



Proposals Affecting

Health Programs in Budget Function 550

The programs within budget function 550 provide health care services, health research and training, and consumer and occupational health services. The largest provide health insurance coverage:

- Medicaid is the main source of coverage for Americans who have very low income.
- Through the marketplaces established under the Affordable Care Act, eligible people may use premium tax credits to lower their out-of-pocket monthly premium contributions.
- The Federal Employees Health Benefits Program provides coverage to civilian federal employees and annuitants.
- The Department of Defense's Medicare-Eligible Retiree Health Care Fund provides Medicare wraparound coverage and pharmacy benefits to Medicare-eligible retirees of the uniformed services and their families through the TRICARE program.
- The Children's Health Insurance Program provides coverage for children in families whose income, although modest, is too high for them to qualify for Medicaid.

Budget function 550 also includes other programs:

- Food and Drug Administration
- National Institutes of Health
- Centers for Disease Control and Prevention
- Substance Abuse and Mental Health Services Administration
- Health Resources and Services Administration
- World Trade Center Health Program
- Postal Service Retiree Health Benefits Fund
- United Mine Workers of America Health Funds
- Agency for Toxic Substances and Disease Registry
- Agency for Healthcare Research and Quality
- Center for Medicare and Medicaid Innovation
- Prevention and Public Health Fund



**Proposals Affecting
Health Programs in Budget Function 550**

	By Fiscal Year, Millions of Dollars										
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2023-2032
Increases or Decreases (-) in Direct Spending Outlays											
Cross-Cutting Proposals											
1. Establish PrEP Delivery Program to End the HIV Epidemic ^a											
GDM	0	217	446	700	979	1,092	1,153	1,219	1,290	1,365	8,461
Medicaid	0	-10	-30	-52	-77	-92	-96	-101	-106	-111	-675
2. Expand the VFC Program to All CHIP Enrollees and Make Program Improvements											
Medicaid	37	39	40	42	45	47	50	53	56	60	469
CHIP	-37	-39	-40	-42	-45	-47	-50	-53	-56	-60	-469
3. Expand and Convert Medicaid Demonstration Programs to Improve Community Behavioral Health Services Within a Permanent Program											
Medicaid	0	1,865	2,111	2,501	2,828	2,991	3,177	3,373	3,589	3,841	26,276
State Grants and Demonstrations	0	11	22	9	2	0	0	0	0	0	44
4. Invest in Development of Medical Countermeasures, Surge Capacity, and Public Health Systems											
PHSSEF	9,605	18,809	8,804	1,201	400	0	0	0	0	0	38,819
Centers for Disease Control and Prevention	1,680	8,680	9,240	3,640	2,240	840	0	0	0	0	26,320
National Institutes of Health	329	1,585	2,031	2,212	2,356	2,027	771	325	144	0	11,780
Food and Drug Administration	245	408	408	408	161	0	0	0	0	0	1,630
Medicaid Proposals											
5. Establish Performance Bonus Fund to Improve Behavioral Health in Medicaid	175	400	475	495	495	320	95	20	0	0	2,475
6. Establish Medicaid Provider Capacity Grants for Mental Health and Substance Use Disorder Treatment	0	0	5,354	22,632	23,821	18,771	2,934	1,544	651	0	75,707
7. Apply Clinically Appropriate Criteria for Medicaid Behavioral Health Services	82	162	162	173	184	194	206	218	232	246	1,859
8. Eliminate Barriers to PrEP Treatment Under Medicaid	47	127	213	245	256	271	285	302	320	338	2,404
9. Modify the Medicaid Drug Rebate Program in the U.S. Territories	n.e.	n.e.	n.e.	n.e.	n.e.	n.e.	n.e.	n.e.	n.e.	n.e.	n.e.
10. Enhance Medicaid Managed Care Enforcement	n.e.	n.e.	n.e.	n.e.	n.e.	n.e.	n.e.	n.e.	n.e.	n.e.	n.e.
11. Eliminate the 190-day Lifetime Limit on Psychiatric Hospital Services ^a	0	-133	-165	-174	-183	-201	-192	-210	-218	-232	-1,708



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	By Fiscal Year, Millions of Dollars										2023-2032	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
Memorandum: Cross-Cutting Policies												
1. Establish PrEP Delivery Program to End the HIV Epidemic ^a												
GDM	0	217	446	700	979	1,092	1,153	1,219	1,290	1,365	8,461	
Medicaid	0	-10	-30	-52	-77	-92	-96	-101	-106	-111	-675	
Medicare	0	-52	-54	-55	-56	-57	-58	-59	-60	-61	-512	
Total Outlays	0	155	362	593	846	943	999	1,059	1,124	1,193	7,274	
11. Eliminate the 190-day Lifetime Limit on Psychiatric Hospital Services ^a												
Medicaid	0	-133	-165	-174	-183	-201	-192	-210	-218	-232	-1,708	
Medicare	0	379	472	496	522	575	549	600	624	662	4,879	
Total Outlays	0	246	307	322	339	374	357	390	406	430	3,171	

CBO has estimated only certain proposals in the President's budget request for fiscal year 2023; those estimates are included in this table.

Components may not sum to totals because of rounding; CHIP = Children's Health Insurance Program; CMHC = Community Mental Health Centers; CMS = Centers for Medicare and Medicaid Services; FEHB = Federal Employees Health Benefits Program; FEDVIP = Federal Employees Dental and Vision Insurance Program; GDM = General Departmental Management of the Department of Health and Human Services; IHS = Indian Health Service; PHSSEF = Public Health and Social Services Emergency Fund; PrEP = pre-exposure prophylaxis; VFC =

a. Effects on budget function 550 are shown in the table; effects on Medicare are shown in the memorandum.

These estimates of the effects of the President's fiscal year 2023 budget proposals incorporate the effects of legislation enacted through April 8, 2002. They are based on CBO's economic projections, which reflect economic developments through March 2, 2022. The estimates do not include the budgetary or economic effects of subsequent legislation, economic developments, administrative actions, or regulatory changes.