

**Congressional Budget Office**

9/12/2018

Direct Spending and Revenue Effects for S. 2554, the Patient Right to Know Drug Prices Act, as reported by the Senate Committee on Health Education, Labor, and Pensions on July 31, 2018

(Millions of dollars, by fiscal year)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019 - 2023	2019 - 2028
<b>CHANGES IN DIRECT SPENDING</b>												
Section 2. Prohibition on Limiting Certain Information on Drug Prices												
Budget Authority	0	2	2	2	2	1	1	1	1	1	8	13
Outlays	0	2	2	2	2	1	1	1	1	1	8	13
Section 3. Modernizing the Reporting of Biological and Biosimilar Products												
Budget Authority	0	-5	-10	-16	-13	-9	-10	-11	-11	-13	-44	-98
Outlays	0	-5	-10	-16	-13	-9	-10	-11	-11	-13	-44	-98
<b>Total Changes in Direct Spending</b>												
<b>Budget Authority</b>	<b>0</b>	<b>-3</b>	<b>-8</b>	<b>-14</b>	<b>-11</b>	<b>-8</b>	<b>-9</b>	<b>-10</b>	<b>-10</b>	<b>-12</b>	<b>-36</b>	<b>-85</b>
<b>Outlays</b>	<b>0</b>	<b>-3</b>	<b>-8</b>	<b>-14</b>	<b>-11</b>	<b>-8</b>	<b>-9</b>	<b>-10</b>	<b>-10</b>	<b>-12</b>	<b>-36</b>	<b>-85</b>
On-budget outlays	0	-3	-8	-14	-11	-8	-9	-10	-10	-12	-36	-84
Off-budget outlays	0	*	*	*	*	*	*	*	*	*	*	*
<b>CHANGES IN REVENUES<sup>a</sup></b>												
Section 2. Prohibition on Limiting Certain Information on Drug Prices												
	*	-22	-8	-5	-5	-3	-3	-3	-3	-3	-40	-56
Section 3. Modernizing the Reporting of Biological and Biosimilar Products												
	*	1	1	2	1	1	1	1	1	1	5	11
<b>Total Changes in Revenues</b>												
	*	<b>-21</b>	<b>-7</b>	<b>-3</b>	<b>-4</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-35</b>	<b>-45</b>
On-budget revenues	*	-15	-5	-2	-3	-2	-1	-1	-1	-2	-25	-32
Off-budget revenues	*	-6	-2	-1	-1	-1	*	*	*	-1	-10	-13
<b>CHANGES IN THE DEFICIT</b>												
<b>Total Changes in the Deficit</b>												
	*	<b>19</b>	<b>-1</b>	<b>-11</b>	<b>-7</b>	<b>-6</b>	<b>-7</b>	<b>-8</b>	<b>-8</b>	<b>-10</b>	<b>-1</b>	<b>-40</b>
On-budget	*	12	-3	-12	-8	-6	-8	-8	-9	-10	-11	-53
Off-budget	*	6	2	1	1	1	*	*	*	*	10	12

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation (JCT).

Notes: Components may not sum to totals because of rounding.  
Estimate assumes enactment near the start of fiscal year 2019.  
\* = between -\$500,000 and \$500,000.

Memorandum: CBO estimates that implementing the reporting requirements under Section 3 would reduce spending subject to appropriation, on net, by \$3 million over the 2019-2023 period, assuming appropriation actions consistent with the bill.

CBO estimates that enacting S. 2554 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

S. 2554 would impose private sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) by prohibiting certain insurers from restricting pharmacists' ability to share information about drug prices and by requiring certain patent agreements to be filed with the federal government. CBO estimates the cost of the mandates would fall below the private-sector threshold established in UMRA (\$160 million in 2018, adjusted annually for the inflation). The bill contains no intergovernmental mandates as defined in UMRA.

a. For revenues, a positive number indicates an increase (reducing the deficit), and a negative number indicates a decrease (adding to the deficit).