

CBO Estimates of Medicaid and SCHIP Proposals in the President's Budget for Fiscal Year 2008

Figures are federal outlays by fiscal year, in millions of dollars. Costs or savings of less than \$500,000 are shown with an asterisk.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2007-12	2007-17
SCHIP reauthorization proposals /1/													
SCHIP	735	939	1,550	757	1,158	1,059	1,138	1,309	1,285	1,391	1,415	6,198	12,736
Medicaid interaction	-287	-601	-860	-558	-771	-755	-782	-848	-873	-924	-957	-3,832	-8,216
Subtotal	448	338	690	199	387	304	356	461	412	467	458	2,366	4,520
Match rate proposals													
Uniform 50% rate for administration	0	-1,160	-1,420	-1,810	-1,930	-2,060	-2,190	-2,330	-2,490	-2,650	-2,820	-8,380	-20,860
Apply 50% rate to all TCM services	0	-225	-245	-270	-300	-330	-365	-400	-470	-500	-530	-1,370	-3,635
Subtotal	0	-1,385	-1,665	-2,080	-2,230	-2,390	-2,555	-2,730	-2,960	-3,150	-3,350	-9,750	-24,495
Prescription drug proposals													
Reduce FUL to 150% of lowest AMP	0	-325	-400	-450	-500	-550	-625	-675	-750	-825	-925	-2,225	-6,025
Allow states to have closed formularies	0	-10	-20	-35	-50	-60	-65	-70	-80	-90	-100	-175	-580
Require tamper-resistant prescription pads	0	-15	-30	-35	-35	-35	-40	-40	-40	-40	-45	-150	-355
Replace best price with flat rebate	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	0	-350	-450	-520	-585	-645	-730	-785	-870	-955	-1,070	-2,550	-6,960
Reduce payments for administrative costs assumed in TANF block grant													
	0	-280	-320	-390	-390	-390	-390	-390	-390	-390	-390	-1,770	-3,720
Asset verification demonstration project													
	0	-50	-80	-100	-110	-120	-130	-140	-150	-170	-180	-460	-1,230
Set performance targets for estate recovery													
	0	0	0	0	-170	-180	-200	-220	-240	-260	-280	-350	-1,550
Set limit on allowable home equity at \$500,000													
	0	-70	-75	-80	-90	-100	-110	-120	-130	-150	-170	-415	-1,095
Extend TMA through end of FY 2008													
Medicaid	0	470	468	28	-1	*	-1	*	*	*	0	965	963
SCHIP	0	-6	-4	2	2	*	4	*	*	1	0	-6	*
Subtotal	0	464	464	30	1	*	3	*	*	1	0	959	963
Extend QI provision through end of FY 2008													
Medicaid	0	76	-76	0	0	0	0	0	0	0	0	0	0
Medicare	0	293	47	0	0	0	0	0	0	0	0	340	340
Subtotal	0	369	-29	0	0	0	0	0	0	0	0	340	340
Expand use of third-party recovery													
	0	-40	-45	-45	-50	-55	-60	-65	-70	-75	-80	-235	-585
SSI-related proposals													
Extend SSI eligibility for certain refugees	0	5	4	3	0	0	0	0	0	0	0	12	12
Funding for disability reviews /2/	0	-48	-402	-570	-301	-181	-160	-143	-130	-116	-104	-1,502	-2,155
Subtotal	0	-43	-398	-567	-301	-181	-160	-143	-130	-116	-104	-1,490	-2,143
Total, all proposals	448	-1,047	-1,908	-3,553	-3,538	-3,757	-3,976	-4,132	-4,527	-4,798	-5,166	-13,355	-35,954

Memorandum: spending changes by program

Medicaid	-287	-2,273	-3,501	-4,312	-4,698	-4,816	-5,118	-5,441	-5,813	-6,190	-6,581	-19,887	-49,030
Medicare	0	293	47	0	0	0	0	0	0	0	0	340	340
SCHIP	735	933	1,546	759	1,160	1,059	1,142	1,309	1,285	1,392	1,415	6,192	12,736

Abbreviations:

AMP = average manufacturer price; FUL = federal upper limit; QI = qualifying individual; SCHIP = State Children's Health Insurance Program; SSI = Supplemental Security Income; TANF = Temporary Assistance for Needy Families; TCM = targeted case management; TMA = transitional medical assistance

Notes:

- /1/ The administration proposes to reauthorize SCHIP for five years and make the following changes to the program: (a) increase funding by \$277 million in 2009 and by \$1.5 billion in each of fiscal years 2010 through 2012, (b) shorten the availability of funds prior to redistribution from the current three years to one year, and (c) use the lower Medicaid match rate for spending on all adults other than pregnant women and on children and pregnant women with income greater than 200 percent of the federal poverty level. Consistent with statutory guidelines, CBO assumes in its estimate that funding for the program in later years would continue at the proposed 2012 level of \$6.5 billion.
- /2/ These savings would not be scoreable because they would occur after the appropriation of additional funds for fiscal year 2008, and under scorekeeping guideline #3, such changes in mandatory spending cannot be scored to the appropriation act unless that act includes a substantive change in the mandatory spending program.
- /3/ All figures reflect changes in Medicaid spending unless otherwise noted.
- /4/ The change in budget authority for the proposals would be equal to the change in outlays for Medicaid and Medicare spending. For SCHIP, the change in budget authority would equal zero in 2007 and 2008, \$277 million in 2009, and \$1.512 billion in all subsequent years.
- /5/ Components may not sum to totals because of rounding.