

Estimate of Effects on Direct Spending and Revenues for H.R. 4994, an Act to Extend Certain Expiring Provisions of the Medicare and Medicaid Programs, and for Other Purposes

version ERN10381

Assumed enactment late December 2010

<i>By fiscal year, in billions of dollars</i>		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011- 2015	2011- 2020
Changes in Direct Spending Outlays													
Title I—Extensions¹													
101	Physician payment update: Freeze through CY 2011	9.6	5.4	0	0	0	0	0	0	0	0	14.9	14.9
102	Extension of MMA section 508 reclassifications	0.3	*	0	0	0	0	0	0	0	0	0.3	0.3
103	Extension of Medicare work geographic adjustment floor	0.4	0.2	0	0	0	0	0	0	0	0	0.5	0.5
104	Extension of exceptions process for Medicare therapy caps	0.7	0.2	0	0	0	0	0	0	0	0	0.9	0.9
105	Extension of payment for technical component of certain physician pathology services	0.1	*	0	0	0	0	0	0	0	0	0.1	0.1
106	Extension of ambulance add-ons	0.1	*	0	0	0	0	0	0	0	0	0.1	0.1
107	Extension of physician fee schedule mental health add-on payment	*	*	0	0	0	0	0	0	0	0	0.1	0.1
108	Extension of outpatient hold harmless provision	0.1	*	0	0	0	0	0	0	0	0	0.2	0.2
109	Extension of Medicare reasonable costs payments for certain clinical diagnostic laboratory tests furnished to hospital patients in certain rural areas	*	*	*	0	0	0	0	0	0	0	*	*
110	Extension of the Qualifying Individual (QI) program	0.4	0.2	0	0	0	0	0	0	0	0	0.6	0.6
111	Extension of Transitional Medical Assistance (TMA)	0.2	0.7	0.1	0	0	0	0	0	0	0	1.0	1.0
112	Special diabetes programs	0	0.3	0.3	*	*	0	0	0	0	0	0.6	0.6
Title II—Other Provisions¹													
201	Clarification of effective date for Part B special enrollment period for disabled TRICARE beneficiaries	*	*	*	*	*	*	*	*	*	*	*	*
202	Repeal of delay of RUG-IV	0	0	0	0	0	0	0	0	0	0	0	0
203	Clarification for affiliated hospitals for distribution of additional residency positions	0	*	*	*	*	*	*	*	*	*	*	*
204	Continued inclusion of orphan drugs in definition of covered outpatient drugs with respect to children's hospitals under the 340B drug discount program	0	0	0	0	0	0	0	0	0	0	0	0
205	Medicaid and CHIP technical corrections	0	0	0	0	0	0	0	0	0	0	0	0
206	Funding for claims reprocessing	0.2	*	0	0	0	0	0	0	0	0	0.2	0.2
207	Revision to the Medicare Improvement Fund	0	0	0	0	-0.2	-0.1	0	0	0	0	-0.2	-0.3
208	Limitations on aggregate amount recovered on reconciliation of the health insurance tax credit and the advance of that credit ²	0	0	0	-0.6	-1.3	-2.2	-2.6	-2.9	-3.1	-3.3	-1.9	-16.0
209	Determination of budgetary effects	0	0	0	0	0	0	0	0	0	0	0	0
INTERACTIONS													
	Medicare Advantage Interaction	0	0	*	*	*	*	*	*	*	*	*	*
	Premium Interactions	0	-0.2	-0.1	-0.1	*	*	*	*	*	*	-0.3	-0.3
	TRICARE Interaction	0.1	*	*	0	0	0	0	0	0	0	0.1	0.1
	IPAB Interaction	0	0	0	0	0	0	0	*	*	*	0	-0.1
Total, Changes in On-Budget Direct Spending		12.0	7.0	0.3	-0.7	-1.5	-2.2	-2.6	-2.9	-3.1	-3.3	17.2	3.0
Total, Changes in Unified-Budget Direct Spending		12.0	7.0	0.3	-0.7	-1.5	-2.2	-2.6	-2.9	-3.1	-3.3	17.2	3.0

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Changes in Revenues												
208 Limitations on aggregate amount recovered on reconciliation of the health insurance tax credit and the advance of that credit ²												
On-Budget	0	0	0	0.1	0.4	0.7	1.0	1.1	1.2	1.3	0.4	5.8
Off-Budget	0	0	0	-0.1	-0.2	-0.4	-0.4	-0.5	-0.5	-0.5	-0.4	-2.8
Total, Changes in Unified-Budget Revenues	0	0	0	-0.1	0.1	0.3	0.5	0.6	0.7	0.8	0.1	3.0
Changes in Deficits												
Changes in on-budget deficits	12.0	7.0	0.3	-0.7	-1.8	-2.9	-3.6	-4.0	-4.3	-4.7	16.8	-2.8
Changes in unified budget deficits	12.0	7.0	0.3	-0.6	-1.6	-2.5	-3.2	-3.5	-3.8	-4.1	17.2	*

NOTES:

Components may not sum to totals because of rounding.

" * " is between \$50 million and -\$50 million.

1. Estimates for individual sections do not include MA, Part B premium, Medicaid, TRICARE, or IPAB interactions.
2. Estimate provided by the staff of the Joint Committee on Taxation.

CHIP = Children's Health Insurance Program; DSH = Disproportionate Share Hospital; IPAB = Independent Payment Advisory Board; MA = Medicare Advantage; MMA = Medicare Modernization Act; RUG-IV = Resource Utilization Group; TRICARE is the health plan operated by the Department of Defense.

Estimate of the Statutory Pay-As-You-Go Effects for H.R. 4994, an Act to Extend Certain Expiring Provisions of the Medicare and Medicaid Programs, and for Other Purposes

As introduced on December 7, 2010 - ERN10381

Assumed enactment late December 2010

December 7, 2010

<i>By fiscal year, in millions of dollars</i>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-2015	2011-2020
Net Increase or Decrease (-) in the On-Budget Deficit												
Total On-Budget Changes	12,035	7,038	299	-742	-1,849	-2,893	-3,626	-4,037	-4,336	-4,662	16,782	-2,772
Less:												
Current-Policy Adjustment for Medicare Payment to Physicians ¹	<u>9,624</u>	<u>4,881</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,505</u>	<u>14,505</u>
Statutory Pay-As-You-Go Impact	2,412	2,157	299	-742	-1,849	-2,893	-3,626	-4,037	-4,336	-4,662	2,278	-17,276

Sources: Congressional Budget Office, Staff of the Joint Committee on Taxation

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

This legislation would freeze Medicare's payment rates for physicians' services at the current level through the end of December 2011 and extend many other expiring provisions in Medicare. Additionally, the legislation would limit the aggregate amount recovered from reconciliation of income used for determining eligibility for tax credits provided through health insurance exchanges.

1. Section 7(c) of the Statutory Pay-As-You-Go Act of 2010 provides for current-policy adjustments related to Medicare payments to physicians.