



**Estimated Direct Spending and Revenue Effects of H.R. 5378, the Lower Costs, More Transparency Act**

As posted on the website of the Clerk of the House on September 13, 2023

[https://docs.house.gov/billsthisweek/20230918/H5378\\_sus\\_xml.pdf](https://docs.house.gov/billsthisweek/20230918/H5378_sus_xml.pdf)

		By Fiscal Year, Millions of Dollars												
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2023-2028	2023-2033
<b>Increases or Decreases (-) in Direct Spending</b>														
<b>Title I. Improving Health Care Transparency</b>														
Sec. 106	Pharmacy Benefits Price Transparency													
	Estimated Budget Authority	0	0	0	-4	-4	-3	-3	-3	-2	-2	-2	-11	-23
	Estimated Outlays	0	0	0	-4	-4	-3	-3	-3	-2	-2	-2	-11	-23
Sec. 111	Implementation Funding													
	Budget Authority	0	25	0	0	0	0	0	0	0	0	0	25	25
	Estimated Outlays	0	5	4	4	4	4	4	0	0	0	0	21	25
<b>Title II. Reducing Health Care Costs for Patients</b>														
Sec. 201	Increasing Transparency in Generic Drug Applications													
	Estimated Budget Authority	0	-24	-66	-86	-90	-98	-87	-98	-101	-103	-118	-364	-871
	Estimated Outlays	0	-24	-66	-86	-90	-98	-87	-98	-101	-103	-118	-364	-871
Sec. 202	Improving Transparency and Preventing the Use of Abusive Spread Pricing and Related Practices in Medicaid													
	Estimated Budget Authority	0	0	-34	-119	-175	-163	-151	-136	-118	-97	-85	-491	-1,078
	Estimated Outlays	0	0	-34	-119	-175	-163	-151	-136	-118	-97	-85	-491	-1,078
Sec. 203	Parity in Medicare Payments for Hospital Outpatient Department Services Furnished Off-Campus													
	Estimated Budget Authority	0	0	-39	-123	-232	-381	-442	-526	-587	-653	-755	-775	-3,738
	Estimated Outlays	0	0	-39	-123	-232	-381	-442	-526	-587	-653	-755	-775	-3,738
Sec. 204	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



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		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2023-2028	2023-2033
<b>Title III. Supporting Patients, Health Care Workers, Community Health Centers, and Hospitals</b>														
Sec. 301	Extension for Community Health Centers, the National Health Service Corps, and Teaching Health Centers that Operate GME Programs													
	Estimated Budget Authority	0	4,925	4,925	1,422	225	300	300	300	0	0	0	11,797	12,397
	Estimated Outlays	0	1,910	3,879	3,043	1,687	778	492	304	195	76	15	11,297	12,379
Sec. 302	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	16	7	1	0	0	0	758	766
Sec. 303	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. 304	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
<b>Title IV. Increasing Access to Quality Health Data and Lowering Hidden Fees</b>														
Sec. 404	Implementation Funding													
	Budget Authority	0	12	0	0	0	0	0	0	0	0	0	12	12
	Estimated Outlays	0	2	2	2	2	2	2	0	0	0	0	10	12
<b>Total Increases in Direct Spending</b>														
	Estimated Budget Authority	0	13,278	13,126	1,160	-311	-7,397	-450	-529	-870	-911	-1,009	19,856	16,087
	Estimated Outlays	0	3,921	5,830	2,991	1,211	-2,103	-2,562	-2,954	-722	-835	-994	11,850	3,783



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		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2023-2028	2023-2033
<b>Increases or Decreases (-) in Revenues</b>														
<b>Title I. Improving Health Care Transparency</b>														
Sec. 106	Pharmacy Benefits Price Transparency													
	Revenues	0	0	0	285	388	369	344	316	284	250	211	1,042	2,447
	<i>On-Budget Revenues</i>	0	0	0	210	286	272	254	233	210	185	156	768	1,806
	<i>Off-Budget Revenues</i>	0	0	0	75	102	97	90	83	74	65	55	274	641
<b>Title II. Reducing Health Care Costs for Patients</b>														
Sec. 201	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. 204	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
<b>Title IV. Increasing Access to Quality Health Data and Lowering Hidden Fees</b>														
Sec. 403	Prescription Drug Price Information Requirement													
	Revenues	0	*	-3	-3	-4	-4	-4	-4	-4	-4	-4	-13	-34
	<i>On-Budget Revenues</i>	0	*	-2	-3	-3	-3	-3	-3	-3	-3	-3	-10	-25
	<i>Off-Budget Revenues</i>	0	*	-1	-1	-1	-1	-1	-1	-1	-1	-1	-4	-9

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	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2023-2028	2023-2033
<b>Revenues</b>													
<b>Total Revenues</b>	<b>0</b>	<b>3</b>	<b>17</b>	<b>386</b>	<b>588</b>	<b>654</b>	<b>701</b>	<b>672</b>	<b>606</b>	<b>536</b>	<b>454</b>	<b>1,648</b>	<b>4,616</b>
<i>On-Budget Revenues</i>	<i>0</i>	<i>2</i>	<i>12</i>	<i>285</i>	<i>434</i>	<i>483</i>	<i>519</i>	<i>497</i>	<i>448</i>	<i>398</i>	<i>336</i>	<i>1,216</i>	<i>3,414</i>
<i>Off-Budget Revenues</i>	<i>0</i>	<i>1</i>	<i>4</i>	<i>101</i>	<i>154</i>	<i>171</i>	<i>182</i>	<i>175</i>	<i>158</i>	<i>138</i>	<i>118</i>	<i>431</i>	<i>1,202</i>
<b>Net Increase or Decrease (-) in the Deficit From Changes In Direct Spending and Revenues</b>													
<b>Estimated Changes in the Deficit</b>	<b>0</b>	<b>3,918</b>	<b>5,814</b>	<b>2,605</b>	<b>623</b>	<b>-2,757</b>	<b>-3,263</b>	<b>-3,626</b>	<b>-1,328</b>	<b>-1,371</b>	<b>-1,448</b>	<b>10,202</b>	<b>-833</b>
<i>On-Budget Deficit</i>	<i>0</i>	<i>3,919</i>	<i>5,818</i>	<i>2,707</i>	<i>777</i>	<i>-2,586</i>	<i>-3,081</i>	<i>-3,451</i>	<i>-1,170</i>	<i>-1,233</i>	<i>-1,330</i>	<i>10,634</i>	<i>369</i>
<i>Off-Budget Deficit</i>	<i>0</i>	<i>-1</i>	<i>-4</i>	<i>-101</i>	<i>-154</i>	<i>-171</i>	<i>-182</i>	<i>-175</i>	<i>-158</i>	<i>-138</i>	<i>-118</i>	<i>-431</i>	<i>-1,202</i>

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; \* = between -\$500,000 and zero.

CBO and the staff of the Joint Committee on Taxation estimate that enacting sections 101, 102, 103, 104, 105, 107, 108, 109, 110, and 401 of H.R. 5378 would have no effect on direct spending or revenues.

Section 402 interacts with section 106. As a result, the PBM transparency requirements in section 402 would not have incremental effects on direct spending and revenues and are estimated to have no cost. CBO estimates that if section 402 was enacted by itself, the deficit would be \$1.3 billion smaller over the 2023-2033 period.

Section 403 would clarify the authority to prohibit PBM contracts that restrict pharmacists' ability to share information about drug prices in certain commercial insurance plans.

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

H.R. 5378 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 that 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, respectively, adjusted annually for inflation).

The bill would impose several private-sector mandates. PBMs would be required to provide sponsors of group health plans with specific information concerning costs, aggregate rebates, fees, use of prescription drugs, and cost sharing by enrollees. Health insurers would be required to provide personalized pricing information. Health plan fiduciaries would be required to provide expanded access to claims information. The bill also would expand requirements for the disclosure of fees. Finally, the bill would prohibit gag clauses from being imposed on pharmacies.

The bill would impose intergovernmental and private-sector mandates on hospitals (including publicly owned hospitals) and other health care facilities by expanding an existing requirement to publish the prices of standard items and services.