



Proposals Affecting

Medicare

Medicare is the federal health insurance program for people who are 65 or older, for younger people with certain disabilities, and for certain people with end-stage renal disease. The program has three principal components: Part A (Hospital Insurance), Part B (Medical Insurance, which covers doctors' services, outpatient care, and other medical services), and Part D (which covers outpatient prescription drugs). Part A benefits are paid from the Hospital Insurance Trust Fund (funded largely through payroll taxes); Part B and Part D benefits are paid from the Supplementary Medical Insurance Trust Fund (about 25 percent funded by premiums paid by enrollees and about 75 percent funded from general revenues).



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	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2034
Millions of dollars, by fiscal year											
Increases or Decreases (-) in Direct Spending (Outlays)											
Provide Cybersecurity Support for Hospitals	0	0	168	348	317	260	149	32	10	4	1,288
Eliminate the 190-Day Lifetime Limit on Inpatient Psychiatric Facility Services ^a	0	280	333	367	353	387	408	428	477	479	3,512
Extend Sequestration Under BBEDCA Section 251(a) ^a	0	0	0	0	0	0	0	0	-18,930	-27,510	-46,440
Increase CMS Program Integrity by Increasing Mandatory HCFAC Program Funding ^b	115	213	314	353	375	388	397	406	415	417	3,393
Limit Medicare Part D Cost Sharing on High-Value Generic Drugs to \$2	0	0	*	*	*	*	*	*	*	*	*
Provide Authority for the Secretary of HHS to Collect and Expand Resurvey Fees from LTC Facilities Within the Survey and Certification Program That Require a Revisit Survey	0	0	0	0	0	0	0	0	0	0	0
Reauthorize Medicare Improvements for Patients and Providers Act	50	50	50	50	50	0	0	0	0	0	250
Reclassify Discretionary Nursing Home Survey and Certification Activities as Mandatory ^a	0	218	352	448	458	469	480	490	501	513	3,929
Require Medicare to Cover Three Behavioral Health Visits Without Cost Sharing	0	154	247	271	260	285	299	313	348	349	2,526
Refine the Quality Payment Program: Measure Development Funding for That Program	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	50
Net Effect on the Deficit From Direct Spending	175	925	1,474	1,847	1,823	1,789	1,733	1,669	-17,179	-25,748	-31,492

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	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2034
Memorandum: Cross-Cutting Policies											
Eliminate the 190-Day Lifetime Limit on Inpatient Psychiatric Facility Services											
Medicare	0	280	333	367	353	387	408	428	477	479	3,512
Medicaid	0	-39	-40	-41	-42	-44	-45	-47	-49	-51	-398
Total Outlays	0	241	293	326	311	343	363	381	428	428	3,114
Extend Sequestration Under BBEDCA Section 251(a)											
Medicare	0	0	0	0	0	0	0	0	-18,930	-27,510	-46,440
Other	0	0	0	0	0	0	0	-2,122	-2,710	-1,924	-6,756
Total Outlays	0	0	0	0	0	0	0	-2,122	-21,640	-29,434	-53,196
Reclassify Discretionary Nursing Home Survey and Certification Activities as Mandatory											
Medicare	0	218	352	448	458	469	480	490	501	513	3,929
Medicaid	0	0	0	0	0	0	0	0	0	0	0
Total Outlays	0	218	352	448	458	469	480	490	501	513	3,929
Memorandum: Nonscoreable Effects											
Nonscoreable Effect of Increased HCFAC Funding	-43	-123	-241	-374	-471	-537	-568	-587	-602	-613	-4,159

Components may not sum to totals because of rounding; BBEDCA = Balanced Budget and Emergency Deficit Control Act of 1985; CMS = Centers for Medicare & Medicaid Services; HCFAC = Health Care Fraud and Abuse Control; HHS = Health and Human Services; LTC = long-term care; * = between -\$500,000 and \$500,000.

CBO's estimates are relative to the June 2024 baseline.

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

Estimates for Medicare provisions include interactions with Medicare Advantage payments and the effect on Medicare Part B premiums.

- a. Effects on Medicare are shown in the table; effects on other programs are shown in the memorandum.
- b. Scoreable effects are shown in the table. The 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.