Health Insurance Program; FFS = Fee-for-service.

1. See table 3 for a cross-walk between the amounts shown here and the Exchange Subsidies and Related Spending line in that table.
2. Risk adjustment payments over the 10-year period include about \$27 billion in payments to the public health insurance plan and about \$39 billion in payments to other plans. Outlays shown here lag revenues shown later in the table by one quarter.
3. Premiums include amounts to cover amortized repayment of start-up funds, as well as to maintain the contingency reserve.
4. Includes the effects of section 1181 and section 1182, which would change the Medicare Part D program to establish a new prescription drug rebate program for some people who are eligible for both Medicaid and Medicare; impose a condition of participation that manufacturers provide discounts for brand-name drugs; and expand drug coverage to beneficiaries who are currently subject to a gap in coverage (often referred to as the Part D "doughnut hole").
5. Spending for the Public Health Investment Fund and Prevention and Wellness Trust provisions are reflected here, as directed by the House Committee on the Budget, even though that spending would be subject to future appropriation action.
6. Amounts include \$120 billion in increased revenues, as estimated by JCT, for tax provisions other than those not broken out separately in the table (for JCT's estimates, see JCX-46-09). In addition, the "other revenues" line includes a reduction in revenues of about \$4 billion from the coverage provisions in Table 3 and an increase in revenues of about \$13 billion for other provisions shown in Table 4.
7. Positive numbers indicate increases in the deficit, and negative numbers indicate reductions in the deficit.

The legislation would require that the premiums for the public plan be set to fully fund expenditures for medical claims, administrative costs, and a contingency reserve. The legislation would provide for start-up funding of \$2 billion for the administrative costs associated with establishing the public plan and require that those funds be paid back in amortized amounts over 10 years. The legislation also would provide start-up funding for a contingency reserve in an amount sufficient to cover 90 days of claims. On an annual basis, collections of premiums would exceed benefit payments and administrative costs by the amount needed to cover the start-up costs and to maintain the contingency reserve.

Effects of H.R. 3962 on Discretionary Costs

CBO has not completed a comprehensive estimate of the discretionary costs that would be associated with H.R. 3962, incorporating the manager's amendment. Total costs would include those arising from the effects of H.R. 3962 on a variety of federal programs and agencies, as well as from a number of new and existing programs subject to future appropriations.

The federal agencies that would be responsible for implementing the provisions of H.R. 3962 are funded through the appropriation process; sufficient appropriations would be essential for them to implement this legislation in the time frame it specifies. Major costs for programs subject to future appropriations would include these:

- Costs to the Internal Revenue Service of implementing the eligibility determination, documentation, and verification processes for subsidies. Those costs would probably be between \$5 billion and \$10 billion over 10 years.
- Costs to HHS (and especially the Centers for Medicare and Medicaid Services) of implementing the changes in Medicare, Medicaid, and CHIP as well as certain reforms to the private insurance market. Those costs would probably be at least \$5 billion to \$10 billion over 10 years. (The administrative costs of establishing and operating the exchanges, which are direct spending, are included in Tables 1 and 2.)
- Costs of a number of grant programs and other changes in Divisions C and D of the legislation. CBO has not completed a review of those provisions.

Because those costs depend on future appropriations, they are not counted for enforcement of Congressional "pay-as-you-go" procedures and are not included in Tables 1 and 2.

Funding for the proposed Public Health Investment Fund and Prevention and Wellness Trust would also be subject to future appropriation action. The bill would authorize appropriations totaling about \$34 billion for those purposes (of which approximately \$33 billion would be spent over the next 10 years). The Committee on the Budget has directed CBO to count such spending as direct spending for purposes of budget scorekeeping in the House of Representatives.

Private-Sector and Intergovernmental Impact

CBO and JCT have determined that the bill contains several private-sector and intergovernmental mandates as defined in the Unfunded Mandates Reform Act.

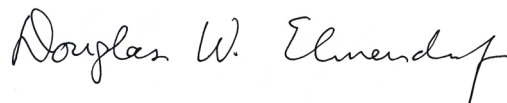
The total cost of mandates to the private sector, as estimated by CBO and JCT, would greatly exceed the threshold established by that act for private entities (\$139 million in 2009, adjusted annually for inflation). The most costly mandates would be the new requirements regarding health insurance coverage that apply to the private sector. The bill would require individuals to obtain acceptable health insurance coverage, as defined in the bill, and would require employers to either offer health insurance to their employees or pay an excise tax to the federal government. The bill also would impose other mandates, including requirements on issuers of health insurance, new standards governing health information, nutrition labeling requirements, and limits on certain agreements between drug manufacturers for settling patent infringement claims.

CBO estimates that the total cost of intergovernmental mandates would be small and would not exceed the annual threshold established in UMRA for state, local, and tribal entities (\$69 million in 2009, adjusted annually for inflation). The new standards governing health information and nutrition labeling that apply to private-sector entities would also apply to governmental entities. In addition, the bill would preempt state and local laws that conflict with or are in addition to new federal standards established by the bill. Those preemptions would limit the application of state and local laws, but CBO estimates that they would not impose significant costs.

As conditions of federal assistance (and thus not mandates as defined in UMRA), the bill also would require state and local governments to offer health insurance to their employees and would require “maintenance of effort” payments associated with high-risk pools. New requirements in the Medicaid program also would result in an increase in state spending. However, because states have significant flexibility to make programmatic adjustments in their Medicaid programs to accommodate changes, the new requirements would not be intergovernmental mandates as defined in UMRA.

I hope this information is helpful. 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,



Douglas W. Elmendorf
Director

Enclosures

cc: Honorable George Miller
Chairman, Committee on Education and Labor

Honorable John D. Dingell

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Honorable John Kline
Senior Republican

Honorable Charles B. Rangel
Chairman, Committee on Ways and Means

Honorable Dave Camp
Ranking Member

Honorable Henry A. Waxman
Chairman, Committee on Energy and Commerce

Honorable Joe Barton
Ranking Member

TABLE 3. Estimated Effects of the Insurance Coverage Provisions of H.R. 3962, the Affordable Health Care for America Act, Incorporating the Manager's Amendment Offered by Representative Dingell

EFFECTS ON INSURANCE COVERAGE /a		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
(Millions of nonelderly people, by calendar year)											
Current Law	Medicaid & CHIP	40	39	39	38	35	34	35	35	35	35
Coverage /b	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	8	7	13	14	14	15	15
	Employer	1	1	1	12	11	7	7	7	7	6
	Nongroup & Other /c	*	*	*	-3	-4	-6	-6	-6	-6	-6
	Exchanges	0	0	0	9	14	19	20	20	20	21
	Uninsured /d	*	*	1	-25	-28	-34	-34	-35	-35	-36
<u>Post-Policy Insurance Coverage</u>											
	Number of Uninsured People /d	50	51	51	26	23	17	18	18	18	18
	Insured Share of the Nonelderly Population /a										
	Including All Residents	81%	81%	81%	91%	92%	94%	94%	94%	94%	94%
	Excluding Unauthorized Immigrants	83%	83%	83%	92%	93%	96%	96%	96%	96%	96%
<u>Memo: Exchange Enrollees and Subsidies</u>											
	Number w/ Unaffordable Offer from Employer /e				*	1	1	1	1	1	1
	Number of Unsubsidized Exchange Enrollees				1	2	3	3	3	3	3
	Approximate Average Subsidy per Subsidized Enrollee						\$5,500	\$5,800	\$6,100	\$6,500	\$6,800

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

Note: CHIP = Children's Health Insurance Program; * = fewer than 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 includes Medicare; 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 12 percent of their income for employment-based coverage could receive subsidies via an exchange.

TABLE 3. Estimated Effects of the Insurance Coverage Provisions of H.R. 3962, the Affordable Health Care for America Act, Incorporating the Manager's Amendment Offered by Representative Dingell

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	-1	-2	-3	27	43	58	66	72	79	85	425
Exchange Subsidies & Related Spending /d	1	3	4	28	56	81	96	103	111	120	602
Small Employer Tax Credits /e	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>8</u>	<u>5</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>25</u>
Gross Cost of Coverage Provisions	0	1	0	58	107	145	164	177	192	207	1052
Penalty Payments by Uninsured Individuals	0	0	0	0	-5	-6	-5	-5	-6	-6	-33
Penalty Payments by Employers /e	0	0	0	-6	-14	-18	-22	-23	-25	-27	-135
Associated Effects on Tax Revenues & Outlays /f	<u>0</u>	<u>1</u>	<u>1</u>	<u>4</u>	<u>5</u>	<u>1</u>	<u>-1</u>	<u>-1</u>	<u>-1</u>	<u>-2</u>	<u>6</u>
NET COST OF COVERAGE PROVISIONS	0	2	2	56	92	122	137	147	160	173	891

Memo: Cross-Walk Between Table 2 and Table 3

<i>Insurance Subsidies and Administration (Table 2)</i>	0	2	3	30	57	83	97	104	112	121	610
<i>Net Collections of Risk Adjustment Payments</i>	0	0	0	-1	-1	-1	0	0	0	0	-4
<i>Public Plan Start-up Costs & Repayments</i>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>-1</u>	<u>-1</u>	<u>-1</u>	<u>-1</u>	<u>-1</u>	<u>-1</u>	<u>-5</u>
<i>Exchange Subsidies & Related Spending (Table 3)</i>	1	3	4	28	56	81	96	103	111	120	602

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 are 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, under the proposal, state spending on Medicaid and CHIP would increase by about \$34 billion over the 2010-2019 period as a result of the insurance coverage provisions that are reflected in this table.

d. Includes \$5 billion in spending for high-risk insurance pools under section 101 and \$1 billion for premium reviews and planning grants under section 104.

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

f. The effects are primarily 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.

Table 4. Estimate of the Effects on Direct Spending and Revenues of Divisions B, C, and D and Sections 111, 115, and 346 of H.R. 3962, the Affordable Health Care for America Act, Incorporating the Manager's Amendment Offered by Representative Dingell

By Fiscal Year, in Billions of Dollars

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019	
CHANGES IN DIRECT SPENDING													
DIVISION B—MEDICARE AND MEDICAID IMPROVEMENTS													
TITLE I—IMPROVING HEALTH CARE VALUE													
Subtitle A—Provisions Related to Medicare Part A													
PART 1—MARKET BASKET UPDATES													
1101	Skilled Nursing Facility Payment Update (includes interaction with section 1103)	-0.4	-0.9	-1.3	-1.6	-1.9	-2.4	-2.9	-3.5	-4.1	-4.8	-6.0	-23.9
1102	Inpatient Rehabilitation Facility Payment Update (includes interaction with section 1103)	-0.1	-0.2	-0.3	-0.4	-0.4	-0.5	-0.6	-0.8	-0.9	-1.0	-1.4	-5.3
1103	Incorporating Productivity Improvements Into Market Basket Updates That Do Not Already Incorporate Such Improvements	-1.2	-3.5	-5.1	-6.5	-8.0	-10.3	-12.9	-15.4	-18.1	-21.1	-24.2	-102.0
PART 2—OTHER MEDICARE PART A PROVISIONS													
1111	Payments to Skilled Nursing Facilities	0	0	0	0	0	0	0	0	0	0	0	0
1112	Medicare DSH Report and Payment Adjustments in Response to Coverage Expansion	0	0	0	0	0	0	0	-3.0	-3.5	-3.8	0	-10.3
1113	Extension of Hospice Regulation Moratorium	*	*	0	0	0	0	0	0	0	0	0.1	0.1
1114	Permitting Physician Assistants to Order Post-Hospital Extended Care Services and to Provide for Recognition of Attending Physician Assistants as Attending Physicians to Serve Hospice Patients	*	*	*	*	*	*	*	*	*	*	*	*
Subtitle B—Provisions Related to Part B													
PART 1—PHYSICIANS' SERVICES													
1121	Resource-Based Feedback Program for Physicians	0	0	0	0	0	0	0	0	0	0	0	0
1122	Misvalued Codes Under the Physician Fee Schedule	*	*	*	*	*	*	*	*	*	*	0.1	0.2
1123	Payments for Efficient Areas	0	0.1	0.2	0.1	0	0	0	0	0	0	0.4	0.4
1124	Modifications to the Physician Quality Reporting Initiative	0	0	0.5	0.8	0	0	0	0	0	0	1.3	1.3
1125	Adjustment to Medicare Payment Localities	0	*	0.1	0.1	0.1	0.1	0	0	0	0	0.2	0.3

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PART 2—MARKET BASKET UPDATES																								
1131	Incorporating Productivity Improvements Into Market Basket Updates That Do Not Already Incorporate Such Improvements											-0.6	-1.3	-1.9	-2.4	-3.0	-4.0	-5.2	-6.5	-7.9	-9.2	-9.2	-42.1	
PART 3—OTHER PROVISIONS																								
1141	Rental and Purchase of Power-Driven Wheelchairs											0	-0.4	-0.1	*	*	*	*	-0.1	-0.1	-0.1	-0.6	-0.8	
1141A	Election to Take Ownership, or to Decline Ownership, of Certain Complex Durable Medical Equipment After the 13-Month Capped Rental Period Ends											0	0	0	0	0	0	0	0	0	0	0	0	0
1142	Extension of Payment Rule for Brachytherapy											*	*	*	0	0	0	0	0	0	0	0	*	*
1143	Home Infusion Therapy Report to Congress											0	0	0	0	0	0	0	0	0	0	0	0	0
1144	Require Ambulatory Surgical Centers to Submit Data											0	0	0	0	0	0	0	0	0	0	0	0	0
1145	Treatment of Certain Cancer Hospitals											0	0	0	0	0	0	0	0	0	0	0	0	0
1146	Payment for Imaging Services											0	-0.2	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	-1.3	-3.4
1147	Durable Medical Equipment Program Improvements											*	*	*	*	*	*	*	*	*	*	*	*	0.1
1148	MedPAC Study and Report on Bone Mass Measurement											0	0	0	0	0	0	0	0	0	0	0	0	0
1149	Timely Access to Post-Mastectomy Items											*	*	*	*	*	*	*	*	*	*	*	*	*
1149A	Payment for Biosimilar Biological Products											Included in estimate for section 2575-2577.												
1149B	Study and Report on DME Competitive Bidding Process											0	0	0	0	0	0	0	0	0	0	0	0	0
Subtitle C—Provisions Related to Medicare Parts A and B																								
1151	Reducing Potentially Preventable Hospital Readmissions											*	*	-0.3	-0.6	-1.2	-1.3	-1.4	-1.4	-1.5	-1.6	-2.0	-9.3	
1152	Post-Acute-Care Services Payment Reform Plan and Bundling Pilot Program											*	*	*	*	0	0	0	0	0	0	*	*	
1153 -																								
1155	Home Health Changes											-0.7	-2.6	-3.6	-4.2	-4.9	-5.6	-6.6	-7.7	-8.8	-10.0	-16.0	-54.7	
1155A	MedPAC Study on Variation in Home Health Margins											0	0	0	0	0	0	0	0	0	0	0	0	
1155B	Home Health: Initial Assessment Visit for Rehabilitation Cases											0	*	*	*	*	*	*	*	*	*	*	*	*
1156	Limitation on Medicare Exceptions to the Prohibition on Certain Physician Referrals Made to Hospitals											*	*	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.3	-1.0
1157	Study of Geographic Adjustment Factors											0	0	0	0	0	0	0	0	0	0	0	0	0
1158	Revision of Medicare Payment Systems to Address Geographic Inequities											0	0	2.7	2.7	-14.1	-5.6	0	0	0	0	0	-8.7	-14.3
1159	Study of Geographic Variation in Health Care Spending and Promoting High-Value Health Care											*	*	0	0	0	0	0	0	0	0	0	*	*
1160	Implementation, and Congressional Review, of Proposal to Revise Medicare Payments to Promote High-Value Health Care											0	0	0	0	0	0	0	0	0	0	0	0	0

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Subtitle D—Medicare Advantage Reforms													
PART 1—PAYMENT AND ADMINISTRATION													
1161	Phase-In of Payment Based on Fee-for-Service Costs, and Quality Bonus Payments	0	-4.7	-10.2	-14.8	-17.7	-18.9	-19.8	-21.1	-22.7	-24.4	-47.5	-154.3
1162	Coding Intensity Adjustment	0	-0.2	-0.6	-0.9	-1.2	-1.6	-2.0	-2.5	-3.0	-3.5	-2.9	-15.5
1163	Simplification of Annual Beneficiary Election Periods	0	0	0	0	0	0	0	0	0	0	0	0
1164	Extension of Reasonable Cost Contracts	0	*	*	0	0	0	0	0	0	0	*	*
1165	Limitation of Waiver Authority for Employer Group Plans	0	0	0	0	0	0	0	0	0	0	0	0
1166	Improving Risk Adjustment for Payments	0	0	0	0	0	0	0	0	0	0	0	0
1167	Elimination of MA Regional Plan Stabilization Fund	0	0	0	0	-0.2	-0.1	0	0	0	0	-0.2	-0.2
1168	Study Regarding Calculation of Medicare Advantage Payment Rates	0	0	0	0	0	0	0	0	0	0	0	0
PART 2—BENEFICIARY PROTECTIONS AND ANTI-FRAUD													
1171	Limitation on Cost-Sharing for Individual Health Services	0	0	0	0	0	0	0	0	0	0	0	0
1172	Continuous Open Enrollment for Enrollees in Plans With Enrollment Suspension	0	0	0	0	0	0	0	0	0	0	0	0
1173	Information on MA Plan Administrative Costs	0	0	0	0	0	0	0	0	0	0	0	0
1174	Strengthening Audit Authority	0	0	0	0	0	0	0	0	0	0	0	0
1175	Authority to Deny Plan Bids	0	0	0	0	0	0	0	0	0	0	0	0
1175A	State Authority to Enforce Standardized Marketing Requirements	0	0	0	0	0	0	0	0	0	0	0	0
PART 3—TREATMENT OF SPECIAL NEEDS PLANS													
		0	0.1	0.1	*	*	*	*	*	*	*	0.2	0.1

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Subtitle E—Improvements to Medicare Part D												
1181 - Elimination of Coverage Gap; Discounts for Certain Part D Drugs in Original Coverage Gap	0.1	-7.1	-5.3	-4.9	-3.9	-4.1	-3.4	-4.6	-5.4	-3.7	-21.1	-42.3
1183 Submission of Claims by Pharmacies Located in or Contracting With Long-Term Care Facilities	0	0	0	0	0	0	0	0	0	0	0	0
1184 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	*	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.8
1185 No Mid-Year Formulary Changes Permitted	0	0	0	0	0	0	0	0	0	0	0	0
1186 Negotiation of Lower Covered Part D Drug Prices on Behalf of Medicare Beneficiaries	0	0	0	0	0	0	0	0	0	0	0	0
1187 Accurate Dispensing in Long-Term Care Facilities	0	0	-0.1	-0.3	-0.5	-0.8	-1.0	-1.0	-0.9	-1.1	-1.0	-5.7
1188 Free Generic Fill	0	-0.2	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-1.1	-3.0
1189 State Certification Prior to Waiver of Licensure Requirements Under Medicare Prescription Drug Program	0	0	0	0	0	0	0	0	0	0	0	0
Subtitle F—Medicare Rural Access Protections												
1191 Telehealth Expansion and Enhancements	*	*	*	*	*	*	*	*	*	*	*	*
1192 Extension of Outpatient Hold Harmless Provision	0.1	0.1	*	0	0	0	0	0	0	0	0.2	0.2
1193 Extension of Section 508 Hospital Reclassifications	0.2	0.3	*	0	0	0	0	0	0	0	0.5	0.5
1194 Extension of Geographic Floor for Work	0.3	0.5	0.2	0	0	0	0	0	0	0	1.1	1.1
1195 Extension of Payment for Technical Component of Certain Physician Pathology Services	*	0.1	*	0	0	0	0	0	0	0	0.1	0.1
1196 Extension of Ambulance Add-Ons	0.1	0.1	*	0	0	0	0	0	0	0	0.2	0.2
TITLE II—MEDICARE BENEFICIARY IMPROVEMENTS												
Subtitle A—Improving and Simplifying Financial Assistance for Low Income Medicare Beneficiaries												
1201 -												
1207 Medicare Savings Program and Low-Income Subsidy Program												
Effects on Medicare spending	0.1	0.3	0.6	1.0	1.2	1.3	1.6	1.7	1.8	2.2	3.2	11.8
Effects on Medicaid spending	0	0	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.5	2.0

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Subtitle B—Reducing Health Disparities												
1221	Ensuring Effective Communication in Medicare	*	*	0	0	0	0	0	0	0	*	*
1222	Demonstration to Promote Access for Medicare Beneficiaries With Limited English Proficiency	0	*	*	*	*	*	0	0	0	*	*
1223	Report on Impact of Language-Access Services	0	0	0	0	0	0	0	0	0	0	0
1224	Definitions	0	0	0	0	0	0	0	0	0	0	0
Subtitle C—Miscellaneous Improvements												
1231	Extension of Therapy Caps Exceptions Process	0.3	0.5	0.1	0	0	0	0	0	0	0.9	0.9
1232	Extended Months of Coverage of Immunosuppressive Drugs and Other Renal Dialysis Provisions	0	*	*	*	*	*	*	*	*	*	-0.1
1233	Voluntary Advance Care Planning Consultation	0	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.7	2.0
1234	Part B Special Enrollment Period and Waiver of Limited Enrollment Penalty for TRICARE Beneficiaries	*	*	*	*	*	*	*	*	*	*	*
1235	Exception for Use of More Recent Tax Year in Case of Gains From Sale of Primary Residence in Computing Part B Income-Related Premium	*	*	*	*	*	*	*	*	*	*	*
1236	Demonstration Program: Patient Decisions Aids	*	*	*	*	*	*	*	*	*	*	*
TITLE III—PROMOTING PRIMARY CARE, MENTAL HEALTH SERVICES, AND COORDINATED CARE												
1301	Accountable Care Organization Pilot Program	0	0	*	*	-0.1	-0.3	-0.3	-0.4	-0.7	-0.8	-0.2
1302	Medical Home Pilot Program	0.2	0.3	0.3	0.3	0.3	0.2	0.1	*	0	1.5	1.8
1303	Payment Incentive for Selected Primary Care Services	0	0.4	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.7	1.8
1304	Payment for Certified Nurse-Midwives	*	*	*	*	*	*	*	*	*	*	*
1305	Coverage and Waiver of Cost-Sharing for Preventive Services	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	1.0
1306	Waive Deductible for Colorectal Cancer Screening Tests	0	0	0	0	0	0	0	0	0	0	0
1307	Excluding Clinical Social Worker Services From Coverage Under the Medicare Skilled Nursing Facility Prospective Payment System and Consolidated Payment	0	0	0	0	0	0	0	0	0	0	0
1308	Coverage of Marriage and Family Therapist Services and Mental Health Counselor Services	*	*	*	*	*	*	0.1	0.1	0.1	0.1	0.4
1309	Extension of Physician Fee Schedule Mental Health Add-On	*	*	*	0	0	0	0	0	0	0.1	0.1
1310	Expanding Access to Vaccines	0	*	*	0.1	0.1	0.1	0.2	0.2	0.3	0.4	1.5
1311	Expansion of Medicare-Covered Preventive Services at Federally Qualified Health Centers	*	*	*	*	*	*	*	*	*	*	0.1
1312	Independence at Home Demonstration Program	*	*	*	*	*	*	0	0	0	0	*
1313	Recognition of Certified Diabetes Educators as Providers	*	*	*	*	*	*	*	*	*	*	*

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TITLE IV—QUALITY												
Subtitle A—Comparative Effectiveness Research												
1401 Comparative Effectiveness Research (effects on outlays)												
Medicare	*	0.1	0.1	*	*	*	*	-0.1	-0.1	-0.2	0.2	-0.1
Non-Medicare	0	*	*	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.3	1.2
Subtitle B—Nursing Home Transparency	*	*	*	0	0	0	0	0	0	0	0.1	0.1
Subtitle C—Quality Measurements	*	*	0.1	0.1	0.1	*	*	0	0	0	0.2	0.3
Subtitle D—Physician Payments Sunshine Provision	0	0	0	0	0	0	0	0	0	0	0	0
Subtitle E—Public Reporting on Health Care-Associated Infections	0	0	*	*	*	*	*	*	*	*	*	*
TITLE V—MEDICARE GRADUATE MEDICAL EDUCATION	*	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.5	1.5
TITLE VI—PROGRAM INTEGRITY												
Subtitle A—Increased Funding to Fight Waste, Fraud, and Abuse	0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.9
Subtitle B—Enhanced Penalties for Fraud and Abuse	*	*	*	*	*	*	*	*	*	*	-0.1	-0.2
Subtitle C—Enhanced Program and Provider Protections	*	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.8	-2.3
Subtitle D—Access to Information Necessary to Prevent Fraud, Waste, and Abuse	0	0	0	0	0	0	0	0	0	0	0	0

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TITLE VII—MEDICAID AND CHIP													
Subtitle A—Medicaid and Health Reform													
1701	Eligibility for Individuals With Income Below 150 Percent of the Federal Poverty Level	Included in estimate for expanding health insurance coverage (except for Medicare cost-sharing assistance).											
	Medicare cost sharing assistance - - Medicare effects	0	0	0	0.3	0.6	0.7	0.8	0.9	0.9	1.0	0.9	5.3
	Medicare cost sharing assistance - - Medicaid effects	0	0	0	0.6	0.9	1.0	1.0	1.1	1.2	1.3	1.5	7.2
1702	Special Rules for Certain Medicaid Eligible Individuals	Included in estimate for expanding health insurance coverage.											
1703	CHIP and Medicaid Maintenance of Eligibility	Included in estimate for expanding health insurance coverage.											
1704	Reduction in Medicaid DSH	0	0	0	0	0	0	0	-1.5	-2.5	-6.0	0	-10.0
1705	Expanded Outstationing	Included in estimate for expanding health insurance coverage.											
Subtitle B—Prevention													
1711	Required Coverage of Preventive Services	*	0.2	0.2	0.8	0.8	1.3	1.5	1.7	1.9	2.1	2.1	10.7
1712	Tobacco Cessation	*	*	*	*	*	*	*	*	*	*	*	0.1
1713	Optional Coverage of Nurse Home Visitation Services	*	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.8
1714	State Eligibility Option for Family Planning Services	0	0	0	0	0	0	0	0	0	0	0	0
Subtitle C—Access													
1721	Payments to Primary Care Practitioners	3.3	6.4	5.5	6.5	6.9	6.4	5.7	5.7	5.1	5.4	28.7	57.0
1722	Medical Home Pilot Program	*	0.1	0.1	0.1	0.1	*	0	0	0	0	0.5	0.5
1723	Translation or Interpretation Services	*	*	*	*	*	*	*	*	*	0.1	0.1	0.3
1724	Optional Coverage for Freestanding Birth Center Services	*	*	*	*	*	*	*	*	*	*	*	*
1725	Inclusion of Public Health Clinics Under the Vaccines for Children Program	*	0.1	0.1	0.1	0.1	*	*	0	0	0	0.4	0.5
1726	Requiring Coverage of Services of Podiatrists	*	*	*	*	*	*	*	*	*	*	0.1	0.2
1726A	Requiring Coverage of Services of Optometrists	*	*	*	*	*	*	*	*	*	*	*	0.1
1727	Therapeutic Foster Care	*	*	*	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.6
1728	Assuring Adequate Payment Levels for Services	0	0	0	0	0	0	0	0	0	0	0	0
1729	Preserving Medicaid Coverage for Youths Upon Release From Public Institutions	*	*	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.6
1730	Quality Measures for Maternity and Adult Health Services Under Medicaid and CHIP	*	*	*	*	*	*	*	*	*	0	*	*
1730A	Accountable Care Organization Pilot Program	0	0	*	*	*	*	*	*	*	*	*	-0.1
1730B	FQHC Coverage	0	*	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	1.0

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Subtitle D—Coverage													
1731	Optional Medicaid Coverage of Low-Income HIV-Infected Individuals	0.1	0.4	0.4	0.1	0	0	0	0	0	1.1	1.1	
1732	Extending Transitional Medicaid Assistance	0	0.2	1.1	1.0	0.1	*	0	0	0	2.4	2.4	
1733	Requirement of 12-Month Continuous Coverage Under Certain CHIP Programs	Included in estimate for expanding health insurance coverage.											
1734	Preventing the Application Under CHIP of Coverage Waiting Periods for Certain Children	Included in estimate for expanding health insurance coverage.											
1735	Adult Day Health Care Services	0	0	0	0	0	0	0	0	0	0	0	
1736	Medicaid Coverage for Citizens of Freely Associated States	*	*	*	*	*	*	*	*	*	0.1	0.2	
1737	Medicaid Coverage of Nonemergency Transportation to Medically Necessary Services	*	*	*	*	*	*	*	*	*	*	*	
1738	State Option to Disregard Certain Income in Providing Continued Medicaid Coverage for Certain Individuals With Extremely High Prescription Costs	*	0.2	0.2	*	0	0	0	0	0	0.5	0.5	
1739	Community Living Assistance Services and Supports	Included in estimate for section 2581.											
1739A	Sense of Congress Regarding Community First Choice Option	0	0	0	0	0	0	0	0	0	0	0	
Subtitle E—Financing													
1741 -	Medicaid Pharmacy Reimbursement and Prescription												
1743	Drug Rebate Provisions (includes interactions with section 2501)	-0.4	-1.9	-2.5	-2.7	-2.9	-2.7	-2.8	-2.8	-2.9	-3.0	-10.4	-24.6
1744	Payments for Graduate Medical Education	0	0	0	0	0	0	0	0	0	0	0	
1745	Nursing Facility Supplemental Payment Program	0.4	1.1	1.5	1.5	1.1	0.4	0	0	0	5.6	6.0	
1746	Report on Medicaid Payments	0	0	0	0	0	0	0	0	0	0	0	
1747	Reviews of Medicaid	0	0	0	0	0	0	0	0	0	0	0	
1748	Extension of Delay in Managed Care Organization Provider Tax Elimination	0.4	0	0	0	0	0	0	0	0	0.4	0.4	
1749	Extension of ARRA Increase in FMAP	0	23.5	0	0	0	0	0	0	0	23.5	23.5	

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019
Subtitle F—Waste, Fraud, and Abuse												
1751	Health Care Acquired Conditions	0	0	*	*	*	*	*	*	*	*	*
1752	Evaluations and Reports	0	0	0	0	0	0	0	0	0	0	0
1753	Require Providers and Suppliers to Adopt Programs to Reduce Waste, Fraud, and Abuse	0	0	0	0	0	0	0	0	0	0	0
1754	Overpayments	0.1	0	*	0	*	*	*	*	*	0.1	0.1
1755	Managed Care Organizations	0	0	0	0	0	0	0	0	0	0	0
1756	Termination of Provider Participation Under Medicaid and CHIP if Terminated Under Certain Other Plans	0	0	0	0	0	0	0	0	0	0	0
1757	Medicaid and CHIP Exclusion From Participation Relating to Certain Ownership and Other Affiliations	0	0	0	0	0	0	0	0	0	0	0
1758	Report Expanded Set of Data Elements Under MMIS	0	0	0	0	0	0	0	0	0	0	0
1759	Alternate Payees Required to Register Under Medicaid	0	0	0	0	0	0	0	0	0	0	0
1760	Denial of Payments for Litigation-Related Misconduct	0	0	0	0	0	0	0	0	0	0	0
1761	Mandatory State Use of National Correct Coding Initiative	0	0	*	*	*	*	-0.1	-0.1	-0.1	-0.1	-0.3
Subtitle G—Payments to the Territories												
		0	0.8	0.9	0.8	0.9	1.0	1.1	1.2	1.2	1.4	9.3
Subtitle H—Miscellaneous												
1781	Technical Corrections	0	0	0	0	0	0	0	0	0	0	0
1782	Extension of QI Program	0	0.5	0.8	0.3	0	0	0	0	0	1.5	1.5
1783	Assuring Transparency of Information	0	0	0	0	0	0	0	0	0	0	0
1784	Medicaid and CHIP Payment and Access Commission	0	0	0	0	0	0	0	0	0	0	0
1785	Outreach and Enrollment of Medicaid- and CHIP-Eligible Individuals	0	0	0	0	0	0	0	0	0	0	0
1786	Prohibitions on Federal Medicaid and CHIP Payment for Undocumented Aliens	0	0	0	0	0	0	0	0	0	0	0
1787	Demonstration Project for Stabilization of Emergency Medical Conditions by Institutions for Mental Diseases	*	*	*	0	0	0	0	0	0	0.1	0.1
1788	Application of Medicaid Improvement Fund	0	0	0	0	-0.1	-0.2	-0.2	-0.2	-0.2	0	-0.7
1789	Treatment of Certain Medicaid Brokers	0	0	0	0	0	0	0	0	0	0	0
1790	Rule for Changes Requiring State Legislation	0	0	0	0	0	0	0	0	0	0	0

TITLE VIII—REVENUE-RELATED PROVISIONS

Estimates provided separately by the Joint Committee on Taxation (see JCX-46-09).

Table 4. Estimate of the Effects on Direct Spending and Revenues of Divisions B, C, and D and Sections 111, 115, and 346 of H.R. 3962, the Affordable Health Care for America Act, Incorporating the Manager's Amendment Offered by Representative Dingell

By Fiscal Year, in Billions of Dollars

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019
TITLE IX—MISCELLANEOUS PROVISIONS												
1901	0	0	0	0	0	0	0	0	0	0	0	0
1902	0	*	*	*	*	*	*	0	0	0	-0.1	-0.1
1903	*	*	*	*	*	0	0	0	0	0	*	*
1904												
Grants to States for Quality Home Visitation Programs for Families With Young Children or Expecting Children	*	*	0.1	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.6	1.8
1905	0	0	0	0	0	0	0	0	0	0	0	0
1906	0	0	0	0	0	0	0	0	0	0	0	0
1907												
Center for Medicare and Medicaid Innovation												
Funding for Center (including noncovered benefits)	0.1	0.2	0.4	0.6	0.7	0.8	0.9	1.0	0.9	0.9	2.0	6.5
Effect on Medicare spending for benefits	0	-0.1	-0.2	-0.4	-0.5	-0.6	-0.9	-1.3	-1.8	-2.3	-1.2	-8.2
1908	0	0	0	0	0	0	0	0	0	0	0	0
1909												
Application of Emergency Services Laws	0	0	0	0	0	0	0	0	0	0	0	0
Disregard Under the Supplemental Security Income Program of Compensation for Participation in Clinical Trials for Rare Diseases or Conditions	0	0	0	0	0	0	0	0	0	0	0	0
INTERACTIONS AMONG PROVISIONS												
Tricare Interaction	-0.1	-0.2	-0.3	-0.3	-0.4	-0.5	-0.6	-0.8	-0.9	-0.8	-1.2	-4.7
Medicare Advantage Interactions	0	-1.2	-1.9	-2.7	-8.8	-7.8	-7.8	-10.3	-12.4	-14.2	-14.6	-67.0
Premium Interactions	0	0.5	1.0	1.6	5.4	4.8	4.6	5.4	6.2	6.9	8.5	36.4
Implementation of Medicare Changes	0.2	*	*	*	*	*	*	*	*	*	0.3	0.3
Medicare Interactions with Medicaid Provisions	0	0	0	0	0	0	1.8	3.0	3.7	4.0	0	12.4
Medicare Interactions with 340B Provision	*	*	*	*	*	*	*	*	*	*	*	*
SUBTOTAL, DIVISION B	3.3	13.4	-15.5	-22.3	-49.0	-47.3	-47.6	-61.3	-73.5	-84.0	-70.1	-383.8

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2014	2010-2019
DIVISION C—PUBLIC HEALTH AND WORKFORCE DEVELOPMENT												
2001 - Public Health Investment Fund,												
2403 and Prevention and Wellness Trust ^a	0	1.8	4.4	5.9	7.1	8.2	4.8	0.9	0.2	*	19.2	33.4
2501 -												
2503 340B Drug Discount Program	Included in estimate for sections 1741-1743											
2511 School-Based Health Clinics	0	0	0	0	0	0	0	0	0	0	0	0
2572 Nutrition Labeling at Chain Restaurants and Vending Machines	0	0	0	0	0	0	0	0	0	0	0	0
2573 Protecting Consumer Access to Generic Drugs	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.2	-0.3	-0.4	-0.7	-1.8
2575 -												
2577 Licensure Pathway for Biosimilar Biological Products	0	0	0	*	-0.1	-0.3	-0.6	-1.1	-1.7	-2.5	-0.1	-6.2
2581 Community Living Assistance Services and Supports	0	-3.7	-6.4	-8.7	-9.9	-11.2	-9.6	-8.6	-7.5	-6.8	-28.7	-72.4
SUBTOTAL, DIVISION C	-0.1	-2.0	-2.2	-2.9	-3.0	-3.4	-5.6	-8.9	-9.4	-9.7	-10.2	-47.1
DIVISION D—INDIAN HEALTH CARE IMPROVEMENT												
TITLE I—AMENDMENTS TO INDIAN LAWS												
3101 Scholarship and Loan Repayment Recovery Fund and Exemption From Payment From Certain Fees	*	*	*	*	*	*	*	*	*	*	*	*
TITLE II—IMPROVEMENT OF INDIAN HEALTH CARE PROVIDED UNDER THE SOCIAL SECURITY ACT												
3201 Expansion of Payments Under Medicare	0	*	*	*	*	*	*	*	*	*	0.1	0.2
SUBTOTAL, DIVISION D	*	*	*	*	*	*	*	*	*	*	0.1	0.2
OTHER (from Division A)												
111 Reinsurance Program for Retirees	3.0	5.0	2.0	0	0	0	0	0	0	0	10.0	10.0
115 Administrative Simplification												
Effects on Medicaid spending	*	*	-0.1	-0.1	-0.2	-0.4	-0.8	-1.7	-1.8	-2.0	-0.4	-7.1
Effects on exchange subsidies	0	0	0	*	-0.1	-0.3	-0.6	-0.9	-1.0	-1.1	-0.1	-4.1
346 Special Rules for Application to Territories	0	0	0	0.7	0.7	0.7	0.7	0.7	0.7	0.7	1.4	5.0
Total, Changes in Direct Spending	6.2	16.4	-15.7	-24.6	-51.6	-50.6	-53.8	-72.1	-85.1	-96.1	-69.3	-427.0

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CHANGES IN REVENUES												
Fraud, Waste, and Abuse	*	*	*	*	*	*	*	*	*	*	0.1	0.2
Effect of Administrative Simplification on Revenues ^b	0	-0.1	-0.2	*	0.4	1.0	1.7	2.6	2.9	3.0	0.1	11.3
Effects on Revenues of Provisions Involving Comparative Effectiveness, Access to Generic Drugs, and Biosimilar Biological Products												
Income and Medicare payroll taxes (on-budget)	*	*	*	*	*	*	0.1	0.2	0.2	0.3	0.1	0.9
Social Security payroll taxes (off-budget)	*	*	*	*	*	*	*	0.1	0.1	0.2	*	0.5
Total, Changes in Revenues (unified budget)	*	-0.1	-0.1	*	0.5	1.1	1.9	2.8	3.3	3.5	0.3	12.9
CHANGES IN DEFICITS												
Total, Changes in Deficits (unified budget)	6.2	16.5	-15.6	-24.6	-52.1	-51.7	-55.7	-74.9	-88.4	-99.6	-69.5	-439.9
MEMORANDUM												
Non-scorable savings from increased HCFAC spending	0	*	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.4	-1.3

Notes:

* Between -\$50 million and \$50 million.

^a The legislation would authorize the appropriation of approximately \$34 billion over the 2011-2015 period for public health, prevention, and wellness provisions. Although that spending would not occur without the enactment of subsequent discretionary appropriations, the House Committee on the Budget has directed CBO to consider such spending as direct spending in this cost estimate.

^b Estimated by the Joint Committee on Taxation. Includes both on-budget and off-budget effects.

AIDS = acquired immune deficiency syndrome; ARRA = American Recovery and Reinvestment Act (Public Law 111-5); CHIP = Children's Health Insurance Program; DSH = disproportionate share hospital; DME = durable medical equipment; FMAP = federal medical assistance percentage; FQHC = federally qualified health center; HCFAC = health care fraud and abuse control account; HIV = human immunodeficiency virus; MA = Medicare Advantage; MedPAC = Medicare Payment Advisory Commission; MMIS = Medicaid Management Information System; QI = qualifying individual.