



CONGRESSIONAL BUDGET OFFICE  
U.S. CONGRESS  
WASHINGTON, DC 20515

Dan L. Crippen  
Director

February 10, 2000

Honorable Don Nickles  
Assistant Majority Leader  
United States Senate  
Washington, DC 20510

Dear Senator:

At the request of several Members, the Congressional Budget Office is preparing cost estimates for S. 1344, the Patients' Bill of Rights Act, as passed by the Senate, and the Bipartisan Consensus Managed Care Improvement Act, contained within H.R. 2990, as passed by the House.

Although CBO and the Joint Committee on Taxation have not yet completed estimates of the budgetary effects of those bills, CBO has estimated their long-run effects on the premiums for employer-sponsored health plans. We estimate that enacting S. 1344 would increase such premiums by an average of 1.3 percent, and that enacting H.R. 2990 would increase premiums by an average of 4.1 percent. The attached tables delineate the impact on premiums of various provisions of the two bills.

I hope this information is helpful to you. The CBO staff contacts are Tom Bradley and Judith Wagner. We expect to transmit the completed cost estimates shortly.

Sincerely,

Dan L. Crippen

Attachments

Identical letters sent to Honorable James M. Jeffords, Honorable Tom Bliley, Honorable John D. Dingell, Honorable Bill Archer, Honorable John A. Boehner, Honorable Charlie Norwood

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ESTIMATED ULTIMATE EFFECT OF S. 1344, THE PATIENTS' BILL OF RIGHTS ACT, ON PREMIUMS FOR EMPLOYER-SPONSORED HEALTH INSURANCE  
(In percent)

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Provision	Increase in Premiums
<b>Title I</b>	
Subtitle A—Right to Medical Advice and Care	
Access to emergency care	0.2
Offering choice of coverage options	0.2
Access to obstetric and gynecological care	a
Access to pediatric care	a
Access to specialists	0.1
Continuity of care	0.2
Protection of patient-provider communications	a
Right to prescription drugs	a
Self-payment for behavioral health care services	a
Coverage for cancer clinical trials	0.1
Prohibiting discrimination against providers	a
Subtitle B—Right to Information About Plans and Providers	a
Subtitle C—Right to Hold Health Plans Accountable	0.3
<b>Title II</b>	
Women's Health and Cancer Rights	0.2
<b>Title III</b>	
Genetic Information and Services	<u>a</u>
Total	1.3

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SOURCE: Congressional Budget Office.

NOTE: S. 1344, as passed by the Senate on July 15, 1999.

a. Less than 0.05 percent.

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ESTIMATED ULTIMATE EFFECT OF THE BIPARTISAN CONSENSUS MANAGED CARE IMPROVEMENT ACT ON PREMIUMS FOR EMPLOYER-SPONSORED HEALTH INSURANCE (In percent)

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Provision	Increase in Premiums
<b>Title XI<sup>a</sup></b>	
Subtitle A—Grievances and Appeals	
Utilization review activities	0.2
Internal and external appeals	1.3
Establishment of grievance process	b
Subtitle B—Access to Care	
Consumer choice	0.2
Choice of health care professional	b
Access to emergency care	0.4
Access to specialty care	b
Access to obstetric and gynecological care	0.1
Access to pediatric care	b
Continuity of care	0.3
Access to needed drugs	b
Clinical trials	0.5
Subtitle C—Access to Information	b
Subtitle D—Protecting the Doctor-Patient Relationship	
Prohibition of interference with communications	b
Prohibition of discrimination based on licensure	b
Prohibition against improper incentive arrangements	b
Payment of claims	b
Protection for patient advocacy	b
<b>Title XIII</b>	
ERISA Liability Preemption	<u>1.0</u>
Total	4.1

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SOURCE: Congressional Budget Office.

NOTES: The Bipartisan Consensus Managed Care Improvement Act, as passed by the House of Representatives on October 6, 1999 (as part of H.R. 2990).

ERISA = Employee Retirement Income Security Act

a. Figures include impacts on group health plans and group health insurance coverage under the Public Health Service Act (resulting from the provisions of Title XII) and the Employee Retirement Income Security Act of 1974 (resulting from the provisions of Title XIII).

b. Less than 0.05 percent.