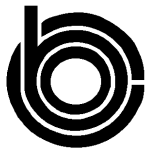

# CONGRESSIONAL BUDGET OFFICE
# COST ESTIMATE

September 21, 2000

## H.R. 3250
### Health Care Fairness Act of 2000

*As ordered reported by the House Committee on Commerce on July 26, 2000*

## SUMMARY


H.R. 3250 would expand the role of the federal government in supporting research on the health needs of racial and ethnic minorities as well as health disparity populations.[1]

The Health Care Fairness Act of 2000 would affect the National Institutes of Health (NIH), the Agency for Healthcare Research and Quality (AHRQ), the Health Resources and Services Administration (HRSA), the Office of Civil Rights, and the Health Care Financing Administration (HCFA). The bill would replace the Office of Research on Minority Health (ORMH) within the Office of the Director of NIH with a new center focusing on the health needs of racial and ethnic minorities and health disparity populations. The center is designed to promote cooperation among federal, state and local health agencies, and private entities in health disparity research.

AHRQ would be responsible for developing quality measurement mechanisms to examine the extent to which the health needs of minority and health disparity populations are met, including examination and support of demonstration projects. HRSA, the Office of Civil Rights, and HCFA, would be responsible for various initiatives, programs, incentives, and reports to better understand the needs of minority and health disparity populations.

Assuming the appropriation of the necessary amounts, CBO estimates that implementing H.R. 3250 would cost $43 million in 2001 and $402 million over the 2001-2005 period, assuming annual adjustments for inflation for those activities without specified authorization levels. The five-year total would be $397 million if such inflation adjustments are not made. The legislation would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.


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1. Health disparity populations are defined as populations with a significant disparity in the overall rate of disease incidence, morbidity, mortality, and survival rates in the population as compared to the health of the general population. Specific determinations of health disparity populations would be made by the Director of the National Center for Research on Minority Health and Health Disparities in consultation with the Director of the Agency for Healthcare Research and Quality (AHRQ).

H.R. 3250 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). It would authorize a number of grant and assistance programs for which state and other public entities, especially colleges and universities, could qualify.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3250 is shown in the following table. The costs of this legislation fall within budget function 550 (health).

| | By Fiscal Year, in Millions of Dollars | | | | | |
|---|---|---|---|---|---|---|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| **SPENDING SUBJECT TO APPROPRIATION** | | | | | | |
| Spending Under Current Law | | | | | | |
| Estimated Authorization Level [a] | 1,548 | 1,580 | 1,612 | 1,643 | 1,676 | 1,709 |
| Estimated Outlays | 1,341 | 1,468 | 1,531 | 1,588 | 1,614 | 1,646 |
| Proposed Changes [b] | | | | | | |
| Estimated Authorization Level | 0 | 99 | 104 | 103 | 100 | 98 |
| Estimated Outlays | 0 | 43 | 72 | 91 | 98 | 98 |
| Spending Under H.R. 3250 | | | | | | |
| Estimated Authorization Level | 1,548 | 1,679 | 1,716 | 1,746 | 1,776 | 1,807 |
| Estimated Outlays | 1,341 | 1,511 | 1,603 | 1,679 | 1,712 | 1,744 |

a. The 2000 level is the amount appropriated for that year for the agencies that would be affected by H.R. 3250. The 2001-2005 levels are CBO baseline projections, including adjustments for anticipated inflation.

b. The amounts shown reflect adjustments for anticipated inflation for those activities for which the bill would authorize such sums as necessary. Without such inflation adjustments, the five-year changes in authorization levels would total $493 million (instead of $504 million) and the changes in outlays would total $397 million (instead of $402 million).

## BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill would have an effective date of October 1, 2000, and that outlays would follow historical spending rates for the relevant agencies for the authorized activities. Where specified in H.R. 3250, CBO assumes the authorized amounts would be appropriated. Where appropriations of such sums as necessary are authorized, CBO based its estimates on amounts spent in the past for similar types of activities.

Many of the proposed activities under H.R. 3250 are currently handled by the ORMH and are reflected in the estimated changes to both budget authority and outlays. The estimates of changes in budget authority and outlays of the proposal reflect the incremental cost of additional responsibilities of the NIH and other offices and agencies.

**PAY-AS-YOU-GO CONSIDERATIONS:** None.

## ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 3250 contains no intergovernmental mandates as defined in UMRA. It would authorize a number of grant and assistance programs for which state and other public entities, especially colleges and universities, could qualify. Among those programs are grants and contracts for biomedical and behavioral education and research targeting minorities and other populations that face high levels of disease and mortality. The bill would also authorize grants for developing curricula in medical schools and continuing education programs that aim to reduce disparities in health care among racial and ethnic groups. Finally, the bill would authorize grants to states for establishing and operating ombudsman programs designed to identify, investigate, and facilitate the resolution of civil rights complaints.

## ESTIMATED IMPACT ON THE PRIVATE SECTOR

The bill contains no private-sector mandates as defined in UMRA.

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