

CBO Estimates of Medicaid, SCHIP, and State Grants and Demonstrations in the President's FY09 Budget

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008-13	2008-18
State Children's Health Insurance Program (SCHIP) reauthorization /1/													
SCHIP	0	499	1,994	2,668	3,167	3,608	3,824	4,198	4,667	5,052	5,450	11,936	35,127
Medicaid interaction	0	174	619	498	492	569	753	890	1,053	1,255	1,514	2,352	7,818
Outreach (State Grants and Demonstrations)	0	13	45	75	90	98	75	35	15	5	0	320	450
Subtotal	0	686	2,658	3,241	3,749	4,275	4,652	5,123	5,735	6,312	6,964	14,608	43,395
Proposals to change the Federal Medical Assistance Percentage (FMAP)													
Limit FMAP to 50 percent for administration	0	-1,220	-1,480	-1,880	-2,000	-2,140	-2,290	-2,440	-2,610	-2,790	-2,980	-8,720	-21,830
Apply FMAP rate to family planning services	0	-635	-715	-790	-870	-945	-960	-970	-980	-990	-1,000	-3,955	-8,855
Apply FMAP rate to Qualifying Individual (QI) program	0	-32	32	0	0	0	0	0	0	0	0	*	*
Limit FMAP to 50 percent rate to TCM services	0	-240	-265	-290	-320	-355	-390	-430	-505	-535	-570	-1,470	-3,900
Subtotal	0	-2,127	-2,428	-2,960	-3,190	-3,440	-3,640	-3,840	-4,095	-4,315	-4,550	-14,145	-34,585
Reduce Federal Upper Limit (FUL) to 150 % of AMP	0	-375	-550	-625	-700	-775	-850	-950	-1,050	-1,150	-1,250	-3,025	-8,275
Reduce payments for common administrative costs	0	-280	-320	-390	-390	-390	-390	-390	-390	-390	-390	-1,770	-3,720
Extend transitional medical assistance (TMA) through end of FY 2009 (includes SCHIP effects)	-14	566	580	36	0	*	4	1	1	2	-29	1,169	1,147
Other Medicaid proposals													
Allow states to require enrollment in managed care	0	-10	-30	-80	-110	-160	-240	-280	-320	-370	-420	-390	-2,020
Permit states benefit flexibility for certain populations	0	35	75	120	135	150	165	185	205	225	250	515	1,545
Maintain limit on allowable home equity at \$500K	0	-70	-80	-90	-100	-100	-110	-130	-150	-180	-210	-440	-1,220
Extend QI provision through end of FY 2009 /2/	0	75	-75	0	0	0	0	0	0	0	0	0	0
Expand use of third-party recovery	0	-65	-65	-70	-80	-85	-95	-100	-110	-120	-135	-365	-925
Modify asset verification demonstration project	0	-70	-90	-100	-110	-200	-250	-290	-310	-340	-370	-570	-2,130
Implement Medicaid estate recovery incentives	0	0	0	0	-140	-150	-170	-180	-200	-220	-240	-290	-1,300
Require state participation in PARIS	0	-10	-10	-15	-15	-15	-15	-15	-20	-20	-20	-65	-155
Mandate National Correct Coding Initiative	0	-5	-10	-20	-30	-40	-50	-60	-75	-85	-90	-105	-465
Increase flexibility for premium assistance	0	20	40	60	80	90	100	100	110	120	120	290	840
Medicaid effect of SSI refugee proposal	0	4	3	3	0	0	0	0	0	0	0	10	10
Subtotal	0	-96	-242	-192	-370	-510	-665	-770	-870	-990	-1,115	-1,410	-5,820
Interactions with health insurance and tax proposals													
Medical malpractice	0	-93	-101	-109	-118	-128	-138	-149	-161	-174	-188	-550	-1,360
Replace employer tax exclusion	0	-390	-767	-1,129	-1,478	-1,451	-1,425	-1,399	-1,374	-1,349	-1,325	-5,215	-12,087
Subtotal	0	-484	-868	-1,238	-1,596	-1,579	-1,563	-1,548	-1,535	-1,523	-1,513	-5,765	-13,447
High-risk pool (State Grants and Demonstrations)	0	38	75	38	0	0	0	0	0	0	0	150	150
Total, all proposals	-14	-2,073	-1,095	-2,091	-2,497	-2,419	-2,452	-2,374	-2,204	-2,054	-1,883	-10,188	-21,155

Continued

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008-13	2008-18
Memorandum:													
Spending changes by program													
Medicaid	-3	-2,610	-3,208	-4,871	-5,754	-6,125	-6,356	-6,609	-6,887	-7,113	-7,309	-22,571	-56,845
SCHIP	-11	487	1,993	2,668	3,167	3,609	3,829	4,200	4,668	5,054	5,426	11,913	35,090
Outreach grants	0	13	45	75	90	98	75	35	15	5	0	320	450
High-risk pools	0	38	75	38	0	0	0	0	0	0	0	150	150
Total	-14	-2,073	-1,095	-2,091	-2,497	-2,419	-2,452	-2,374	-2,204	-2,054	-1,883	-10,188	-21,155
Medicare effects of QI provision /2/	60	155	23	0	0	0	0	0	0	0	0	237	237
Medicaid effect of SSI program integrity proposal /3/	0	-23	-105	-205	-239	-271	-260	-248	-257	-227	-193	-843	-2,028

Notes:

TCM = targeted case management; AMP = average manufacturer price; PARIS = Public Assistance Reporting Information System; SSI = Supplemental Security Income;

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 2008, \$1.5 billion in 2009, \$19.7 billion over the 2009-13 period, and \$47 billion over the 2009-18 period. For State Grants and Demonstrations, the change in budget authority would equal zero in 2008, \$125 million in 2009 and \$600 million over the 2009-2013 period.

Components may not sum to totals because of rounding.

/1/ The administration proposes to reauthorize SCHIP for five years and make the following changes to the program: (a) increase funding by \$19.7 billion between 2009 and 2013, (b) provide outreach grants totaling \$450 million between 2009 and 2013, and (c) make other changes limiting eligibility. Consistent with statutory guidelines, CBO assumes in its estimate that funding for the program in later years would continue at the proposed 2013 level of \$10.5 billion.

/2/ Medicare reimburses Medicaid for the full cost of the Medicare Part B premium for certain low income beneficiaries.

/3/ Per Scorekeeping Guideline #14, no increase in receipts or decrease in direct spending will be scored as a result of provisions of a law that provides direct spending for administration or program management activities.