CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

February 11, 2016

H.R. 3821
Medicaid Directory of Caregivers Act

As ordered reported by the House Committee on Energy and Commerce on November 18, 2015

SUMMARY

H.R. 3821 would require state Medicaid agencies to publish, on public websites, a directory of certain medical care providers who provided care to Medicaid enrollees in the prior 12 months. The directory would be limited to providers who had been reimbursed on a fee-for-service basis or had received a primary care case management fee. In addition to the names of the providers, the directories would include the following information: the medical speciality of the provider, the address of the provider, and the contact information of the provider.

For providers who had received a primary care case management fee, the directory would also need to include whether the provider is accepting new Medicaid patients and the provider's cultural and linguistic capabilities, including languages spoken. States maintaining such directories would have to update them at least annually.

H.R. 3821 would affect federal spending by requiring states to spend administrative funds on developing and maintaining these directories. The federal government reimburses 50 percent of states' spending for general administrative activities. CBO estimates that enacting H.R. 3821 would increase direct spending by $13 million over the 2016-2026 period. Because the legislation would affect direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits by more than $5 billion in one or more of the four consecutive 10-year periods beginning in 2027.

H.R. 3821 contains no intergovernmental or private sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 3821 is shown in the following table. The costs of this legislation fall within budget function 550 (health). CBO assumes that H.R. 3821 will be enacted early in calendar year 2016.

	By Fiscal Year, in Millions of Dollars												
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2016-2021	2016-2026
CHANGES IN DIRECT SPENDING													
Estimated Budget Authority	0	3	4	1	1	1	1	1	1	1	1	9	13
Estimated Outlays	0	3	4	1	1	1	1	1	1	1	1	9	13

Note: Components may not add to totals because of rounding.

BASIS OF ESTIMATE

CBO expects that in order to meet the requirements of H.R. 3821, most states would use a combination of state employees and private contractors to collect the required information and to design, install, and maintain the directories. Based on information provided by private-sector consultants who have experience with technology projects related to Medicaid, state costs would vary widely based on several factors. First, costs would vary by the extent to which states already maintain the required data elements in their data systems. In addition, different states may have varying degrees of difficulty converting those data elements into a database format. Finally, states have varying functionality built into their current websites that would affect the cost of establishing a web-based directory.

Based on the range of potential costs provided by private-sector consultants and accounting for variation in state readiness, CBO estimates that, on average, states would spend about $250,000 each to collect the necessary information and convert it into a database format on state websites. The cost to the federal government would be based on reimbursing state governments for 50 percent of their general administrative spending, as required by statute. CBO expects that state data collection and database publication would take place over 2017 and 2018 and that ongoing operations would cost about one-tenth the cost of the initial start-up. In total, CBO estimates that enacting H.R. 3821 would increase direct spending by $13 million over the 2016-2026 period.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO Estimate of Pay-As-You-Go Effects for H.R. 3821, as ordered reported by the House Energy and Commerce Committee on November 18, 2015.

	By Fiscal Year, in Millions of Dollars												
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2016-2021	2016-2026
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	3	4	1	1	1	1	1	1	1	1	9	13

INCREASE IN LONG TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 3821 would not increase net direct spending or on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2027.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3821 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. CBO estimates that provisions in the bill that would increase federal spending for Medicaid would similarly result in an increase of $13 million in state spending over the 2016-2026 period.

The bill would require state Medicaid agencies to provide a website directory of Medicaid providers if the state provides Medicaid services through a fee-for-service or similar system. For large entitlement programs like Medicaid, UMRA defines an increase in the stringency of conditions or a cap on federal funding as an intergovernmental mandate if the affected governments lack authority to offset those costs while continuing to provide required services. Because states have flexibility within the Medicaid program to offset their financial and programmatic responsibilities in order to reduce costs, CBO concludes that the new conditions or resulting costs would not constitute an intergovernmental mandate.

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