



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 December 5, 2023

<https://tinyurl.com/h2vpjp8a>

		By Fiscal Year, Millions of Dollars										2024-	2024-
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2028	2033
Increases or Decreases (-) in Direct Spending													
Title I. Improving Health Care Transparency													
Sec. 106	Pharmacy Benefits Price Transparency												
	Estimated Budget Authority	0	0	-4	-4	-3	-3	-3	-2	-2	-2	-11	-23
	Estimated Outlays	0	0	-4	-4	-3	-3	-3	-2	-2	-2	-11	-23
Sec. 111	Implementation Funding												
	Budget Authority	65	0	0	0	0	0	0	0	0	0	65	65
	Estimated Outlays	11	11	11	11	11	10	0	0	0	0	55	65
Title II. Reducing Health Care Costs for Patients													
Sec. 201	Increasing Transparency in Generic Drug Applications												
	Estimated Budget Authority	-24	-66	-86	-90	-98	-87	-98	-101	-103	-118	-364	-871
	Estimated Outlays	-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	-34	-119	-175	-163	-151	-136	-118	-97	-85	-491	-1,078
	Estimated Outlays	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	-39	-123	-232	-381	-442	-526	-587	-653	-755	-775	-3,738
	Estimated Outlays	0	-39	-123	-232	-381	-442	-526	-587	-653	-755	-775	-3,738



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		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2028	2033
Sec. 204	Requiring a Separate Identification Number and an Attestation for Each Off-Campus Outpatient Department of a Provider												
	Estimated Budget Authority	0	0	-16	-35	-52	-67	-66	-62	-56	-49	-103	-403
	Estimated Outlays	0	0	-16	-35	-52	-67	-66	-62	-56	-49	-103	-403
Title III. Supporting Patients, Health Care Workers, Community Health Centers, and Hospitals													
Sec. 301	Extension for Community Health Centers, the National Health Service Corps, and Teaching Health Centers that Operate GME Programs												
	Budget Authority	3,576	4,925	1,422	225	300	300	300	0	0	0	10,448	11,048
	Estimated Outlays	1,386	3,340	2,779	1,666	778	492	304	195	76	15	9,949	11,031
Sec. 302	Extension of Special Diabetes Programs												
	Budget Authority	249	340	86	0	0	0	0	0	0	0	675	675
	Estimated Outlays	68	249	252	83	15	6	2	0	0	0	667	675
Sec. 303	Delaying Certain Disproportionate Share Hospital Payment Reductions Under the Medicaid Program												
	Estimated Budget Authority	8,000	8,000	0	0	0	0	0	0	0	0	16,000	16,000
	Estimated Outlays	1,934	1,780	0	0	0	0	0	0	0	0	3,714	3,714
Sec. 304	Medicaid Improvement Fund												
	Budget Authority	0	0	0	0	-5,796	0	0	0	0	0	-5,796	-5,796
	Estimated Outlays	0	0	0	0	-1,827	-1,919	-2,012	-38	0	0	-1,827	-5,796



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Title IV. Increasing Access to Quality Health Data and Lowering Hidden Fees													
Sec. 404	Implementation Funding												
	Budget Authority	35	0	0	0	0	0	0	0	0	0	35	35
	Estimated Outlays	6	6	6	6	6	5	0	0	0	0	30	35
Total Increases in Direct Spending													
	Estimated Budget Authority	11,901	13,126	1,160	-311	-6,193	-450	-529	-870	-911	-1,009	19,683	15,914
	Estimated Outlays	3,381	5,247	2,700	1,230	-1,714	-2,156	-2,535	-713	-835	-994	10,844	3,611
Increases or Decreases (-) in Revenues													
Title I. Improving Health Care Transparency													
Sec. 106	Pharmacy Benefits Price Transparency												
	Revenues	0	0	251	342	325	304	279	251	220	185	918	2,157
	<i>On-Budget Revenues</i>	0	0	185	252	240	224	206	185	163	137	677	1,592
	<i>Off-Budget Revenues</i>	0	0	66	90	85	80	73	66	57	48	241	565
Title II. Reducing Health Care Costs for Patients													
Sec. 201	Increasing Transparency in Generic Drug Applications												
	Revenues	3	19	30	33	32	32	34	33	34	34	117	284
	<i>On-Budget Revenues</i>	2	14	22	24	24	24	25	24	26	25	86	210
	<i>Off-Budget Revenues</i>	1	5	8	9	8	8	9	9	8	9	31	74



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Sec. 204	Requiring a Separate Identification Number and an Attestation for Each Off-Campus Outpatient Department of a Provider												
	Revenues	0	0	74	171	257	329	326	293	256	213	502	1,919
	<i>On-Budget Revenues</i>	0	0	55	127	190	244	242	217	190	158	372	1,423
	<i>Off-Budget Revenues</i>	0	0	19	44	67	85	84	76	66	55	130	496
Title IV. Increasing Access to Quality Health Data and Lowering Hidden Fees													
Sec. 403	Prescription Drug Price Information Requirement												
	Revenues	*	-3	-3	-4	-4	-4	-4	-4	-4	-4	-13	-34
	<i>On-Budget Revenues</i>	*	-2	-3	-3	-3	-3	-3	-3	-3	-3	-10	-25
	<i>Off-Budget Revenues</i>	*	-1	-1	-1	-1	-1	-1	-1	-1	-1	-4	-9
Revenues													
	Total Revenues	3	17	352	542	610	661	635	573	506	428	1,524	4,326
	<i>On-Budget Revenues</i>	2	12	260	400	451	489	470	423	376	317	1,125	3,200
	<i>Off-Budget Revenues</i>	1	4	92	142	159	172	165	150	130	111	398	1,126

See also CBO's Cost Estimates Explained, www.cbo.gov/publication/56166; How CBO Prepares Cost Estimates, www.cbo.gov/publication/53519; and Glossary, www.cbo.gov/publication/42904.



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	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	3,378	5,231	2,348	688	-2,324	-2,817	-3,170	-1,286	-1,341	-1,422	9,320	-715
<i>On-Budget Deficit</i>	3,379	5,235	2,441	830	-2,165	-2,645	-3,005	-1,136	-1,211	-1,311	9,719	411
<i>Off-Budget Deficit</i>	-1	-4	-92	-142	-159	-172	-165	-150	-130	-111	-398	-1,126

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.

On September 14, 2023, CBO published an estimate for H.R. 5378, the Lower Costs, More Transparency Act, as posted on the website of the Clerk of the House on September 13, 2023. CBO estimated that enacting that version of the bill would reduce the federal deficit by \$833 million over the 2024-2033 period. Subsequent changes to the language reduced estimated direct spending by \$172 million, on net, and reduced estimated revenues by \$290 million over the 10-year period. (Changes to sections 106, 111, 304, and 404 increased direct spending by \$1,267 million and reduced revenues by \$290 million; changes to sections 301 and 302 reduced direct spending by \$1,439 million.)

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.

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 (in 2023 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 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.