

Congressional Budget Office Estimate of the Effect on Direct Spending and Revenues of S. 2110, The SGR Repeal and Medicare Provider Payment Modernization Act of 2014, as Introduced

March 19, 2014

(Billions of dollars, by fiscal year) 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2014-2019 2014-2024

CHANGES IN DIRECT SPENDING^a

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2014-2019	2014-2024
Title I - Medicare Payment for Physicians' Services^b	5.3	10.6	11.2	10.7	11.3	12.2	13.6	14.8	16.7	17.6	16.2	61.4	140.4
Title II – Extensions													
Subtitle A – Medicare Extensions													
201 Work geographic adjustment	0.2	0.5	0.6	0.6	0.6	0.7	0.7	0.8	0.9	0.9	0.9	3.1	7.2
202 Medicare payment for therapy services	0.2	0.8	0.7	0.6	0.7	0.8	1.0	1.1	1.3	1.5	1.6	3.8	10.2
203 Medicare ambulance services	*	0.2	0.1	0.1	0.1	*	*	*	*	*	*	0.6	0.6
204 Revision of the Medicare-dependent hospital (MDH) program	0	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.8	1.8
205 Revision of Medicare inpatient hospital payment adjustment for low-volume hospitals	0	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.6	2.1	5.0
206 Specialized Medicare Advantage plans for special needs individuals	0	*	0.3	0.4	0.2	0.2	0.2	0.1	0.1	0.1	0.1	1.2	1.7
207 Reasonable cost reimbursement contracts	0	0	0.1	0.1	0.1	*	*	*	*	*	*	0.2	0.3
208 Quality measure endorsement and selection	*	*	*	*	*	0	0	0	0	0	0	0.1	0.1
209 Permanent extension of funding outreach and assistance for low-income programs	0	*	*	*	*	*	*	*	*	*	*	0.1	0.3
Subtitle B - Medicaid and Other Provisions													
211 Qualifying Individual (QI) program	0.5	0.8	1.0	1.2	1.4	0.6	0.3	0.3	0.2	0.2	0.1	5.5	6.6
212 Transitional Medical Assistance (TMA)	0.3	0.7	0.2	*	*	-0.3	-0.1	*	0	0	0	0.9	0.8
213 Express lane eligibility	0	*	0	0	0	0	0	0	0	0	0	*	*
214 Pediatric quality measures	*	*	*	*	*	0	0	0	0	0	0	0	0
215 Special diabetes programs	0	0.3	0.3	0.3	0.3	0.3	*	*	0	0	0	1.5	1.5
Subtitle C – Human Services Extensions													
221 Abstinence education grants	0	*	*	*	*	*	*	*	*	*	0	0.1	0.2
222 Personal responsibility education program	0	*	*	0.1	0.1	0.1	0.1	*	*	0	0	0.2	0.4
223 Family-to-Family health information centers	*	*	*	*	*	*	*	*	0	0	0	*	*
224 Health workforce demonstration project for low-income individuals	0	*	*	0.1	0.1	*	0	0	0	0	0	0.2	0.2
Title III - Medicare and Medicaid Program Integrity													
301 Reducing improper Medicare payments	0	*	*	*	*	*	*	*	*	*	*	0.1	0.1
302 Extension of MFCU authority to home and community-based settings	0	*	*	*	*	*	*	*	*	*	*	0.1	0.3
303 Improved use of funds by HHS IG	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	1.1
304 Preventing and reducing improper Medicare and Medicaid expenditures	0	0	0	0	0	0	0	0	0	0	0	0	0

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Title IV - Other provisions													
401 Commission on Improving Patient Directed Health Care	0	0	0	0	0	0	0	0	0	0	0	0	0
402 Expansion of the definition of inpatient hospital services for certain cancer hospitals	0	0	*	*	*	*	*	*	*	*	*	*	*
403 Quality measures for certain post-acute providers	0	0	0	0	0	0	0	0	0	0	0	0	0
404 Criteria for medically necessary short inpatient hospital stays	0	0	0	0	0	0	0	0	0	0	0	0	0
405 Transparency for excluding procedures from ASC approved list	0	0	0	0	0	0	0	0	0	0	0	0	0
406 Supervision in critical access hospitals	*	*	*	*	*	*	*	*	*	*	*	*	*
407 Requiring state licensure of DMEPOS suppliers in competitive bidding	0	0	0	0	0	0	0	0	0	0	0	0	0
408 Recognition of PAs as physicians to serve hospice patients	0	*	*	*	*	*	*	*	*	*	*	*	*
409 Remote patient monitoring pilot projects	0	0	0	*	*	*	0.2	0.3	0.3	0.3	0.3	0.1	1.4
410 Community-based institutional SNP demonstration	0	0	*	*	*	*	*	*	0	0	0	*	*
411 Applying CMMI waiver authority to PACE	0	0	0	0	0	0	0	0	0	0	0	0	0
412 Improve and modernize Medicaid data systems and reporting	0	0	0	0	0	0	0	0	0	0	0	0	0
413 Fairness in Medicaid special needs trusts	*	*	*	*	*	*	*	*	*	*	*	*	*
414 Helping ensure access to podiatric physicians	0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.6	1.3
415 Demonstration program to improve community mental health services	*	*	*	*	0.2	0.4	0.4	0.4	0.3	0.2	0.1	0.6	1.9
416 Annual Medicaid DSH report	0	0	0	0	0	0	0	0	0	0	0	0	0
417 Implementation	0	0	0	0	0	0	0	0	0	0	0	0	0
IPAB interaction	0	0	0	0	-1.0	0	0	0	-1.0	-1.0	0	-1.0	-3.0
Total, Changes in Direct Spending Outlays	6.5	14.6	15.4	15.0	15.0	16.2	17.5	18.8	19.9	20.8	20.6	82.7	180.3
Total, Changes in Unified-Budget Direct Spending	6.5	14.6	15.4	15.0	15.0	16.2	17.5	18.8	19.9	20.8	20.6	82.7	180.3
CHANGES IN REVENUES ^c													
Total, Changes in On-Budget Revenues	*	*	0.1	*	*	*	0	0	0	0	0	0.1	0.1
Total, Changes in Unified-Budget Revenues	*	*	0.1	*	*	*	0	0	0	0	0	0.1	0.1
NET INCREASE OR DECREASE (-) IN DEFICITS FROM CHANGES IN DIRECT SPENDING AND REVENUES ^c													
Changes in on-budget deficits	6.5	14.6	15.4	14.9	15.0	16.2	17.5	18.8	19.9	20.8	20.6	82.6	180.2
Total, Changes in Unified-Budget Deficits	6.5	14.6	15.4	14.9	15.0	16.2	17.5	18.8	19.9	20.8	20.6	82.6	180.2

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Memorandum

Nonscoreable Effects (non-add)

301 Recovery audit contractors	0	*	*	*	*	*	*	*	*	*	*	*	-0.1
302 Extension of MFCU authority to home and community-based settings	0	*	*	*	*	*	*	*	*	*	*	-0.1	-0.3
303 Redirecting collected funds to the HHS IG	*	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.6	-1.4

Notes: Components may not sum to totals because of rounding.

* = changes in direct spending that are between \$50 million and -\$50 million.

All Medicare provisions include interactions with Medicare Advantage payments, the effect on Medicare Part A and B premiums, and TRICARE.

ASC = ambulatory surgical center; CMMI = Center for Medicare and Medicaid Innovation; DMEPOS = durable medical equipment, prosthetics, orthotics, and supplies;

DSH = disproportionate share hospital; HHS IG = Inspector General of the Department of Health and Human Services; IPAB = Independent Payment Advisory Board;

MFCU = Medicaid fraud control unit; PA = physician assistant; PACE = Program of All-inclusive Care for the Elderly; TRICARE = the health plan operated by the Department of Defense

a. Budget Authority equals Outlays for most mandatory provisions.

b. Title I of S. 2110 is identical to S. 2000. On February 27, 2014, CBO estimated that enacting S. 2000 would increase direct spending by \$138.4 billion over the 2014-2024 period. That estimate comprised costs of \$140.4 billion for the non-IPAB effects and savings of \$2 billion from the IPAB interaction.

The estimate for title I is identical to the estimate of the non-IPAB effects of S. 2000.

c. Nonscoreable effects are shown in Memorandum section.