



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 7, 1999

### **H.R. 2506** **Health Research and Quality Act of 1999**

*As ordered reported by the House Committee on Commerce  
on August 5, 1999*

#### **SUMMARY**

CBO estimates that enacting H.R. 2506 would cost \$28 million in fiscal year 2000 and about \$900 million over the 2000-2004 period, assuming appropriation of the authorized amounts. The bill would amend title IX of the Public Health Service Act to reauthorize the Agency for Health Care Policy and Research (AHCPR), revise and extend its functions, and rename it the Agency for Health Research and Quality (AHRQ). In addition, H.R. 2506 would amend title III of the Public Health Service Act to require the Secretary of Health and Human Services to make grants to public or nonprofit entities for the establishment of regional centers that improve utilization of preventive health services for families and children.

H.R. 2506 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments. The bill would not affect direct spending or receipts; therefore pay-as-you-go procedures would not apply.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 2506 is shown in the following table. The costs of this legislation fall within budget function 550 (health).

	By Fiscal Year, in Millions of Dollars					
	1999	2000	2001	2002	2003	2004
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
<b>With Adjustments for Inflation</b>						
Spending Under Current Law						
Budget Authority <sup>a</sup>	100	0	0	0	0	0
Estimated Outlays	88	70	40	14	3	0
Proposed Changes						
Estimated Authorization Level	0	255	263	268	275	280
Estimated Outlays	0	28	143	222	252	266
Spending Under H.R. 2506						
Estimated Authorization Level <sup>a</sup>	100	255	263	268	275	280
Estimated Outlays	88	98	183	236	255	266
<b>Without Adjustments for Inflation</b>						
Spending Under Current Law						
Budget Authority <sup>a</sup>	100	0	0	0	0	0
Estimated Outlays	88	70	40	14	3	0
Proposed Changes						
Estimated Authorization Level	0	255	255	255	255	255
Estimated Outlays	0	28	142	218	243	250
Spending Under H.R. 2506						
Estimated Authorization Level <sup>a</sup>	100	255	255	255	255	255
Estimated Outlays	88	98	182	232	246	250

a. The 1999 level is the amount appropriated for that year.

## BASIS OF ESTIMATE

H.R. 2506 has two separate authorization provisions. First, the bill would authorize \$250 million in fiscal year 2000 and such sums as may be necessary for fiscal years 2001-2004 to support the activities of AHRQ. Since authorization for AHCPR has expired, CBO estimates that this provision would increase authorizations of appropriations by \$250 million in 2000. Assuming appropriation of the authorized amounts and adjusting for inflation, CBO estimates that this provision would increase discretionary spending by \$25 million in fiscal year 2000 and \$888 million over the 2000-2004 period. Without adjustments for inflation

after 2000, outlays of AHRQ over the five-year period would total \$858 million. The outlay estimate is based on historical spending patterns for AHCPR.

Second, H.R. 2506 would authorize such sums as may be necessary for fiscal years 2000-2004 for the establishment of centers that would facilitate utilization of preventive health services. CBO estimates that implementing the provision would cost about \$3 million in 2000 and \$5 million a year from 2001 through 2004. The estimate assumes \$1 million in annual grants to each of five regional centers, whose programs would be based on a model program currently operating at the University of South Florida. Although the proposed legislation does not specify which agency of the Public Health Service would administer the program, the estimate reflects historical spending patterns for health centers operated by the Health Resources Services Administration.

### **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 2506 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

### **ESTIMATE PREPARED BY:**

Federal Costs: Jeanne De Sa

Impact on State, Local, and Tribal Governments: Leo Lex

Impact on the Private Sector: Jennifer Bullard

### **ESTIMATE APPROVED BY:**

Robert A. Sunshine

Deputy Assistant Director for Budget Analysis