



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

June 3, 2008

**H.R. 1343
Health Centers Renewal Act of 2008**

*As ordered reported by the House Committee on Energy and Commerce
on May 8, 2008*

SUMMARY

H.R. 1343 would amend the Public Health Service Act to authorize a program that provides funding for community health centers. It would also expand the pool of individuals covered by the Federal Tort Claims Act (FTCA) and authorize a three-year demonstration project for integrated health systems.

CBO estimates that the bill would authorize the appropriation for those activities of \$2.2 billion for 2008 and \$14.2 billion over the 2008-2013 period. However, \$2.0 billion has already been appropriated for 2008 for health centers. Thus, H.R. 1343 would authorize the appropriation of an additional \$0.2 billion for fiscal year 2008 and \$12.1 billion over the 2008-2013 period. Assuming the appropriation of authorized amounts, CBO estimates that the bill would cost \$77 million in 2008 and \$11.8 billion over the 2008-2013 period.

Enacting H.R. 1343 would not affect direct spending or revenues. H.R. 1343 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1343 is shown in the following table. The costs of this legislation fall within budget function 550 (health).

	By Fiscal Year, in Millions of Dollars						2008- 2013
	2008	2009	2010	2011	2012	2013	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION							
Health Centers							
Authorization Level	191	2,451	2,758	3,116	3,537	0	12,053
Estimated Outlays	77	1,397	2,505	2,883	3,266	1,579	11,707
FTCA Expansion							
Estimated Authorization Level	0	2	2	2	2	2	10
Estimated Outlays	0	0	1	1	2	2	6
Integrated Health System Demonstration							
Authorization Level	0	25	25	25	0	0	75
Estimated Outlays	0	5	20	25	20	5	75
Total							
Estimated Authorization Level	191	2,478	2,785	3,143	3,539	2	12,138
Estimated Outlays	77	1,402	2,526	2,909	3,288	1,586	11,788

BASIS OF ESTIMATE

H.R. 1343 would authorize the health centers program, which funds community-based and patient-directed organizations that serve populations with limited access to primary health care services. In total, CBO estimates that the bill would authorize the appropriation of \$2.2 billion for 2008 and \$14.1 billion over the 2008-2013 period. The Omnibus Appropriations Act (Public Law 110-161) appropriated \$2.2 billion in 2008 for health centers. Thus, H.R. 1343 would authorize the appropriation of an additional \$191 million for fiscal year 2008 and \$12.1 billion over the 2008-2013 period for health centers.

Assuming the appropriation of the additional funds for 2008 in the early summer, and the appropriation of the authorized amounts in subsequent years, CBO estimates that spending for the community health center program from the funds that would be authorized by this bill would total \$77 million in 2008 and \$11.7 billion over the 2008-2013 period.

Under current law, liability protections under the Federal Tort Claims Act (FTCA) are granted to employees and contractors of participating health centers, because those individuals are considered employees of the federal government. Therefore, the government defends all medical liability claims against health center employees and pays any claims arising from liability. H.R. 1343 would grant that protection to health care professionals who volunteer at health centers.

Under H.R. 1343, the liability protection for volunteers would be conditional upon the appropriation of funds, in addition to existing FTCA resources, for the purposes of covering volunteers.¹ CBO assumes that funds would be appropriated beginning in fiscal year 2009 and each year thereafter. Based on historical program expenditures for existing liability protections and the potential role of volunteer staff at health centers, CBO estimates that covering volunteers under the FTCA would require the appropriation of \$2 million for 2009 and \$10 million over the 2010-2013 period. CBO estimates that implementing the FTCA expansion would cost less than \$500,000 in 2009 and \$6 million over the 2009-2013 period, assuming appropriation of the necessary amounts.

H.R. 1343 also would extend liability protection to health center practitioners who provide services in emergency areas. Under current law, FTCA liability protection applies when health center practitioners treat patients of the health center where they work, except in limited circumstances. H.R. 1343 would broaden the application of the FTCA so that health center practitioners would be covered when treating people at a health center in an area that has been declared a public health emergency or major disaster area. Because this provision would not add new practitioners to the FTCA coverage, but rather would allow practitioners to carry the liability protection with them to new sites, CBO expects that this expansion of coverage under the FTCA would not have a significant budgetary impact.

H.R. 1343 would authorize a grant program to allow integrated health systems to expand access to primary and preventive care for the medically underserved. The legislation defines eligible integrated health systems as public or non-profit entities that serve a medically underserved population and deliver specific primary and preventive care services. The legislation would authorize the appropriation of \$25 million a year for fiscal years 2009 through 2011. Based on information provided by the Health Resources and Services Administration, CBO estimates that implementing the grant program would cost \$5 million in 2009 and \$75 million over the 2009-2013 period, assuming the appropriation of authorized amounts.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1343 contains no intergovernmental or private-sector mandates as defined in UMRA. Funds authorized in the bill would benefit local governments that participate in community health programs.

1. The Omnibus Appropriations Act of 2007 appropriated \$43 million for FTCA coverage of health center employees.

PREVIOUS CBO ESTIMATE

On March 20, CBO released a cost estimate for S. 901, the Health Care Safety Net Act of 2007. Like H.R. 1343, S. 901 would authorize funding for health centers; however, S. 901 does not include the liability protection and demonstration provisions included in H.R. 1343. In addition, S. 901 would authorize funding for two other HRSA programs: the National Health Service Corps and Rural Health Outreach Grants.

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