

Estimated Direct Spending and Revenue Effects of H.R. 3561, the PATIENT Act of 2023

As Ordered Reported by the House Committee on Energy and Commerce on May 24, 2023

		By Fiscal Year, Millions of Dollars												
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2023-2028	2023-2033
		Increases or Decreases (-) in Direct Spending												
Title I. Increasing Price Transparency to Lower Costs														
Sec. 103	Requiring a Separate Identification Number and an Attestation for Each Off-Campus Outpatient Department of a Provider													
	Estimated Budget Authority	0	0	0	-16	-35	-52	-67	-66	-62	-56	-49	-103	-403
	Estimated Outlays	0	0	0	-16	-35	-52	-67	-66	-62	-56	-49	-103	-403
Sec. 107	Oversight of Pharmacy Benefits Manager Services													
	Estimated Budget Authority	0	0	-3	-3	-3	-3	-3	-2	-2	-2	-1	-12	-22
	Estimated Outlays	0	0	-3	-3	-3	-3	-3	-2	-2	-2	-1	-12	-22
Title II. Supporting Patients, Health Care Workers, Community Health Centers, and Hospitals														
Sec. 201	Extension for Community Health Centers, the National Health Service Corps, and Teaching Health Centers That Operate GME Programs													
	Estimated Budget Authority	0	4,725	4,725	1,372	225	275	275	0	0	0	0	11,322	11,597
	Estimated Outlays	0	1,832	3,721	2,924	1,625	747	464	182	64	12	1	10,849	11,572
Sec. 202	Extension of Special Diabetes Programs													
	Estimated Budget Authority	0	340	340	86	0	0	0	0	0	0	0	766	766
	Estimated Outlays	0	94	304	290	54	17	6	1	0	0	0	759	766
Sec. 203	Delaying Certain Disproportionate Share Hospital Payment Reductions Under the Medicaid Program													
	Estimated Budget Authority	0	8,000	8,000	0	0	0	0	0	0	0	0	16,000	16,000
	Estimated Outlays	0	1,934	1,780	0	0	0	0	0	0	0	0	3,714	3,714
Sec. 204	Medicaid Improvement Fund													
	Estimated Budget Authority	0	0	0	0	0	-7,000	0	0	0	0	0	-7,000	-7,000
	Estimated Outlays	0	0	0	0	0	-2,206	-2,317	-2,430	-47	0	0	-2,206	-7,000

See also CBO's Cost Estimates Explained, www.cbo.gov/publication/54437; How CBO Prepares Cost Estimates, www.cbo.gov/publication/53519; and Glossary, www.cbo.gov/publication/42904.

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Title III. Reducing Health Care Costs														
Sec. 301	Increasing Transparency in Generic Drug Applications													
	Estimated Budget Authority	-3	-24	-66	-86	-90	-98	-87	-98	-101	-103	-118	-367	-874
	Estimated Outlays	-3	-24	-66	-86	-90	-98	-87	-98	-101	-103	-118	-367	-874
Sec. 302	Parity in Medicare Payments for Hospital Outpatient Department Services Furnished Off-Campus													
	Estimated Budget Authority	0	0	-51	-142	-254	-408	-452	-525	-587	-653	-756	-855	-3,828
	Estimated Outlays	0	0	-51	-142	-254	-408	-452	-525	-587	-653	-756	-855	-3,828
Sec. 303	Improving Transparency and Preventing the Use of Abusive Spread Pricing and Related Practices in Medicaid													
	Estimated Budget Authority	0	0	-35	-120	-176	-164	-152	-136	-118	-98	-86	-495	-1,085
	Estimated Outlays	0	0	-35	-120	-176	-164	-152	-136	-118	-98	-86	-495	-1,085
Sec. 304	Requirements With Respect to Cost Sharing for Highly Rebated Drugs													
	Estimated Budget Authority	0	18	28	29	30	31	32	33	35	37	39	136	312
	Estimated Outlays	0	18	28	29	30	31	32	33	35	37	39	136	312
Total Increases in Direct Spending														
	Estimated Budget Authority	-3	13,059	12,938	1,120	-303	-7,419	-454	-794	-835	-875	-971	19,392	15,463
	Estimated Outlays	-3	3,854	5,678	2,876	1,151	-2,136	-2,576	-3,041	-818	-863	-970	11,420	3,152

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		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2023-2028	2023-2033
Increases or Decreases (-) in Revenues														
Title I. Increasing Price Transparency to Lower Costs														
Sec. 103	Requiring a Separate Identification Number and an Attestation for Each Off-Campus Outpatient Department of a Provider													
	Revenues	0	0	0	74	171	257	329	326	293	256	213	502	1,919
	<i>On-Budget Revenues</i>	0	0	0	55	127	190	244	242	217	190	158	372	1,423
	<i>Off-Budget Revenues</i>	0	0	0	19	44	67	85	84	76	66	55	130	496
Sec. 107	Oversight of Pharmacy Benefits Manager Services													
	Revenues	0	0	235	344	340	319	294	264	231	195	153	1,238	2,375
	<i>On-Budget Revenues</i>	0	0	167	251	251	235	217	195	171	144	113	904	1,744
	<i>Off-Budget Revenues</i>	0	0	68	93	89	84	77	69	60	51	40	334	631
Title III. Reducing Health Care Costs														
Sec. 301	Increasing Transparency in Generic Drug Applications													
	Revenues	0	3	19	30	33	32	32	34	33	34	34	117	284
	<i>On-Budget Revenues</i>	0	2	14	22	24	24	24	25	24	26	25	86	210
	<i>Off-Budget Revenues</i>	0	1	5	8	9	8	8	9	9	8	9	31	74
Sec. 304	Requirements With Respect to Cost Sharing for Highly Rebated Drugs													
	Revenues	0	-43	-77	-94	-103	-109	-114	-120	-126	-133	-141	-426	-1,061
	<i>On-Budget Revenues</i>	0	-31	-56	-69	-76	-80	-85	-89	-94	-99	-104	-312	-783
	<i>Off-Budget Revenues</i>	0	-12	-22	-25	-27	-28	-30	-31	-33	-34	-36	-114	-278
Revenues														
	Total Revenues	0	-40	176	354	441	500	540	504	430	352	260	1,431	3,517
	<i>On-Budget Revenues</i>	0	-29	125	259	326	369	400	373	318	261	192	1,050	2,594
	<i>Off-Budget Revenues</i>	0	-11	51	95	115	131	140	131	112	91	68	381	923

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	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
	Net Increase or Decrease (-) in the Deficit												
	From Changes In Direct Spending and Revenues												
Estimated Changes in the Deficit	-3	3,894	5,502	2,522	710	-2,636	-3,116	-3,545	-1,248	-1,215	-1,230	9,989	-365
<i>On-Budget Deficit</i>	-3	3,883	5,553	2,617	825	-2,505	-2,976	-3,414	-1,136	-1,124	-1,162	10,370	558
<i>Off-Budget Deficit</i>	0	11	-51	-95	-115	-131	-140	-131	-112	-91	-68	-381	-923

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

Components may not sum to totals because of rounding. GME = graduate medical education; PBM = pharmacy benefit manager.

CBO and the staff of the Joint Committee on Taxation estimate that enacting several portions of the bill would have no effect on direct spending or revenues: section 101, Price Transparency Requirements; section 102, Strengthening Health Insurer Transparency Requirements; section 104, Mandatory Reporting With Respect to Certain Health-Related Ownership Information; section 105, Increasing Price Transparency of Clinical Diagnostic Laboratory Tests Under the Medicare Program; section 106, Promoting Transparency of Common Ownership Interests Under Parts C and D of the Medicare Program; and section 305, PBM Reporting and Increased Flexibility.

CBO has not completed an analysis of any effects on spending subject to appropriation.

H.R. 3561 would impose mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the aggregate cost of the mandates on private entities would exceed the private-sector threshold established in UMRA, but the cost of mandates on state, local, and tribal governments would fall below the threshold for intergovernmental mandates (those thresholds are \$198 million and \$99 million in 2023, respectively, adjusted annually for inflation).

Section 107 would impose private-sector mandates on PBMs by requiring them to provide specific information to sponsors of group health plans including costs, aggregate rebates, fees, use of prescription drugs, and cost sharing by enrollees. CBO expects such information would marginally improve the negotiating position of plan sponsors and therefore would reduce PBMs' revenue by approximately \$900 million in each of the first five years that the mandate is in effect.

The bill also would impose private-sector mandates by requiring health insurers to provide personalized pricing information, by limiting cost-sharing requirements for highly rebated drugs, and by requiring PBMs to report additional information to HHS.

The bill would impose intergovernmental and private-sector mandates on hospitals (including publicly owned hospitals) and other health care facilities by expanding an existing reporting requirement about the price of standard items and services and by requiring such facilities to report certain ownership and business information. CBO estimates the cost of the mandate to public entities would be small.