

## H.R. 6535, a bill to deem an urban Indian organization and employees thereof to be a part of the Public Health Service for the purposes of certain claims for personal injury, and for other purposes

As ordered reported by the House Committee on Natural Resources on July 29, 2020

By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	0	6	22
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	6	22
Spending Subject to Appropriation (Outlays)	0	0	0
Statutory pay-as-you-go procedures apply?	Yes	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 6535 would include Urban Indian Health Programs (UIHPs) and their employees in the pool of individuals and entities that receive liability protection under the Federal Tort Claims Act (FTCA). Under the FTCA, the federal government pays for court judgments and compromise settlements of lawsuits out of the Judgement Fund. The Judgement Fund is a permanent, indefinite appropriation that is available to pay monetary awards against the United States that are judicially or administratively ordered. Under current law, UIHPs are health care organizations that are grantees of the Indian Health Service (IHS) but are not considered federal entities and therefore their employees are not covered under the FTCA.

For this estimate, CBO used information from the Department of Treasury's Bureau of the Fiscal Service about the number and level of payments from the Judgement Fund that were used to settle claims and litigation on behalf of IHS employees. While UIHPs are not part of IHS, they provide similar services, and CBO expects they would experience a similar rate of lawsuits and settlements.

According to the Judgement Fund data, over the last five years an average of about \$19.5 million has been paid out for medical malpractice claims against IHS employees, or about \$2,700 per year per IHS clinical employee. UIHPs employ about 1,150 clinical workers and CBO estimates that payments from the Judgement Fund would total about



\$3 million per year once fully implemented. CBO expects that it would take some time for patients to initiate legal action against UIHPs and for the legal system to finalize judgements and settlements against the UIHPs. Therefore, CBO estimates that the outlays from the Judgement Fund would gradually increase until reaching a stable level by 2025. In total, CBO estimates that H.R. 6535 would increase direct spending from the Judgement Fund by \$22 million over the 2020-2030 period.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 1. The costs of the legislation fall within budget function 800 (general government).

**Table 1.**  
**CBO’s Estimate of the Statutory Pay-As-You-Go Effects of H.R. 6535, as Ordered Reported by the House Committee on Natural Resources on July 29, 2020.**

	By Fiscal Year, Millions of Dollars											2020-2025	2020-2030
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
	<b>Increases in Direct Spending</b>												
Pay-As-You-Go Effect	0	0	0	1	2	3	3	3	3	3	3	6	22

Components may not sum to totals because of rounding.

The CBO staff contact for this estimate is Robert Stewart. The estimate was reviewed by Leo Lex, Deputy Director of Budget Analysis.