
CBO Cost Estimate of S. 2157, the Commonsense Medicare SGR Repeal and Beneficiary Access Improvement Act of 2014, as Introduced on March 25, 2014

By Fiscal Year, in Billions of Dollars

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2014- 2019	2014- 2024
CHANGES IN DIRECT SPENDING													
Estimated Budget Authority	6.5	14.6	15.4	15.0	15.0	16.2	17.5	18.8	19.9	20.8	20.6	82.7	180.3
Estimated Outlays	6.5	14.6	15.4	15.0	15.0	16.2	17.5	18.8	19.9	20.8	20.6	82.7	180.3

Memorandum: Section 501 would limit discretionary appropriations for overseas contingency operations over the 2016-2021 period to a total of \$404 billion.

Difference Between CBO's February 2014 Baseline Projection for Overseas Contingency Operations (OCO) and the Proposed Caps Under Section 501, Amendment to OCO Adjustments^a

Estimated Authorization Level	0	0	-10.2	-19.8	-29.2	-37.9	-46.2	-53.8	0	0	0	-97.1	-197.1
Estimated Outlays	0	0	-5.0	-12.8	-21.6	-30.3	-38.7	-46.6	-24.2	-9.0	-3.3	-69.7	-191.5

a. The proposed limits on discretionary appropriations would not affect direct spending or revenues. The limits in section 501 are \$197 billion below the \$601 billion projected for such operations over the 2016-2021 period in CBO's baseline. That \$601 billion figure, however, is just a projection; such funding has not yet been provided, and there are no funds in the Treasury set aside for that purpose. As a result, reductions relative to the baseline might simply reflect policy decisions that have already been made and that would be realized even without such funding constraints. Moreover, if future policymakers believed that national security required appropriations above the capped amounts, they would almost certainly provide emergency appropriations that would not, under current law, be counted against either the existing caps on discretionary funding or the proposed new caps on funding for overseas contingency operations.

Note: S. 2157 would: replace the Sustainable Growth Rate (SGR) formula, which determines the annual updates to Medicare's payment rates for physician services, with new systems for establishing those payment rates; extend a number of health care and human services programs and provisions that would otherwise expire; and make other modifications to Medicare, Medicaid, the Children's Health Insurance Program, and several human services programs. In addition, S. 2157 would place a cap on discretionary appropriations for overseas contingency operations. The provisions of S. 2157 affecting health care programs are very similar, but not identical, to S. 2110, the Medicare SGR Repeal and Beneficiary Access Improvement Act of 2014.
