



August 3, 2015

Honorable Mike Enzi  
Chairman  
Committee on the Budget  
United States Senate  
Washington, DC 20510

*Re: Budgetary Effects of S. 1881*

Dear Mr. Chairman:

Last week, CBO provided the following information in response to a request for an estimate of the budgetary effects of S. 1881:

S. 1881, which would prohibit federal funds from being made available to Planned Parenthood Federation of America or any of its affiliates, could affect direct spending for the Medicaid program; however, CBO has not determined whether the legislation would increase or decrease the program's spending. Completing an estimate of such effects would take some time.

CBO estimates that the bill would not affect spending subject to appropriations, as any discretionary grants provided under Title X of the Public Health Service Act would probably be awarded to other health clinics or medical practitioners.

At the request of your staff, this letter provides some additional information regarding the potential direct spending effects of S. 1881. Enacting the bill would probably affect spending for Medicaid in two ways; one would reduce the program's outlays, the other would increase them:

- CBO expects that if S. 1881 was enacted, most of the Medicaid services that would have been obtained from Planned Parenthood Federation of America would instead be obtained from other health clinics and medical practitioners—but not all of them. As a result, there would be some decline in the use of Medicaid services.

Honorable Mike Enzi  
Page 2

- However, CBO also expects that some of the services that would not be used if S. 1881 was enacted would include those that help women avert pregnancies and deliveries. Reduced use of such services would be expected to lead to additional births, increasing federal spending, primarily for Medicaid. In addition, some of those children would themselves qualify for Medicaid and possibly for other federal programs.

In the limited time available, CBO has not determined whether one of those effects would be greater than the other.

I hope this information is helpful to you.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Hall". The signature is fluid and cursive, with the first name "Keith" and last name "Hall" clearly distinguishable.

Keith Hall  
Director

cc: Honorable Bernie Sanders  
Ranking Member