

CBO Estimate of Medicare Proposals in the President's Budget for Fiscal Year 2008

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2007-2012	2007-2017
Part A Proposals													
Hospital inpatient update: Permanent MB minus 0.65 percent	0	-0.6	-1.1	-1.8	-2.5	-3.3	-4.1	-5.1	-6.2	-7.5	-8.8	-9.3	-41.0
Hospice update: Permanent MB minus 0.65 percent	0	-0.1	-0.1	-0.2	-0.3	-0.4	-0.5	-0.7	-0.8	-1.0	-1.1	-1.2	-5.3
SNF update: Freeze in 2008, permanent MB minus 0.65 percent update, beginning 2009	0	-0.4	-0.7	-0.8	-1.0	-1.2	-1.5	-1.8	-2.1	-2.4	-2.8	-4.2	-14.7
IRF update: Freeze in 2008, permanent MB minus 0.65 percent update, beginning 2009	0	-0.2	-0.2	-0.3	-0.4	-0.4	-0.5	-0.6	-0.7	-0.9	-1.0	-1.5	-5.2
Align payments to SNFs & IRFs for certain conditions	0	-0.5	-0.5	-0.5	-0.6	-0.6	-0.7	-0.7	-0.8	-0.8	-0.9	-2.7	-6.6
No payment for "never" events	0	*	*	*	*	*	*	*	*	*	*	-0.1	-0.3
Eliminate double payment for indirect medical education	0	-0.5	-0.8	-1.0	-1.3	-1.6	-1.9	-2.3	-2.7	-3.1	-3.4	-5.2	-18.6
Hospital pay-for-performance (carve-out of outlier payments)	0	0	0	0	0	0	0	0	0	0	0	0	0
Limit mandamus jurisdiction	0	0	*	*	*	*	*	*	*	*	*	0.1	0.2
Part B Proposals													
Hospital outpatient update: Permanent MB minus 0.65 percent	0	-0.1	-0.3	-0.5	-0.7	-1.0	-1.3	-1.6	-2.0	-2.4	-2.9	-2.6	-12.9
Ambulance update: Permanent CPI minus 0.65 percent	0	*	*	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.3	-0.4	-0.3	-1.6
Ambulatory surgical center update: Permanent CPI minus 0.65 percent, beginning 2010	0	0	0	*	*	*	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.5
Clinical laboratories: Competitive bidding (phase in over 4 years)	0	0	-0.1	-0.2	-0.4	-0.5	-0.5	-0.6	-0.6	-0.7	-0.7	-1.1	-4.1
Powered wheelchairs: Eliminate first-month purchase option	0	-0.3	-0.1	*	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.6	-1.0
Oxygen: Cap rental of concentrators at 13 months	0	-0.1	-0.2	-0.4	-0.6	-0.7	-0.8	-0.9	-1.0	-1.1	-1.2	-1.9	-6.9
Proposals Affecting Part A and Part B													
Home health update: Freeze in 2008 through 2012; permanent MB minus 0.65 percent, beginning 2013	0	-0.3	-0.8	-1.4	-2.1	-2.9	-3.5	-4.1	-4.7	-5.4	-6.2	-7.5	-31.4
Clearinghouse for secondary payer information	0	*	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.5	-1.3
Across-the-board reduction in updates when funding from general revenue exceeds 45 percent of spending	0	0	0	0	0	0	0	0	0	-1.4	-3.0	0	-4.5
Eliminate payment for bad debt (phase in over 4 years)	0	-0.3	-0.8	-1.1	-1.4	-1.8	-2.0	-2.2	-2.3	-2.5	-2.6	-5.4	-16.9
Extend MSP to 60 months for certain beneficiaries with ESRD	0	*	-0.1	-0.2	-0.2	-0.2	-0.2	-0.3	-0.3	-0.3	-0.4	-0.7	-2.2
Premium Proposals													
Eliminate indexing of thresholds for Part B income-related premium	0	-0.2	-0.5	-0.8	-1.2	-1.6	-2.0	-2.4	-2.9	-3.6	-4.2	-4.3	-19.4
Establish income-related premium for Part D	0	-0.1	-0.4	-0.6	-0.8	-1.0	-1.3	-1.6	-1.9	-2.3	-2.8	-2.8	-12.5
Premium assistance for qualifying individuals	0	0.4	0.1	0	0	0	0	0	0	0	0	0.5	0.5
Interactions													
Medicare Advantage interactions	0	0	-1.2	-2.0	-2.8	-3.7	-4.5	-5.2	-6.0	-7.0	-7.9	-9.7	-40.2
Premium interactions	0	0.1	0.5	0.8	1.1	1.5	1.8	2.0	2.3	2.6	3.0	4.0	15.8
Total Changes in Direct Spending	0	-3.4	-7.5	-11.2	-15.4	-19.7	-23.9	-28.3	-33.1	-40.3	-47.7	-57.2	-230.5

Abbreviations:

CPI = consumer price index for urban consumers; ESRD = end-stage renal disease (kidney failure); IRF = inpatient rehabilitation facility; MB = market basket (of input prices); MSP = Medicare secondary payer; 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.