

July 30, 2007

Honorable Charles B. Rangel Chairman Committee on Ways and Means U.S. House of Representatives Washington, DC 20515

Dear Mr. Chairman:

The Congressional Budget Office (CBO) and the Joint Committee on Taxation (JCT) have prepared the attached estimate for the Children's Health and Medicare Protection Act of 2007, as ordered reported by the Committee on Ways and Means on July 27, 2007.

CBO estimates that enacting this legislation would increase federal direct spending by \$27.5 billion over the 2008-2012 period and by \$132.6 billion over the 2008-2017 period. CBO and JCT estimate that net revenues would increase under the bill by \$28.9 billion over the next five years and \$59.7 billion over the 10-year period. (A portion of that increase would be in off-budget revenues: \$0.8 billion for the 2008-2012 period and \$2.4 billion over the 2008-2017 period.)

On balance, the spending and revenue changes would reduce federal deficits by \$1.4 billion through 2012, but would increase federal deficits by \$72.9 billion for the 2008-2017 period. The two attached tables provide estimates of year-by-year changes and a summary of the estimated change in enrollment of children under the State Children's Health Insurance Program (SCHIP) and Medicaid.

CBO and JCT have reviewed the bill and determined that it contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would affect the way states administer SCHIP and Medicaid, but because of the flexibility in those programs, the new requirements would not be intergovernmental mandates as defined in UMRA.

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In general, state, local, and tribal governments would benefit from the continuation of existing SCHIP grants, the creation of new grant programs, and broader flexibility and options in some programs.

The bill also would give state insurance commissioners the power to regulate the marketing and enrollment practices of agents and brokers relating to Medicare Advantage, private plans, and prescription drug plans. Under current law, states are preempted from enforcing such standards.

The bill contains several mandates on the private sector, including provisions that would increase the federal excise tax on tobacco products, extend the number of months that Medicare would be secondary payer for patients with end-stage renal disease, and place further restrictions on the types of plans that Medigap issuers could sell to Medicare beneficiaries. CBO and JCT estimate that the direct cost of these mandates would significantly exceed the statutory threshold established under UMRA (\$131 million in 2007, adjusted annually for inflation) in each of the first five years that the mandates are in effect.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Eric Rollins, Jeanne De Sa, and Tom Bradley.

Sincerely,

Peter R. Orszag Director

Enclosure

cc: Honorable Jim McCrery Ranking Republican

Table 1. Estimated Effect on Direct Spending and Revenues of H.R. 3162, the Children's Health and Medicare Protection Act, as Ordered Reported by the House Committee on Ways and Means on July 27, 2007

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008- 2012	2008- 2017
TITLE I	CHILDREN'S HEALTH INSURANCE PROGRAM													
Subtitle	A Funding													
101	New formula for SCHIP allotments	0.0	1.9	3.1	4.7	5.7	6.6	7.7	9.1	10.4	11.9	13.5	21.9	74.5
	Effect on Medicaid spending of sections 101 and 111	0.0	-0.3	8.0	2.4	3.5	4.2	4.4	4.5	4.8	5.0	5.3	10.6	34.5
102	Shorten availability of funds to 2 years		the	effects	of this	provisio	n are ind	corporat	ed in se	ction 10	1			
103	Modify redistribution of unspent funds		the	effects	of this	provisio	n are ind	corporat	ed in se	ction 10	1			
104	Allow spending of additional funds on Medicaid children	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
	Subtotal	0.0	1.6	3.8	7.1	9.2	10.8	12.1	13.7	15.2	16.9	18.8	32.5	109.1
Subtitle	B Improving Enrollment and Retention of Eligible Children													
111	Bonus payments for enrollment of additional children	0.0	0.0	1.3	2.4	3.2	3.9	4.2	4.5	4.9	5.3	5.7	10.8	35.4
112	Allow use of eligibility findings from other programs		the effe	cts of th	is provi	sion are	incorpo	rated in	section	s 101 ar	nd 111			
113	Outreach procedures for children and pregnant women	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
114	Increase the match rate for translation services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.4
	Subtotal	0.0	0.0	1.3	2.4	3.3	3.9	4.2	4.6	4.9	5.4	5.8	10.9	35.8
Subtitle	C Coverage													
121	Require coverage of certain additional services	0.0	0.0	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.7	2.2
122	Revise benchmark benefit packages	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.9
123	Grace period for payment of premiums	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
	Subtotal	0.0	0.1	0.1	0.2	0.3	0.3	0.3	0.4	0.4	0.5	0.5	1.1	3.2
Subtitle	D Populations													
131	State option to cover individuals through age 24	0.0	0.0	0.0	0.1	0.3	0.5	0.8	1.0	1.0	1.1	1.1	0.9	5.9
132	State option to cover certain legal immigrants	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.9	2.2
133	State option to cover pregnant women under SCHIP	0.0	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.7	1.9
134	Limitation on coverage of adults under SCHIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Subtotal	0.0	0.1	0.3	0.5	0.7	0.9	1.2	1.4	1.5	1.6	1.7	2.5	10.0

Table 1. Estimated Effect on Direct Spending and Revenues of H.R. 3162, the Children's Health and Medicare Protection Act, as Ordered Reported by the House Committee on Ways and Means on July 27, 2007

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008- 2012	2008- 2017
Subtitle	E Access									2010	20.0			
141	Children's Access, Payment, and Equality Commission	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
142	Develop model interstate enrollment process	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
143	Revise requirement to document citizenship	0.0	0.3	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.8	1.9
144	Access to dental care for children	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
145	Prohibit new section 1938 demonstration projects	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2
	Subtotal	0.0	0.3	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	8.0	1.7
Subtitle	F Quality and Program Integrity													
151	Development of pediatric health quality measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
152	Apply certain Medicaid managed care rules to SCHIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
153	Updated federal evaluation of SCHIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
154	IG / GAO access to records	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
155	Allow federal employees to call Title XXI program "CHIP"	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Subtotal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total, Title I	0.0	2.1	5.7	10.4	13.5	16.1	18.0	20.2	22.2	24.6	27.0	47.8	159.9
TITLE II	MEDICARE BENEFICIARY IMPROVEMENTS													
Subtitle	A Improvements in Benefits													
201	Coverage and waiver of cost-sharing for preventive services.	0.0	0.1	0.2	0.2	0.3	0.3	0.4	0.4	0.4	0.5	0.6	1.1	3.4
202	Waiver of deductible for colorectal cancer screening tests regardless of coding,													
	subsequent diagnosis, or ancillary tissue removal.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
203	Parity for mental health coinsurance.	0.0	0.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	2.2	4.7
	Subtotal	0.0	0.4	0.6	0.7	8.0	8.0	0.8	0.9	0.9	1.0	1.2	3.3	8.2
Subtitle	B Assistance for Low Income Medicare Beneficiaries													
211	Increase asset limits for Medicare Savings Program and LIS program	0.0	0.0	0.2	0.6	1.0	1.1	1.7	2.0	2.4	3.0	3.2	2.9	15.0
212	Making QI program permanent and expanding eligibility.	0.0	0.4	0.5	0.6	0.7	0.9	1.0	1.1	1.2	1.3	1.4	3.0	8.9
213	Eliminating barriers to enrollment.	0.0	0.0	0.5	0.9	1.1	1.1	1.3	1.5	1.7	2.1	2.2	3.6	12.2
214	Eliminating application of estate recovery.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
215	Elimination of part D cost-sharing for certain individuals.	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.5
216	Exclude certain income and resources from LIS eligibility determinations	0.0	0.0	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.5	0.6	0.9	3.1
217	Cost-sharing protections for low-income subsidy-eligible individuals.	0.0	0.0	0.0	0.4	0.7	0.6	8.0	0.9	1.0	1.2	1.3	1.7	6.9
218	Intelligent assignment in enrollment.	0.0	0.0	0.0	-0.1	-0.2	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.4	-1.2
	Subtotal	0.0	0.4	1.4	2.6	3.6	3.9	5.0	5.7	6.5	8.0	8.5	11.9	45.6

Table 1. Estimated Effect on Direct Spending and Revenues of H.R. 3162, the Children's Health and Medicare Protection Act, as Ordered Reported by the House Committee on Ways and Means on July 27, 2007

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008- 2012	2008- 2017
Subtitle (	C Part D Beneficiary Improvements				20.0			20.0		20.0	20.0			
221	Count ADAP and IHS spending as true out-of-pocket spending	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2
222	Permit mid-year changes in enrollment in certain situations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
223	Extend Part D coverage to benzodiazepines	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.5	1.2
224	Permitting updating drug compendia under Part D using Part B update process.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
225	Codification of special protections for six protected drug classifications.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
226	Eliminate late enrollment penalties paid by LIS beneficiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
227	Special enrollment period for subsidy eligible individuals.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Subtotal	0.0	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.7	1.6
Subtitle I	O Reducing Health Disparities													
231	Medicare data on race, ethnicity, and primary language.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
232	Ensuring effective communication in Medicare.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
233	Demonstration to promote access for Medicare beneficiaries with limited English													
	proficiency by providing reimbursement for culturally and linguistically													
	appropriate services.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
234	Demonstration to improve care to previously uninsured.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
235	Office of the Inspector General report on compliance with and enforcement of													
	national standards on culturally and linguistically appropriate services.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
236	IOM report on impact of language access services.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
237	Definitions.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Subtotal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total, Title II	0.0	8.0	2.2	3.5	4.6	4.9	6.0	6.8	7.6	9.2	9.8	15.9	55.3
TITLE III	PHYSICIANS' SERVICE PAYMENT REFORM													
301	Establishment of separate target growth rates for service categories.	0.0	3.3	6.8	5.1	2.5	3.4	6.8	11.7	17.5	21.5	24.1	21.1	102.7
302	Improving accuracy of relative values under the Medicare physician fee													
	schedule.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
303	Feedback mechanism on practice patterns.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
304	Payments for efficient areas.	0.0	0.0	0.1	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4
305	Recommendations on refining the physician fee schedule.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
306	Improved and expanded medical home demonstration project.	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3
307	Repeal of Physician Assistance and Quality Initiative Fund.	0.0	-0.8	-0.4	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.4	-1.4
308	Adjustment to Medicare payment localities.	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2
309	Payment for imaging services.	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.4	-1.2
310	Repeal of Physicians Advisory Council.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total, Title III	0.0	2.4	6.5	5.3	2.6	3.3	6.7	11.5	17.4	21.3	23.9	20.1	101.0

Table 1. Estimated Effect on Direct Spending and Revenues of H.R. 3162, the Children's Health and Medicare Protection Act, as Ordered Reported by the House Committee on Ways and Means on July 27, 2007

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008- 2012	2008- 2017
TITLE IV -	- MEDICARE ADVANTAGE REFORMS													
Subtitle	A Payment Reform													
401	Equalizing payments between Medicare Advantage plans and fee-for-service													
	Medicare.	0.0	0.0	-4.9	-11.1	-17.0	-17.4	-20.0	-19.8	-20.4	-23.5	-23.0	-50.4	-157.1
	Subtotal	0.0	0.0	-4.9	-11.1	-17.0	-17.4	-20.0	-19.8	-20.4	-23.5	-23.0	-50.4	-157.1
Subtitle	B Beneficiary Protections													
411	NAIC development of marketing, advertising, and related protections.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
412	Limitation on out-of-pocket costs for individual health services.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
413	MA plan enrollment modifications.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
414	Information for beneficiaries on MA plan administrative costs.	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.4
	Subtotal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0	-0.2
Subtitle	C Quality and Other Provisions													
421	Requiring all MA plans to meet equal standards.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
422	Development of new quality reporting measures on racial disparities.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
423	Strengthening audit authority.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
424	Improving risk adjustment for MA payments.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
425	Eliminating special treatment of private fee-for-service plans.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
426	Renaming of Medicare Advantage program.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Subtotal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtitle	D Extension of Authorities													
431	Extension and revision of authority for special needs plans (SNPs).	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
432	Extension and revision of authority for Medicare reasonable cost contracts.	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2
	Subtotal	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2
	Total, Title IV	0.0	0.0	-4.9	-11.0	-16.9	-17.4	-20.0	-19.8	-20.4	-23.5	-23.0	-50.2	-157.0

Table 1. Estimated Effect on Direct Spending and Revenues of H.R. 3162, the Children's Health and Medicare Protection Act, as Ordered Reported by the House Committee on Ways and Means on July 27, 2007 by fiscal year, in billions of dollars

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008- 2012	2008- 2017
TITLE V	PROVISIONS RELATING TO MEDICARE PART A													
501	Inpatient hospital payment updates.	0.0	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.4	-1.1	-2.7
502	Payment for inpatient rehabilitation facility (IRF) services.	0.0	-0.2	-0.5	-0.6	-0.6	-0.6	-0.7	-0.8	-0.8	-0.9	-1.0	-2.4	-6.6
503	Long-term care hospitals.	0.0	0.1	0.0	-0.2	-0.2	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.5	-1.3
504	Increasing the DSH adjustment cap.	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2
505	PPS-exempt cancer hospitals.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.3
506	Skilled nursing facility payment update.	0.0	-0.3	-0.5	-0.6	-0.6	-0.6	-0.7	-0.7	-0.8	-0.8	-0.9	-2.7	-6.5
507	Revocation of unique deeming authority of the Joint Commission for the													
	Accreditation of Healthcare Organizations.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
508	Treatment of Medicare hospital reclassifications.	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.6
509	Medicare critical access hospital designations.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total, Title V	0.0	-0.3	-0.9	-1.4	-1.6	-1.6	-1.8	-1.9	-2.0	-2.2	-2.4	-5.7	-15.9
TITLE VI	OTHER PROVISIONS RELATING TO MEDICARE PART B													
Subtitle /	A Payment and Coverage Improvements													
601	Payment for therapy services.	0.0	0.5	0.7	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4	1.4
602	Medicare separate definition of outpatient speech-language pathology services.	0.0	0.0	0.7	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
603	Increased reimbursement rate for certified nurse-midwives.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
604	Adjustment in outpatient hospital fee schedule increase factor.	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.3	-0.8
605	Exception to 60-day limit on Medicare substitute billing arrangements in case of	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
000	physicians ordered to active duty in the Armed Forces.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
606	Excluding clinical social worker services from coverage under the Medicare	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	skilled nursing facility prospective payment system and consolidated													
	payment.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
607	Coverage of marriage and family therapist services and mental health counselor													
	services.	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.6
608	Rental and purchase of power-driven wheelchairs.	0.0	-0.3	-0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.6	-0.9
609	Rental and purchase of oxygen equipment	0.0	0.0	0.0	-0.4	-0.6	-0.7	-0.8	-0.8	-0.8	-0.9	-0.9	-1.8	-6.0
610	Adjustment for Medicare mental health services.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
611	Extension of brachytherapy special rule.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
612	Payment for part B drugs.	0.0	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	-0.7	-1.9
	Subtotal	0.0	0.2	0.5	-0.4	-0.8	-0.9	-1.0	-1.1	-1.1	-1.2	-1.3	-1.6	-7.4

Table 1. Estimated Effect on Direct Spending and Revenues of H.R. 3162, the Children's Health and Medicare Protection Act, as Ordered Reported by the House Committee on Ways and Means on July 27, 2007

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008- 2012	2008- 2017
Subtitle	B Extension of Medicare Rural Access Protections													
621	2-year extension of floor on Medicare work geographic adjustment.	0.0	0.3	0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.8
622	2-year extension of special treatment of certain physician pathology services													
	under Medicare.	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2
623	2-year 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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
624	2-year extension of Medicare incentive payment program for physician scarcity													
	areas .	0.0	0.2	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.6
625	2-year extension of Medicare increase payments for ground ambulance services													
	in rural areas.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
626	Extending hold harmless for small rural hospitals under the HOPD prospective													
	payment system.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Subtotal	0.0	0.5	0.9	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.7	1.7
Subtitle	C End Stage Renal Disease Program													
631	Chronic kidney disease demonstration projects.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
632	Medicare coverage of kidney disease patient education services.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
633	Required training for patient care dialysis technicians.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
634	MedPAC report on treatment modalities for patients with kidney failure.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
635	Adjustment for erythropoietin stimulating agents (ESAs).	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.3
636	Site neutral composite rate.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1
637	Development of ESRD bundling system and quality incentive payments.	0.0	0.0	0.0	0.0	0.0	-0.3	-0.4	-0.5	-0.6	-0.6	-0.7	-0.2	-3.1
638	MedPAC report on ESRD bundling system.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
639	OIG study and report on erythropoietin.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Subtotal	0.0	0.0	0.0	-0.1	0.0	-0.3	-0.5	-0.5	-0.6	-0.7	-0.7	-0.4	-3.4
Subtitle	D Miscellaneous													
651	Limitation on exception to the prohibition on certain physician referrals for													
001	hospitals.	0.0	0.0	-0.1	-0.2	-0.2	-0.3	-0.3	-0.4	-0.5	-0.5	-0.6	-0.7	-2.9
	Subtotal	0.0	0.0	-0.1	-0.2	-0.2	-0.3	-0.3	-0.4	-0.5	-0.5	-0.6	-0.7	-2.9
		3.0	0.0	3	3.2	0.2	3.0	3.0	3	3.0	3.0	0.0	<b>J</b>	2.0
	Total, Title VI	0.0	0.7	1.3	-0.4	-1.0	-1.5	-1.8	-2.0	-2.2	-2.4	-2.7	-1.0	-12.0

Table 1. Estimated Effect on Direct Spending and Revenues of H.R. 3162, the Children's Health and Medicare Protection Act, as Ordered Reported by the House Committee on Ways and Means on July 27, 2007

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008- 2012	2008- 2017
TITLE VII	PROVISIONS RELATING TO MEDICARE PARTS A AND B													
701	Home health payment update for 2008.	0.0	-0.3	-0.5	-0.6	-0.6	-0.7	-0.7	-0.8	-0.9	-1.0	-1.1	-2.6	-7.2
702	2-year extension of temporary Medicare payment increase for home health													
	services furnished in a rural area.	0.0	0.1	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3
703	Extension of Medicare secondary payer for beneficiaries with end stage renal													
	disease for large group plans.	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.4	-1.2
704	Plan for Medicare payment adjustments for never events.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
705	Reinstatement of residency slots	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total, Title VII	0.0	-0.2	-0.4	-0.6	-0.7	-0.8	-0.9	-1.0	-1.1	-1.2	-1.3	-2.7	-8.1
TITLE VIII	MEDICAID													
Subtitle /	A Protecting Existing Coverage													
801	Extend transitional Medicaid through 2009	0.0	0.3	0.8	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	1.6
802	State option to provide family planning services	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.4
803	Continue provision of adult day health services	0.0	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2
804	Treatment of community spouses under HCB programs	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.5
805	Expand use of county-operated health systems in CA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1
	Subtotal	0.0	0.5	0.9	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.9	1.8
Subtitle	B Payments													
811	Additional payments to Puerto Rico and other territories	0.0	0.0	0.3	0.4	0.5	0.6	0.7	0.7	0.7	0.8	8.0	1.8	5.4
812	Increase brand rebate to 20.1%	0.0	-0.1	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-1.3	-3.5
813	Treatment of pension contributions in FMAP calculation	0.0	0.3	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	8.0
814	Prohibit Administration from restricting certain services	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
815	Additional DSH funds for Tennessee	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.3
816	Memphis Regional Medical Center	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Subtotal	0.0	0.3	0.1	0.2	0.3	0.4	0.4	0.4	0.4	0.4	0.4	1.3	3.1
Subtitle	C Miscellaneous													
821	Demonstration project for employer buy-in of coverage	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.3
822	Fund NIH / IHS diabetes programs through 2009	0.0	0.0	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3
823	Technical correction to DRA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Subtotal	0.0	0.0	0.1	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.6
	Total, Title VIII	0.0	0.8	1.1	0.9	0.4	0.4	0.4	0.4	0.4	0.4	0.4	3.5	5.5

Table 1. Estimated Effect on Direct Spending and Revenues of H.R. 3162, the Children's Health and Medicare Protection Act, as Ordered Reported by the House Committee on Ways and Means on July 27, 2007

													2008-	2008-
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2012	2017
TITLE IX	- MISCELLANEOUS													
901	Medicare Payment Advisory Commission status.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
902	Repeal of trigger provision.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
903	Repeal of comparative cost adjustment (CCA) program.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
904	Comparative effectiveness research.	0.0	0.0	0.0	0.1	0.1	0.2	0.3	0.2	0.1	0.0	0.0	0.5	1.1
905	Implementation of Health information technology (IT) under Medicare.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
906	Development, reporting, and use of health care measures.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
907	Improvements to the Medigap program.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
908	Implementation funding	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total, Title IX	0.0	0.1	0.1	0.1	0.2	0.2	0.3	0.2	0.1	0.0	0.0	0.6	1.2
INTERAC	TIONS DIRECT SPENDING													
	Fee-for-service interactions	0.0	0.2	0.3	0.1	0.0	0.1	0.1	0.2	0.3	0.4	0.4	0.7	2.0
	Medicare Advantage interactions	0.0	0.0	1.9	1.1	0.1	0.3	1.2	2.5	4.2	5.2	5.9	3.4	22.3
	Premium interactions with fee-for-service provisions /1/	0.0	-0.8	-2.3	-1.5	-0.6	-0.7	-1.6	-3.0	-4.6	-5.8	-6.5	-5.9	-27.3
	Medicaid interactions with Medicare provisions	0.0	0.0	0.0	0.1	0.1	0.2	0.3	0.4	0.4	0.5	0.6	0.4	2.6
	TRICARE interaction with Medicare provisions	0.0	0.1	0.2	0.1	0.0	0.1	0.2	0.4	0.6	0.7	0.8	0.5	3.1
	Total, Interactions	0.0	-0.5	0.0	-0.2	-0.2	0.0	0.2	0.5	0.8	1.0	1.2	-0.9	2.7
TOTAL (	CHANGES IN DIRECT SPENDING	0.0	5.8	10.6	6.6	0.8	3.7	7.1	15.0	22.9	27.2	32.9	27.5	132.6

Table 1. Estimated Effect on Direct Spending and Revenues of H.R. 3162, the Children's Health and Medicare Protection Act, as Ordered Reported by the House Committee on Ways and Means on July 27, 2007

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008- 2012	2008- 2017
TITLES I-	X REVENUES													
904	Comparative effectiveness research tax on issuers of private health insurance policies	0.0	0.0	0.0	0.0	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.6	2.0
	Revenue interactions with Title I and section 904													
	Income and Hospital Insurance (Part A) payroll taxes	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.5	1.5
	Social Security payroll taxes	0.0	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.4	8.0	2.4
TITLE X -	REVENUES													
1001	Increase in tax rates and modify certain definitions.	0.0	4.6	5.8	5.6	5.6	5.5	5.5	5.4	5.4	5.3	5.3	27.0	53.8
1002	Extend exemption from fuel excise tax for use in ambulance.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total, Title X	0.0	4.6	5.8	5.6	5.5	5.5	5.5	5.4	5.4	5.3	5.3	27.0	53.8
	Subtotal, Changes in Revenues													
	On-budget	0.0	4.6	5.8	5.7	6.0	5.9	5.9	5.9	5.9	5.8	5.8	28.1	57.3
	Off-budget												0.8	2.4
	Total, Changes in Revenues	0.0 <b>0.0</b>	0.1 <b>4.7</b>	<u>0.1</u> <b>6.0</b>	0.2 <b>5.9</b>	0.2 <b>6.2</b>	<u>0.2</u> <b>6.1</b>	<u>0.2</u> <b>6.1</b>	0.3 <b>6.2</b>	0.3 <b>6.2</b>	0.3 <b>6.2</b>	0.4 <b>6.2</b>	28.9	59.7
Memoran	dum: Change in Surplus or Deficit (Negative amounts increase deficit)													
	On-budget	0.0	-1.2	-4.8	-0.9	5.2	2.3	-1.2	-9.1	-17.0	-21.4	-27.1	0.6	-75.3
	Unified (on-budget and off-budget)	0.0	-1.1	-4.6	-0.7	5.4	2.5	-1.0	-8.8	-16.7	-21.0	-26.7	1.4	-72.9
NOTES:														
1	Premium interactions for provisions in title IV are included in the estimates for t Advantage provisions on premium receipts would be:	hose prov	isions.	The esti	mate of	the con	nbined 6	effect of	fee-for-	service	and Me	dicare		
		0.0	-0.8	-1.5	0.1	1.6	1.8	1.0	-0.4	-2.0	-3.0	-3.5	1.2	-6.7

Table 2. CBO Estimate of Changes in SCHIP and Medicaid Enrollment of Children Under H.R. 3162, the Children's Health and Medicare Protection Act of 2007, as ordered reported by the Committee on Ways and Means on July 27, 2007

All figures are average monthly enrollment, in millions of individuals. Components may not sum to totals because of rounding.

		SCHI	P /a/			Medic	aid /b/		SCHIP	/Medicaid to	al
	Enrollees moved to SCHIP	Reduction in the uninsured	Reduction in other coverage /c/	Total	moved	Reduction in the uninsured	Reduction in other coverage /c/	Total	Reduction in the uninsured	Reduction in other coverage /c/	Total
FISCAL YEAR 2012:											
CBO's baseline projections				3.3				25.0			28.3
Effect of providing funding to maintain current SCHIP programs  Effect of additional SCHIP funding and other provisions:	0.6	0.8	0.5	1.9	-0.6	n.a.	n.a.	-0.6	0.8	0.5	1.3
Additional enrollment within existing eligibility groups /d/ Expansion of SCHIP	n.a.	0.6	0.4	1.1	n.a.	2.9	0.7	3.6	3.5	1.1	4.7
and Medicaid eligibility to new populations	/ n.a.	0.5	0.5	1.0	n.a.	0.1	0.2	0.4	0.6	0.7	1.3
Subtotal	n.a.	1.1	0.9	2.0	n.a.	3.0	1.0	4.0	4.1	1.9	6.0
Total proposed changes	0.6	1.9	1.4	4.0	-0.6	3.0	1.0	3.3	4.9	2.4	7.3
Estimated enrollment under proposa	I			7.3				28.3			35.6

## Notes:

n.a. = not applicable

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<sup>/</sup>a/ The figures in this table include the program's adult enrollees, who account for less than 10 percent of total SCHIP enrollment.

<sup>/</sup>b/ The figures in this table do not include children who receive Medicaid because they are disabled.

<sup>/</sup>c/ "Other coverage" is largely private coverage, but also includes about 200,000 legal immigrant children who now receive coverage under state-funded programs.

<sup>/</sup>d/ For simplicity of display, the Medicaid figures in this line include the additional children enrolled as a side effect of expansions of SCHIP eligibility.