

CBO Estimate of Medicare Proposals in the President's Budget for Fiscal Year 2009

Figures are outlays, by fiscal year, in BILLIONS of dollars. Costs or savings of less than \$50 million are shown with an asterisk.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008- 2013	2008- 2018
Part A Policies													
Hospital inpatient update: freeze 2009-2011; MB-0.65 percent thereafter	0	-2.1	-4.5	-7.3	-8.5	-9.6	-11.0	-12.5	-14.2	-16.0	-18.1	-32.0	-103.8
SNF update: freeze 2009-2011; MB-0.65 percent thereafter	0	-0.4	-1.0	-1.7	-2.0	-2.3	-2.7	-3.0	-3.4	-3.9	-4.4	-7.4	-24.9
Hospice update: freeze 2009-2011; MB-0.65 percent thereafter	0	-0.3	-0.6	-1.0	-1.1	-1.3	-1.5	-1.7	-1.9	-2.2	-2.4	-4.3	-14.0
IRF: reinstate regulation; update: freeze 2010-2011; MB-0.65 percent thereafter	0	-0.2	-0.4	-0.6	-0.7	-0.8	-0.9	-1.0	-1.1	-1.2	-1.4	-2.6	-8.0
LTCH: reinstate regulation; update: freeze 2009-2011; MB-0.65 percent thereafter	0	-0.3	-0.5	-0.4	-0.5	-0.5	-0.6	-0.7	-0.7	-0.8	-0.9	-2.1	-5.8
Align payments to SNFs and IRFs for certain conditions	0	-0.2	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-1.5	-3.8
Expand set of "never events"	0	*	*	0	0	0	0	0	0	0	0	*	*
Eliminate duplicate IME payments to teaching hospitals for MA enrollees	0	-1.2	-1.5	-1.5	-1.3	-1.5	-1.6	-1.7	-2.0	-2.0	-1.9	-7.0	-16.1
Hospital value-based purchasing program	0	0	-0.1	-0.3	-0.4	-0.5	-0.5	-0.5	-0.6	-0.6	-0.6	-1.3	-4.0
Reduce capital payments by 5 percent	0	-0.3	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5	-0.6	-2.0	-4.5
Reduce DSH payments 30 percent (phased in over 2 years)	0	-1.2	-3.3	-3.6	-3.7	-3.9	-4.2	-4.4	-4.7	-5.0	-5.3	-15.6	-39.1
Reduce IME payment factor to 2.2 percent (phased in over 3 years)	0	-1.0	-2.0	-3.1	-3.4	-3.6	-3.8	-4.0	-4.3	-4.6	-4.8	-13.0	-34.5
Part B Policies													
Hospital outpatient update: freeze 2009-2011; MB-0.65 percent thereafter	0	-0.7	-1.3	-1.9	-2.2	-2.5	-2.9	-3.4	-3.9	-4.4	-5.1	-8.5	-28.2
Ambulance update: freeze 2009-2011; CPI-0.65 percent thereafter	0	-0.1	-0.1	-0.2	-0.3	-0.3	-0.4	-0.5	-0.5	-0.6	-0.7	-1.1	-3.7
ASC update: freeze 2010-2011; CPI-0.65 percent thereafter	0	0	0.0	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.3	-0.3	-1.4
Clinical laboratory services: competitive bidding	0	0	-0.1	-0.2	-0.4	-0.5	-0.5	-0.6	-0.6	-0.7	-0.7	-1.2	-4.2
Power wheelchairs: cap rental period at 13 months	0	-0.3	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.8	-1.3
Oxygen: cap rental period for concentrators at 13 months	0	-0.4	-0.6	-0.7	-0.9	-1.0	-1.2	-1.3	-1.4	-1.5	-1.7	-3.6	-10.6
Provisions affecting Parts A and B													
HHA update: freeze 2009-2013; MB-0.65 percent thereafter	0	-0.3	-1.0	-1.7	-2.6	-3.7	-4.6	-5.3	-6.1	-7.1	-8.2	-9.3	-40.5
Eliminate bad debt (phase in over four years)	0	-0.2	-0.5	-1.0	-1.5	-2.1	-2.5	-2.7	-2.9	-3.1	-3.3	-5.3	-19.9
Limit mandamus jurisdiction	0	*	*	*	*	*	*	*	*	*	*	0.0	0.0
Modify QIO Program	0	0	0	0	0	0	0	0	0	0	0	0	0
Extend MSP status to 60 months for ESRD beneficiaries with LGHP coverage	0	*	-0.1	-0.2	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.9	-2.4
Modify payments for dialysis services	0	*	*	-0.1	-0.2	-0.3	-0.4	-0.4	-0.5	-0.5	-0.6	-0.7	-3.2
Medical Malpractice	0	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.6	-0.6	-2.2	-4.8
Sequester	0	0	0	0	0	0	0	0	0	0	0	0	0
Premium Policies													
Eliminate annual indexing of Part B income-related premium	0	-0.1	-0.5	-0.7	-1.1	-1.5	-1.9	-2.3	-2.8	-3.4	-4.0	-3.9	-18.4
Part D income-related premium	0	-0.1	-0.4	-0.5	-0.7	-0.9	-1.2	-1.5	-1.8	-2.3	-2.8	-2.6	-12.1
Extend QI program through 2009; apply regular FMAP	0.1	0.2	0.0	0	0	0	0	0	0	0	0	0.2	0.2
Interactions													
Medicare Advantage interactions	0	0	-4.4	-6.7	-8.3	-9.4	-10.7	-11.9	-13.2	-14.8	-16.4	-28.8	-95.9
Premium interactions	0	0.5	1.0	1.6	2.0	2.5	2.9	3.2	3.6	4.0	4.5	7.6	25.9
Total, Changes in Direct Spending	0.1	-9.2	-23.0	-33.3	-39.2	-45.4	-51.7	-57.9	-65.1	-72.8	-81.2	-150.0	-478.7

(Continued)

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008- 2013	2008- 2018
Memorandum:													
Components of the Part B income-related premium policy													
Income-related Part B premiums	0	-0.1	-0.4	-0.7	-1.0	-1.4	-1.7	-2.2	-2.6	-3.1	-3.7	-3.6	-16.9
Benefits and basic premiums for beneficiaries who decline Part B	0	*	*	*	-0.1	-0.1	-0.1	-0.2	-0.2	-0.3	-0.3	-0.3	-1.5
Components of the Part D income-related premium policy													
Income-related Part D premiums	0	-0.1	-0.2	-0.3	-0.4	-0.5	-0.7	-0.9	-1.2	-1.5	-1.8	-1.4	-7.5
Benefits and basic premiums for beneficiaries who decline Part D	0	-0.1	-0.2	-0.3	-0.3	-0.4	-0.5	-0.6	-0.7	-0.8	-1.0	-1.2	-4.6

Abbreviations:

ASC = ambulatory surgical center, CPI = consumer price index for urban consumers, DSH = disproportionate share hospital, ESRD = end-stage renal disease (kidney failure), FMAP = federal medical assistance percentage (Medicaid match rate), HHA = home health agency, IME = indirect medical education, IRF = inpatient rehabilitation facility, LGHP = large-group health plan, LTCH = long-term care hospital, MA = Medicare Advantage, MB = market basket (of input prices), MSP = Medicare secondary payer, QI = qualifying individual, QIO = quality improvement organization, SNF = skilled nursing facility.

Notes:

1. The change in budget authority would equal the change in outlays for all proposals.
2. Components may not add to totals because of rounding.