

**Proposals Affecting Health Care Programs-CBO's Estimate of the President's Fiscal Year 2018 Budget**

July 13, 2017

Millions of dollars, by fiscal year.	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-2022	2018-2027
<b>INCREASES OR DECREASES (-) IN DIRECT SPENDING OUTLAYS</b>												
1. Reform Medicaid (a)	0	0	-10,000	-20,000	-40,000	-60,000	-80,000	-105,000	-130,000	-165,000	-70,000	-610,000
2. Extend CHIP funding through 2019 (b, c)												
CHIP Only	-1,768	5,309	5,269	3,714	0	0	0	0	0	0	12,524	12,524
Medicaid interaction	-935	-3,699	-2,364	-1,620	0	0	0	0	0	0	-8,618	-8,618
Marketplace subsidy interaction (outlays only)	908	-425	-729	-250	0	0	0	0	0	0	-496	-496
3. Repeal the Independent Payment Advisory Board (d)	0	1,690	450	490	910	670	5,080	1,920	5,610	3,190	3,540	20,010
4. Improve the Medicare appeals system (d)												
Effect of new mandatory spending for appeals	109	117	125	125	125	125	125	125	125	125	601	1,226
Effect on benefit spending of faster appeals	66	135	138	140	6	6	6	6	6	7	486	518
5. Improve 340B program integrity	0	0	0	0	0	0	0	0	0	0	0	0
6. Extend Health Centers	1,004	2,474	2,581	1,111	0	0	0	0	0	0	7,170	7,170
7. Extend the National Health Service Corps	109	239	180	65	16	0	0	0	0	0	609	609
8. Extend Teaching Health Centers Graduate Medical Education	24	46	36	14	0	0	0	0	0	0	120	120
9. Extend Family to Family Health Information Centers	1	4	4	1	0	0	0	0	0	0	10	10
10. Extend the Maternal, Infant, and Early Childhood Home Visiting Program	12	132	300	262	84	0	0	0	0	0	790	790
11. Extend the Special Diabetes Program for the National Institutes of Health and the Indian Health Service	90	254	202	41	9	4	0	0	0	0	596	600
12. Extend Medicare Enrollment Assistance Programs	38	38	0	0	0	0	0	0	0	0	75	75
13. Repeal and replace the Affordable Care Act (a, b)	-30,000	-30,000	-90,000	-130,000	-140,000	-155,000	-160,000	-170,000	-170,000	-175,000	-420,000	-1,250,000
14. Reform the medical liability system (b, c)												
Medicare only (d)	-108	-993	-2,774	-4,519	-5,052	-5,222	-5,383	-5,969	-6,474	-6,948	-13,446	-43,441
Medicaid	-44	-390	-1,074	-1,723	-1,828	-1,933	-2,043	-2,158	-2,279	-2,409	-5,059	-15,881
Other health programs	-25	-136	-276	-466	-532	-557	-582	-606	-626	-645	-1,435	-4,451
15. Modify TRICARE pharmacy fees												
TRICARE	-83	-181	-252	-317	-385	-253	-178	-211	-258	-330	-1,218	-2,448
Medicare interaction	16	40	46	54	65	33	23	30	35	44	221	386
16. Changes to TRICARE Consolidation (e)	0	13	19	17	18	20	23	25	29	32	67	196
17. Extend Joint Committee mandatory sequestration												
Medicare only (d)	0	0	0	0	0	0	0	6,100	-13,300	-18,700	0	-25,900
18. Other Mandatory Public Health Proposals	3	7	7	7	0	0	0	0	0	0	24	24

Continued

Millions of dollars, by fiscal year.	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018- 2022	2018- 2027
<b>INCREASES OR DECREASES (-) IN REVENUES (f)</b>												
2. Extend CHIP funding through 2019 (b, c)												
On-budget revenues	-203	88	148	51	0	0	0	0	0	0	84	84
Off-budget revenues	-113	49	81	28	0	0	0	0	0	0	45	45
13. Repeal and replace the Affordable Care Act (a, b)												
On-budget revenues	-55,000	-60,000	-85,000	-100,000	-105,000	-115,000	-120,000	-120,000	-120,000	-120,000	-405,000	-1,000,000
Off-budget revenues	-11	-12	-17	-20	-21	-23	-24	-24	-24	-24	-81	-200
14. Reform the medical liability system (b, c)												
On-budget revenues	47	211	373	643	748	800	856	917	980	1,047	2,022	6,621
Off-budget revenues	27	95	191	286	326	344	364	384	406	428	925	2,851

**Memorandum**

Medicare Total, Direct Spending outlays only (g)	120	1,027	-2,015	-3,710	-3,946	-4,388	-148	2,212	-13,997	-22,282	3,326	3,326
<b>Net Effect on the Deficit</b>												
Extend CHIP funding through 2019 (h)												
On-budget	-1,592	1,097	2,028	1,793	0	0	0	0	0	0	3,326	3,326
Unified budget total	-1,479	1,048	1,947	1,765	0	0	0	0	0	0	3,281	3,281
Reform the medical liability system (h)												
On-budget	-224	-1,729	-4,497	-7,351	-8,160	-8,512	-8,863	-9,651	-10,359	-11,048	-21,962	-70,395
Unified budget total	-251	-1,825	-4,688	-7,638	-8,486	-8,856	-9,227	-10,035	-10,764	-11,476	-22,887	-73,246

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

- a. The Administration did not provide specific information on what set of policies would generate the estimated savings for the Medicaid program or for repealing and replacing the Affordable Care Act. CBO's estimates match the Administration's because we expect that these savings are attainable.
- b. Proposal would affect both direct spending and revenues, which are shown separately.
- c. Estimates do not include interactions with proposals to reform Medicaid or repeal and replace the Affordable Care Act.
- d. Medicare provisions include interactions with MA payments, the effect on Medicare Part A and B premiums, and TRICARE.
- e. In addition to the effects displayed here, the proposals to change TRICARE fees would affect mandatory outlays and receipts in functions 400 and 950.
- f. For revenues, positive numbers indicate a decrease in the deficit and negative numbers indicate an increase in the deficit.
- g. Some of the above policies would affect spending for multiple health care programs. The Medicare totals shown here reflect the combined effect of all proposed changes on federal spending for the Medicare program.
- h. Estimate reflects the effect of the policy on spending for mandatory health programs and federal revenues.

CHIP = Children's Health Insurance Program; MA = Medicare Advantage; TRICARE = the health plan operated by the Department of Defense.