



Proposals Affecting

**Health Programs in Budget Function 550**

The programs within budget function 550 provide health care services, health research and training, and consumer and occupational health services. The largest provide health insurance coverage:

- Medicaid is the main source of coverage for Americans who have very low income.
- Through the marketplaces established under the Affordable Care Act, eligible people may use premium tax credits to lower their out-of-pocket monthly premium contributions.
- The Federal Employees Health Benefits Program provides coverage to civilian federal employees and annuitants.
- The Department of Defense's Medicare-Eligible Retiree Health Care Fund provides Medicare wraparound coverage and pharmacy benefits to Medicare-eligible retirees of the uniformed services and their families through the TRICARE program.
- The Children's Health Insurance Program provides coverage for children in families whose income, although modest, is too high for them to qualify for Medicaid.

Budget function 550 also includes other programs:

- Food and Drug Administration
- National Institutes of Health
- Centers for Disease Control and Prevention
- Substance Abuse and Mental Health Services Administration
- Health Resources and Services Administration
- World Trade Center Health Program
- Postal Service Retiree Health Benefits Fund
- United Mine Workers of America Health Funds
- Agency for Healthcare Research and Quality
- Center for Medicare and Medicaid Innovation
- Public Health and Social Services Emergency Fund
- Prevention and Public Health Fund
- Consumer Product Safety Commission
- Indian Health Service



**Proposals Affecting  
 Health Programs in Budget Function 550**

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2034
Millions of dollars, by fiscal year											
<b>Increases or Decreases (-) in Direct Spending (Outlays)</b>											
<b>Medicaid and CHIP Proposals</b>											
Align Medicare Savings Program and Part D Low-Income Subsidy Eligibility Methodologies	103	225	374	540	575	620	666	717	776	827	<b>5,423</b>
Align Qualified Medicare Beneficiary Renewal Period With Other Medicaid Groups	0	0	0	0	0	0	0	0	0	0	<b>0</b>
Allow States to Provide 36-Month Continuous Eligibility for All Children in Medicaid and CHIP <sup>a</sup>	55	200	385	589	681	743	776	625	728	771	<b>5,553</b>
Allow States to Provide Continuous Eligibility Up to Age 6 in Medicaid and CHIP <sup>a</sup>	18	89	193	298	405	495	574	517	609	645	<b>3,843</b>
Apply Medicaid Drug Rebates to Separate CHIP Programs	-180	-224	-223	-229	-236	-243	-251	-258	1,276	24	<b>-544</b>
Convert Medicaid Demonstration to Improve Community Mental Health Services Into a Permanent Program	0	207	378	766	978	1,446	1,635	2,125	2,324	2,843	<b>12,702</b>
Eliminate the 190-day Lifetime Limit on Inpatient Psychiatric Facility Services <sup>b</sup>											
Budget Function 550	0	-39	-40	-41	-42	-44	-45	-47	-49	-51	<b>-398</b>
Budget Function 570	<u>0</u>	<u>280</u>	<u>333</u>	<u>367</u>	<u>353</u>	<u>387</u>	<u>408</u>	<u>428</u>	<u>477</u>	<u>479</u>	<b><u>3,512</u></b>
Total Outlays	0	241	293	326	311	343	363	381	428	428	<b>3,114</b>
Enhance Medicaid Managed Care Enforcement	-53	-113	-120	-126	-133	-141	-149	-157	-166	-175	<b>-1,333</b>
Increase Afghan Special Immigrant Visas by 20,000 <sup>b</sup>											
Budget Function 550	0	60	160	210	220	240	260	270	290	310	<b>2,020</b>
Budget Function 600	<u>5</u>	<u>50</u>	<u>120</u>	<u>145</u>	<u>135</u>	<u>140</u>	<u>140</u>	<u>150</u>	<u>155</u>	<u>155</u>	<b><u>1,195</u></b>
Total Outlays	5	110	280	355	355	380	400	420	445	465	<b>3,215</b>
Modify the Medicaid Drug Rebate Program in the Territories	0	0	0	0	0	0	0	0	0	0	<b>0</b>
Prohibit CHIP Enrollment Fees and Premiums <sup>a</sup>	1,034	1,059	1,084	1,113	1,143	1,169	1,202	-3,901	0	0	<b>3,903</b>



**Proposals Affecting Health Programs in Budget Function 550**

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2034
Millions of dollars, by fiscal year											
Reclassify Discretionary Nursing Home Survey and Certification Activities as Mandatory <sup>b</sup>											
Budget Function 550	0	0	0	0	0	0	0	0	0	0	0
Budget Function 570	<u>0</u>	<u>218</u>	<u>352</u>	<u>448</u>	<u>458</u>	<u>469</u>	<u>480</u>	<u>490</u>	<u>501</u>	<u>513</u>	<u>3,929</u>
Total Outlays	0	218	352	448	458	469	480	490	501	513	3,929
Require 12 Months of Medicaid Postpartum Coverage <sup>a</sup>	-4	-4	-5	-6	-5	-6	-6	-7	-7	-7	-57
Require Medicaid Adult and Home and Community-Based Services Quality Reporting	25	26	27	28	29	30	32	33	34	35	299
Require Remittance of Medical Loss Ratios for Medicaid and CHIP Managed Care Contracts	0	-15	-130	-257	-398	-403	-410	-415	-319	-408	-2,755
Treat Certain Populations as Refugees for Public Benefit Purposes <sup>b</sup>											
Budget Function 550	20	30	30	40	40	40	40	50	50	50	390
Budget Function 600	<u>15</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>330</u>
Total Outlays	35	65	65	75	75	75	75	85	85	85	720
<b>Private Health Insurance Proposals</b>											
Ban "Facility Fees" for Telehealth and Certain Outpatient Services in Commercial Insurance <sup>a, b</sup>											
On-Budget	0	0	-24	-51	-77	-97	-92	-83	-72	-60	-556
Off-Budget	<u>0</u>	<u>0</u>	<u>-1</u>	<u>-1</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-1</u>	<u>-1</u>	<u>-1</u>	<u>-11</u>
Total Outlays	0	0	-25	-52	-79	-99	-94	-84	-73	-61	-567
Establish OPM Trust Fund Authority for Postal Service Health Benefits and FEHB Enrollment Systems	0	37	45	51	54	55	56	57	59	60	474
Expand Family Member Eligibility Under FEDVIP	0	0	0	0	0	0	0	0	0	0	0
Expand FEDVIP to Certain Tribal Employers	0	0	0	0	0	0	0	0	0	0	0
Expand FEHB to Tribal Colleges and Universities	0	0	0	0	0	0	0	0	0	0	0
Improve Financial Management of Tribal FEHB Administrative Fee by Treating as Mandatory Authority	2	2	2	2	2	2	2	2	2	2	20



**Proposals Affecting Health Programs in Budget Function 550**

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2034
Millions of dollars, by fiscal year											
Permanently Extend Enhanced Premium Tax Credits <sup>a, b</sup>											
Budget Function 550	698	27,183	25,944	27,155	28,445	29,860	32,027	31,718	33,460	35,509	<b>271,999</b>
Budget Function 600	<u>-37</u>	<u>-468</u>	<u>-1,057</u>	<u>-1,286</u>	<u>-1,377</u>	<u>-1,397</u>	<u>-1,404</u>	<u>-1,424</u>	<u>-1,413</u>	<u>-1,462</u>	<b>-11,325</b>
Total Outlays	661	26,715	24,887	25,869	27,068	28,463	30,623	30,294	32,047	34,047	<b>260,674</b>
Preempt State and Local Taxation of FEDVIP Carriers to Align With FEHB Carriers	0	0	0	0	0	0	0	0	0	0	<b>0</b>
Provide Mandatory Funding for State Enforcement of Mental Health Parity Requirements	10	40	25	25	25	0	0	0	0	0	<b>125</b>
Reduce Insulin Cost Sharing in Commercial Plans <sup>a, b</sup>											
On-Budget	8	16	17	16	16	16	15	15	14	14	<b>147</b>
Off-Budget	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<b>10</b>
Total Outlays	9	17	18	17	17	17	16	16	15	15	<b>157</b>
Shorten FEDVIP Contract Terms to Allow Flexibility for New Carriers	0	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Proposals Affecting Other Programs in Budget Function 550</b>											
Extend Family-to-Family Health Information Centers	4	9	11	12	12	7	3	0	0	0	<b>58</b>
Extend Mandatory Spending for the Cancer Moonshot	478	1,216	912	189	29	29	29	14	0	0	<b>2,896</b>
Extend Teaching Health Center Graduate Medical Education	97	238	203	87	18	1	0	0	0	0	<b>644</b>
Increase Funding for the National Health Service Corps Program	285	601	458	164	11	0	0	0	0	0	<b>1,519</b>
Modernize Inpatient Psychiatric and Behavioral Health Facilities' Health Information Technology	0	420	450	80	25	15	0	0	0	0	<b>990</b>
Provide a Pathway to Double Funding for the Health Center Program <sup>c</sup>	2,194	2,247	4,099	3,084	1,428	75	0	0	0	0	<b>13,127</b>



**Proposals Affecting Health Programs in Budget Function 550**

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2034
Millions of dollars, by fiscal year											
Provide Authority for the Secretary to Collect and Expend Re-Survey Fees From Long-Term Care Facilities Within the Survey and Certification Program That Require a Revisit Survey	0	0	0	0	0	0	0	0	0	0	0
Provide CMS Program Management Implementation Funding	135	111	54	0	0	0	0	0	0	0	300
Provide Cybersecurity Support for Hospitals	0	0	0	0	0	0	0	0	0	0	0
Provide Grants to Community Mental Health Centers	0	112	361	456	440	440	413	413	413	413	3,461
Reauthorize the Special Diabetes Program for Indians (IHS)	78	263	189	0	0	0	0	0	0	0	530
Reauthorize the Special Diabetes Program for Type 1 Diabetes Research (NIH)	68	202	182	54	16	8	0	0	0	0	530
Refine the Quality Payment Program	0	0	0	0	0	0	0	0	0	0	0
Replenish and Extend the No Surprises Act Implementation Fund	101	120	130	110	39	0	0	0	0	0	500
Shift the IHS to Mandatory Spending	0	8,194	13,244	17,809	23,113	28,859	31,951	34,738	36,878	38,915	233,701
Strengthen Biodefense to Protect Against 21st Century Biothreats	3,503	6,500	3,181	2,363	2,127	1,376	389	121	34	0	19,594
Support CDC Community Violence Intervention Initiative	63	131	143	146	149	149	149	149	149	149	1,377
Transform Mental Health Care (Mental Health Transformation Fund)	0	270	740	600	260	130	0	0	0	0	2,000
<b>Total Changes in Direct Spending, Budget Function 550</b>	<b>8,742</b>	<b>49,413</b>	<b>52,479</b>	<b>55,277</b>	<b>59,389</b>	<b>64,871</b>	<b>69,266</b>	<b>66,696</b>	<b>76,483</b>	<b>79,866</b>	<b>582,482</b>
<b>Total Changes in Direct Spending, All Budget Functions<sup>b</sup></b>	<b>8,726</b>	<b>49,529</b>	<b>52,262</b>	<b>54,986</b>	<b>58,992</b>	<b>64,504</b>	<b>68,924</b>	<b>66,375</b>	<b>76,238</b>	<b>79,586</b>	<b>580,122</b>
<i>On-Budget</i>	8,725	49,528	52,262	54,986	58,993	64,505	68,925	66,375	76,238	79,586	580,123
<i>Off-Budget</i>	1	1	0	0	-1	-1	-1	0	0	0	-1



**Proposals Affecting Health Programs in Budget Function 550**

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2034
Millions of dollars, by fiscal year											
<b>Increases or Decreases (-) in Revenues</b>											
<b>Medicaid and CHIP Proposals</b>											
Allow States to Provide 36-Month Continuous Eligibility for All Children in Medicaid and CHIP <sup>a</sup>	5	29	83	127	144	155	161	42	136	142	<b>1,024</b>
<i>On-Budget</i>	4	22	65	100	114	122	127	35	108	113	<b>810</b>
<i>Off-Budget</i>	1	7	18	27	30	33	34	7	28	29	<b>214</b>
Allow States to Provide Continuous Eligibility Up to Age 6 in Medicaid and CHIP <sup>a</sup>	1	8	27	38	45	47	48	-22	32	33	<b>257</b>
<i>On-Budget</i>	1	6	22	31	37	40	41	-13	29	30	<b>224</b>
<i>Off-Budget</i>	0	2	5	7	8	7	7	-9	3	3	<b>33</b>
Prohibit CHIP Enrollment Fees and Premiums <sup>a</sup>	-263	-300	-319	-331	-343	-356	-370	739	0	0	<b>-1,543</b>
<i>On-Budget</i>	-189	-222	-238	-247	-256	-266	-277	615	0	0	<b>-1,080</b>
<i>Off-Budget</i>	-74	-78	-81	-84	-87	-90	-93	124	0	0	<b>-463</b>
Require 12 Months of Medicaid Postpartum Coverage <sup>a</sup>	3	3	3	3	3	4	4	4	4	4	<b>35</b>
<i>On-Budget</i>	2	2	2	2	2	3	3	3	3	3	<b>25</b>
<i>Off-Budget</i>	1	1	1	1	1	1	1	1	1	1	<b>10</b>
<b>Private Health Insurance Proposals</b>											
Authorize DOL to Impose Civil Monetary Penalties for Mental Health Parity and Addiction Equity Act Noncompliance <sup>d</sup>	0	4	5	5	5	5	6	6	6	6	<b>48</b>
<i>On-Budget</i>	0	4	5	5	5	5	6	6	6	6	<b>48</b>
<i>Off-Budget</i>	0	0	0	0	0	0	0	0	0	0	<b>0</b>
Ban "Facility Fees" for Telehealth and Certain Outpatient Services in Commercial Insurance <sup>a</sup>	0	0	85	193	288	370	368	331	285	235	<b>2,155</b>
<i>On-Budget</i>	0	0	63	143	214	275	274	247	212	175	<b>1,603</b>
<i>Off-Budget</i>	0	0	22	50	74	95	94	84	73	60	<b>552</b>
Permanently Extend Enhanced Premium Tax Credits <sup>a</sup>	491	3,776	-6,389	-7,361	-7,902	-8,043	-8,515	-9,829	-9,772	-10,325	<b>-63,869</b>
<i>On-Budget</i>	297	2,393	-9,289	-11,008	-11,969	-12,450	-13,296	-14,862	-15,218	-16,215	<b>-101,617</b>
<i>Off-Budget</i>	194	1,383	2,900	3,647	4,067	4,407	4,781	5,033	5,446	5,890	<b>37,748</b>
Reduce Insulin Cost Sharing in Commercial Plans <sup>a</sup>	0	-18	-49	-60	-62	-63	-66	-68	-70	-70	<b>-526</b>
<i>On-Budget</i>	0	-13	-36	-44	-46	-47	-49	-51	-52	-52	<b>-390</b>
<i>Off-Budget</i>	0	-5	-13	-16	-16	-16	-17	-17	-18	-18	<b>-136</b>



**Proposals Affecting  
Health Programs in Budget Function 550**

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025- 2034
Millions of dollars, by fiscal year											
<b>Total Changes in Revenues</b>	237	3,502	-6,554	-7,386	-7,822	-7,881	-8,364	-8,797	-9,379	-9,975	<b>-62,419</b>
<i>On-Budget</i>	115	2,192	-9,406	-11,018	-11,899	-12,318	-13,171	-14,020	-14,912	-15,940	<b>-100,377</b>
<i>Off-Budget</i>	122	1,310	2,852	3,632	4,077	4,437	4,807	5,223	5,533	5,965	<b>37,958</b>
<b>Net Increase or Decrease (-) in the Deficit From Changes in Direct Spending and Revenues</b>											
Net Effect on the Deficit <sup>b</sup>	8,489	46,027	58,816	62,372	66,814	72,385	77,288	75,172	85,617	89,561	<b>642,541</b>
<i>On-Budget</i>	8,610	47,336	61,668	66,004	70,892	76,823	82,096	80,395	91,150	95,526	<b>680,500</b>
<i>Off-Budget</i>	-121	-1,309	-2,852	-3,632	-4,078	-4,438	-4,808	-5,223	-5,533	-5,965	<b>-37,959</b>
<b>Memorandum: Nonscoreable Effects</b>											
Provide a Pathway to Double Funding for the Health Center Program <sup>c</sup>	-2,575	-2,825	1,020	1,140	530	155	35	0	0	0	<b>-2,520</b>

CDC = Centers for Disease Control and Prevention; CHIP = Children's Health Insurance Program; CMS = Centers for Medicare & Medicaid Services; DOL = Department of Labor; FEHB = Federal Employees Health Benefits Program; FEDVIP = Federal Employees Dental and Vision Insurance Program; HHS = Department of Health and Human Services; IHS = Indian Health Service; NIH = National Institutes of Health; OPM = Office of Personnel Management.

Estimates are relative to the June 2024 baseline.

The costs of most proposals would fall within budget function 550 (health). Some would fall within budget function 370 (commerce and housing credit), budget function 570 (Medicare), or budget function 600 (income security).

CBO has estimated only certain proposals in the President's budget request for fiscal year 2025; those estimates are included in this table.

The revenues and outlays of the Social Security trust funds and the net cash flow of the Postal Service are classified as off-budget.

- a. Proposal would affect direct spending and revenues, which are shown separately.
- b. Total includes effects outside budget function 550 (health).
- c. Scoreable effects are shown in the table; nonscoreable effects are shown in the memorandum. When providing budgetary information to the Congress, CBO adheres to laws and rules concerning the federal budget and to a set of principles that include 16 scorekeeping guidelines. Those guidelines address a range of budgetary situations and affect the way that CBO presents budgetary effects in cost estimates. Under the guidelines, when funding is provided for program management activities in authorizing legislation, CBO is required to exclude any resulting savings from estimates used to enforce budgetary rules—they are nonscoreable—only the costs of implementing a provision are counted.

For more information, see Congressional Budget Office, *CBO Explains Budgetary Scorekeeping Guidelines* (January 2021), [www.cbo.gov/publication/56507](http://www.cbo.gov/publication/56507).

- d. Effects on revenues are shown in the table; this proposal would not affect spending.