

Detail on Estimated Budgetary Effects of Title VI (Medicare and Other Health Extensions) of H.R. 8, the American Taxpayer Relief Act of 2012, as passed by the Senate on January 1, 2013

(Billions of dollars, by fiscal year)

2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2013-2017 2013-2022

CHANGES IN DIRECT SPENDING

Subtitle A—Medicare Extensions

601.	(a) Medicare physician payment update	10.6	6.7	1.3	1.3	1.2	1.0	0.8	0.7	0.7	0.8	21.1	25.2
	(b) Advancement of clinical data registries to improve the quality of health care	0	*	*	*	*	*	*	*	*	*	0.1	0.1
602.	Work geographic adjustment	0.3	0.2	0	0	0	0	0	0	0	0	0.5	0.5
603.	Payment for outpatient therapy services	0.7	0.2	0	0	0	0	0	0	0	0	1.0	1.0
604.	Ambulance add-on payments	0.1	*	0	0	0	0	0	0	0	0	0.1	0.1
605.	Extension of Medicare inpatient hospital payment adjustment for low-volume hospitals	0.3	*	0	0	0	0	0	0	0	0	0.3	0.3
606.	Extension of the Medicare-dependent hospital program	0.1	*	0	0	0	0	0	0	0	0	0.1	0.1
607.	Extension for specialized Medicare Advantage plans for special needs individuals	0	0.2	0.1	0	0	0	0	0	0	0	0.3	0.3
608.	Extension of Medicare reasonable cost contracts	0	*	*	0	0	0	0	0	0	0	*	*
609.	Performance improvement	*	0	0	0	0	0	0	0	0	0	*	*
610.	Extension of funding outreach and assistance for low-income programs	*	0	0	0	0	0	0	0	0	0	*	*

Subtitle B—Other Health Extensions

621.	Extension of the qualifying individual program	0.6	0.2	0	0	0	0	0	0	0	0	0.8	0.8
622.	Extension of Transitional Medical Assistance	0.4	0.5	-0.3	*	0	0	0	0	0	0	0.6	0.6
623.	Extension of Medicaid and CHIP Express Lane option	0	*	0	0	0	0	0	0	0	0	*	*
624.	Extension of family-to-family information centers	*	*	0	0	0	0	0	0	0	0	*	*
625.	Extension of Special Diabetes Program for Type I diabetes and for Indians	0	0.3	*	*	0	0	0	0	0	0	0.3	0.3

Subtitle C—Other Health Provisions

631.	IPPS documentation and coding adjustment for implementation of MS-DRGs	0	-2.0	-2.4	-2.8	-3.0	-0.3	0	0	0	0	-10.2	-10.5
632.	Revisions to the Medicare ESRD bundled payment system to reflect findings in the GAO report	0	-0.2	-0.2	-0.5	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-1.5	-4.9
633.	Treatment of multiple service payment policies for therapy services	*	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.7	-1.8
634.	Payment for certain radiology services furnished under the Medicare hospital outpatient department prospective payment system	*	*	*	*	*	*	-0.1	-0.1	-0.1	-0.1	-0.1	-0.4
635.	Adjustment of equipment utilization rate for advanced imaging services	0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.3	-0.8
636.	Medicare payment of competitive prices for diabetic supplies and elimination of overpayment for diabetic supplies	-0.2	-0.2	-0.2	*	0	0	0	0	0	0	-0.6	-0.6

Continued

**Detail on Estimated Budgetary Effects of Title VI (Medicare and Other Health Extensions) of
H.R. 8, the American Taxpayer Relief Act of 2012, as passed by the Senate on January 1, 2013**

Revised January 9, 2013

continued

(Billions of dollars, by fiscal year)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2017	2013-2022
637. Medicare payment adjustment for non-emergency ambulance transports for ESRD beneficiaries	0	*	*	*	*	*	-0.1	-0.1	-0.1	-0.1	-0.2	-0.4
638. Removing obstacles to collection of overpayments ^a	-0.1	*	*	*	*	*	*	*	-0.1	-0.1	-0.2	-0.5
639. Medicare Advantage coding intensity adjustment	0	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-1.1	-2.5
640. Elimination of all funding for the Medicare Improvement Fund	0	0	-0.2	-0.1	0	0	0	-0.5	-0.5	-0.5	-0.3	-1.7
641. Rebasing of State DSH allotments	0	0	0	0	0	0	0	0	0	-4.2	0	-4.2
642. Repeal of CLASS Program	*	*	*	0	0	0	0	0	0	0	*	*
643. Commission on Long-Term Care	0	0	0	0	0	0	0	0	0	0	0	0
644. Consumer Operated and Oriented Plan Program	-0.1	*	*	*	*	0	0	0	0	0	-0.2	-0.2
INTERACTIONS												
Medicare Advantage Interaction	0	-0.4	-0.6	-0.6	-0.5	-0.1	*	*	-0.1	-0.1	-2.2	-2.5
Premium Interactions	0	-0.2	0.1	0.1	0.3	0.3	0.3	0.3	0.3	0.3	0.3	1.7
TRICARE Interaction	*	*	*	*	*	*	*	*	*	*	-0.1	-0.1
Total, Changes in Direct Spending Outlays^a	12.8	4.9	-3.2	-3.2	-3.4	0.0	-0.3	-0.8	-0.9	-5.3	7.9	0.8

**Memorandum: Changes in spending shown in CBO's
January 1, 2013, estimate for title VI of H.R. 8^a**

Changes in Direct Spending Outlays	13.0	5.0	-3.1	-3.2	-3.3	0.1	-0.2	-0.7	-0.8	-5.2	8.4	1.7
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Source: Congressional Budget Office.

Notes: Components may not sum to totals because of rounding.

* = changes in direct spending that are between \$50 million and -\$50 million.

- a. This revised table corrects a mistake in the original estimate that CBO provided for title VI of H.R. 8. In CBO's original estimate of the provisions of title VI, the effects for section 638, removing obstacles to collection of overpayments, were incorrectly shown as costs (that is, the minus signs denoting savings were omitted). As a result, that original table showed the effects of section 638 has having an estimated cost of \$0.5 billion over 10 years, while this table correctly shows the estimated savings of \$0.5 billion over that period for that provision. In total, CBO estimates that the provisions of title VI will have a net cost of \$0.8 billion over the 2013-2022 period, while the agency's original table for title VI showed a net cost of \$1.7 billion over that period (because the effect of section 638 was incorrectly included as costs instead of savings).

CHIP = Children's Health Insurance Program; CLASS = Community Living Assistance Services and Supports; DSH = Disproportionate Share Hospital; ESRD = End Stage Renal Disease; GAO = Government Accountability Office; IPAB = Independent Payment Advisory Board; IPPS = Inpatient Prospective Payment System; MS-DRG = Medicare Severity Diagnostic Related Group; TRICARE = the health plan operated by the Department of Defense.