



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

June 12, 2015

**S. 971  
Medicare Independence at Home Medical Practice Demonstration  
Improvement Act of 2015**

*As ordered reported by the House Committee on Ways and Means on June 2, 2015*

S. 971 would allow agreements made with medical home practices to be extended to five years under the Medicare Independence at Home Medical Practice (IAH) demonstration program. Under current law, agreements under the demonstration program are for three years.

The Patient Protection and Affordable Care Act of 2010 established the IAH demonstration to test home-based primary care for Medicare beneficiaries with multiple chronic conditions. The demonstration limits the number of Medicare beneficiaries eligible to participate and establishes a limit on per capita spending for each medical practice based on fee-for-service costs in the Medicare program. The bill would not expand the scope of the demonstration program or the number of participants, but would extend agreements with current providers for an additional two years. Based on the small number of participants and the spending targets established in the demonstration, CBO estimates that enacting S. 971 would have an insignificant effect on direct spending. Because S. 971 would affect direct spending, pay-as-you-go procedures would apply. Enacting the bill would not affect revenues.

S. 971 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Lori Housman. The estimate was approved by Holly Harvey, Deputy Assistant Director for Budget Analysis.