Congressional Budget Office
Nonpartisan Analysis for the U.S. Congress

ANSWERS TO QUESTIONS FOR THE RECORD

Following a Hearing on

The Budget and Economic Outlook: 2024 to 2034

Conducted by the
Committee on the Budget
U.S. House of Representatives

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On February 14, 2024, the House Budget Committee convened a hearing at which Phillip L. Swagel, the Congressional Budget Office's Director, testified about the agency's analysis of the outlook for the budget and the economy.[1] *After the hearing, Chairman Jodey Arrington and Representative Buddy Carter submitted questions for the record. This document provides CBO's answers. It is available at* www.cbo.gov/publication/60033.

Chairman Arrington's Questions About the Fiscal Trajectory

Question. With certain provisions of the Tax Cuts and Jobs Act (TCJA) set to expire, what impact do you predict will be had on private business investments down the road if key TCJA provisions expire? How will this impact affect CBO's projections of economic growth?

Answer. CBO's baseline projections of business investment and economic growth reflect the effects of the scheduled expiration of provisions of the 2017 tax act. Most of the provisions that affect individuals expire at the end of 2025. The expiration of those provisions will alter major elements of the individual income tax code, including statutory tax rates and brackets, allowable deductions, the size and refundability of the child tax credit, the 20 percent deduction for certain business income, and the income levels at which the alternative minimum tax takes effect. Scheduled changes to provisions that affect businesses include the gradual phasedown of bonus depreciation, which allows businesses to immediately deduct a portion of the cost of certain investments; set at 60 percent in 2024, that portion will fall to zero in 2027. If expiring provisions of the 2017 tax act were extended, CBO would update its economic and budgetary projections to reflect the effects of the extension.

The expirations will affect private business investment through three main channels—one that puts upward pressure on economic growth and two that exert downward pressure:

- The expirations will reduce the deficit, thereby freeing up resources and boosting private business investment.
- They will reduce private business investment by increasing effective marginal tax rates on capital income. The effects of expiration can be seen in CBO's projections of effective marginal tax rates on capital income over the next several years. For example, the marginal rate on business assets increases from 19.0 percent in tax year 2025 to 21.5 percent in tax year 2026.[2] CBO's projections of business investment depend on the agency's projections of the cost of capital, a concept that is closely related to the effective marginal tax rates on capital.[3]
- The expirations will also reduce business investment by causing the supply of labor and aggregate demand to fall. That reduction in the supply of labor occurs because the higher tax rates following the expirations will deter some people from working.

CBO has not estimated the effects of the scheduled expirations on private business investment. Such estimates would depend on the details of proposed legislation to extend the expiring provisions.

Question. Can you provide a detailed explanation of the factors that led to the unprecedented increase in refunds and tax credits for the nontaxable use of gasoline, which surged to $18 billion last year from a historical average of less than $2 billion? Has CBO consulted with the IRS or other relevant government agencies to gain insights into the administration's actions, along with any enforcement challenges related to these refunds and tax credits?

Answer. Reported amounts of fuel tax refunds and credits, specifically credits for the nontaxable use of gasoline, began to sharply exceed historical amounts in fiscal year 2023. CBO receives quarterly excise tax reports from the Internal Revenue Service (IRS), which include aggregated information about credit and refund

1. Testimony of Phillip L. Swagel, Director, Congressional Budget Office, before the House Budget Committee, *The Budget and Economic Outlook: 2024 to 2034* (February 14, 2024), www.cbo.gov/publication/59907.

2. For CBO's most recent projections of effective marginal tax rates on capital, see Congressional Budget Office, "Tax Parameters and Effective Marginal Tax Rates" (supplemental material for *The Budget and Economic Outlook: 2024 to 2034*, February 2024), www.cbo.gov/data/budget-economic-data#10.

3. For details about how CBO estimates the cost of capital, see Paul Burnham and Dorian Carloni, *CBO's Model for Estimating the Effect That Federal Taxes Have on Capital Income From New Investment*, Working Paper 2022-01 (Congressional Budget Office, February 2022), www.cbo.gov/publication/57429.

amounts.[4] The final quarterly excise tax report for fiscal year 2022, which CBO received in February 2023, reported fuel tax credits and refunds of $1.6 billion for that year. The first quarterly excise tax report for fiscal year 2023, which CBO received in May 2023, indicated that fuel tax refunds and credits were $3.1 billion in that quarter alone. Combined, fuel tax credits and refunds reported in the second and third quarters of fiscal year 2023 (in reports that CBO received in August and November 2023) amounted to $10 billion. On the basis of the information that was available to CBO in December 2023, when it prepared its most recent baseline projections, the agency estimated that fuel tax refunds and credits were $18 billion in fiscal year 2023. CBO has not yet received the final quarterly excise tax report for that year from the IRS.

CBO has consulted with the Treasury Department's Office of Tax Analysis (OTA), the IRS, and the staff of the Joint Committee on Taxation (JCT) about the sharp increase in reported fuel tax refunds and credits. In the fall of 2023, CBO discussed that increase with OTA and JCT, but no specific cause for the unusually large amounts was identified. In consultations that CBO had with the IRS after completing its February 2024 report on the budget outlook, CBO learned that the IRS has taken actions to subject fuel tax credit claims to additional review before and after issuing a refund. As a result of those actions, many claims are currently being held and audited by the IRS.[5] Although actions have been taken to address improper fuel tax credit claims, the IRS continues to face broader challenges in distinguishing between legitimate and fraudulent claims for tax benefits before refunds are issued.

Chairman Arrington's Questions About Long-Term Challenges

Question. Considering the projected decline in the labor force participation rate, what are the implications for future economic growth and fiscal sustainability?

Answer. In CBO's projections, the labor force grows at an average annual rate of 0.6 percent over the 2024–2034 period. That rate is the sum of contributions of a growing population (which adds 0.8 percentage points to the average growth rate) and a declining labor force participation rate (which subtracts 0.2 percentage points) driven mostly by the aging of the population. That projected growth rate is slower than the annual average of 0.9 percent over the past 30 years. The decline in the labor force participation rate slows the growth of the labor force, all else being equal, which dampens growth in hours worked and, ultimately, in economic output. In the agency's projections, the slowdown in growth of gross domestic product (GDP) and income reduces federal revenues and increases federal deficits and debt.

Question. According to your recent report, "the deficit in 2029 is 5.4 percent of GDP. There is a roughly two-thirds chance that the deficit in that year would be between 2.9 percent and 7.9 percent of GDP." Can you explain how you reached this confidence interval?

Answer. To generate the two-thirds range for future deficit projections, CBO analyzed the errors of its past projections. Those past errors indicate the magnitude of the uncertainty of the agency's projections of the budget under current law. Specifically, CBO calculated the two-thirds spread of errors for its one-, two-, three-, four-, five-, and six-year projections. Those spreads equal the range bounded by the middle-two thirds of errors for each set of projections.[6] CBO used those spreads as the two-thirds range for the first six years in its baseline deficit projections.

The spreads do not account for the effects of legislation that was enacted after CBO made its baseline projections. Those legislative effects are the main source of the discrepancies between the agency's deficit projections—which reflect the assumption that current laws will remain in place—and actual deficits.

In CBO's February 2024 baseline, the agency projected that, under current law, the deficit in 2029—which

4. CBO has limited information about excise taxes beyond the data in those quarterly reports. The agency does not have access to excise tax return data or audit information.

5. For a discussion of the efforts aimed at increasing compliance with the fuel tax credit, see Treasury Inspector General for Tax Administration, *Actions Have Been Taken to Enhance Fuel Tax Credit Screening and Examination Processes; However, Improvements Are Still Needed*, Report Number: 2023-30-053 (September 7, 2023), https://tinyurl.com/mr35xmwv.

6. Evaluations of the accuracy of CBO's budget projections are available at www.cbo.gov/topics/budget/accuracy-projections. Up-to-date data on the history of CBO's projections of and actual outcomes for deficits, debt, outlays, and revenues are available at https://github.com/US-CBO/eval-projections. Those two-thirds spreads of errors for CBO's deficit projections can be accessed directly at https://tinyurl.com/ez2u7dt9.

is the sixth year of the projection period—would be 5.4 percent of GDP. The two-thirds spread of errors for CBO's six-year projections is currently 5.0 percent of GDP. Using the baseline projection as the center of the two-thirds range, CBO calculated that there is a two-thirds chance that the deficit would be between 2.9 percent and 7.9 percent of GDP (that is, 2.5 percent of GDP larger or smaller than the baseline projection of 5.4 percent of GDP).

Question. Can you elaborate on the expected economic impacts of the demographic shift towards a younger population, particularly in terms of consumption patterns, labor market dynamics, and productivity?

Answer. CBO now expects that the civilian population age 16 or older in 2033 will comprise 7.4 million more people than the agency previously projected and that those people will be younger, on average. Greater net immigration is the factor most responsible for those changes. The shift toward a younger population is expected to affect consumption patterns, labor market dynamics (such as labor force participation, unemployment, and wages), and productivity over the 2024–2034 period.

- *Consumption.* Consumption typically peaks around middle age and is lower in early adulthood and after retirement. CBO estimates that the shift in the age distribution toward a younger population will reduce consumer spending per person by an average of 0.1 percent per year over the 2024–2034 period. About half of the reduction in consumer spending is due to a decrease in health care spending, which accounts for about one-fifth of consumer spending. Unlike most other categories of spending, health care spending tends to increase with age, even after retirement. CBO estimates that the shift in the age distribution will reduce personal consumption expenditures on health care per person by an average of 0.3 percent annually over the 2024–2034 period.
- *Labor force participation.* People ages 25 to 54 tend to participate in the workforce at higher rates than people in other age groups do. Thus, the larger share of younger workers—not only 25- to 54-year-olds but also 16- to 24-year-olds, who will enter their prime working years over the coming decade—is projected to result in a labor force in 2033 that is roughly 0.9 million people larger than it would be if the additional immigrants had the same age characteristics as the overall population, and roughly 0.8 million more people are projected to be employed that year.
- *Unemployment rate.* The shift toward a younger workforce will place upward pressure on the unemployment rate because that rate is higher among younger workers than it is among older workers.
- *Wages.* The shift will place downward pressure on average wages because younger workers tend to earn less, on average, than older workers. That effect is expected to dissipate over time as workers age and gain more skills.
- *Productivity.* The shift will place downward pressure on growth in total factor productivity over the coming decade because younger workers tend to be less productive than older workers.

Despite the influx of relatively young people, the ratio of people ages 25 to 64 to people age 65 or older is projected to continue to decline, and the effects of the aging of the population are expected to reduce the overall labor force participation rate.

Question. What are models or data sets that you can incorporate into your next projection that would give Congress and the American people a better understanding of the economic effects of illegal immigration?

Answer. CBO uses various economic models—including those within the agency's current suite of policy models and others in the process of development—and draws on multiple data sources to evaluate the economic effects of immigration, whether lawful or otherwise. CBO's existing models include its policy growth model and its macroeconomic forecasting model.[7] Those models provide a general framework for assessing the effects of immigration on key macroeconomic variables such as employment, wages, interest rates, and GDP. CBO is developing new frameworks to inform various aspects of those models and to analyze the effects of immigration on specific economic factors, including productivity

7. See Congressional Budget Office, "CBO's Policy Growth Model" (April 2021), www.cbo.gov/publication/57017. For detailed information about CBO's macroeconomic forecasting model, see Robert W. Arnold, *How CBO Produces Its 10-Year Economic Forecast*, Working Paper 2018-02 (Congressional Budget Office, February 2018), www.cbo.gov/publication/53537.

growth, the unemployment rate, and the wages of workers with different skill levels and immigration backgrounds. CBO's work in developing new models and updating existing ones is informed by recent empirical and theoretical research.[8]

To prepare its population projections and estimates of net immigration, CBO uses data from the Social Security Administration's Office of the Chief Actuary.[9] It also uses data from the Department of Homeland Security (DHS) and the Census Bureau to project net immigration flows for different groups, including those who entered the United States illegally and people who were permitted to enter through the use of parole authority. Data from DHS provide information about the number of people encountered and released into the United States, and the Current Population Survey, conducted by the Census Bureau and the Bureau of Labor Statistics, provides monthly information about the number of foreign-born individuals. In addition, CBO uses information from the American Community Survey (also conducted by the Census Bureau) to estimate several characteristics of immigrants, including their educational attainment, labor force participation rates, and initial wages.

Question. CBO projects that economic growth will average 2 percent. That is slightly above the projected 2024 growth rate of 1.8 percent. CBO also anticipates an improvement in the employment rate over the near term. What are the major factors contributing to these projections? Compared to the historical growth rate of 3.1 percent, 2.0 percent growth is quite slow. Why do you believe economic growth has slowed? Do you believe federal policies have hampered growth? If so, could you provide some examples?

Answer. In CBO's projections, real (inflation-adjusted) GDP grows modestly this year and then more strongly next year. Specifically, the growth of real GDP, which was 2.5 percent in 2023 (measured on a year-over-year basis), is projected to slow to 1.8 percent in 2024 because of weak growth in spending by consumers and governments and in investment by businesses. In 2025, stronger growth in consumer spending and investment is projected to push economic growth up to 2.0 percent. That increase largely reflects the stimulative effects of lower interest rates and the stronger growth in residential investment that is expected to result from continued high rates of net immigration. CBO's projections of employment growth, which is strongly correlated with economic activity, follow a similar pattern.

Over the 2024–2034 period, growth in real GDP in CBO's projections is approximately equal to the growth of real potential GDP—about 2 percent per year, on average. (Real potential GDP is an estimate of the amount of real GDP that can be produced if labor and capital are employed at their maximum sustainable rates.) That rate of growth falls short of the rate experienced from 1950 to 2023, largely because the potential labor force (an estimate of what the size of the labor force would be if economic output and other key variables were at their maximum sustainable amounts) and potential labor force productivity (the ratio of real potential GDP to the potential labor force) grow more slowly than they did over that historical period. The slowdown in the growth of the potential labor force is due primarily to slower population growth. Potential labor force productivity grows more slowly than it did in the past in part because capital accumulation is slower.

The effects of federal policies on growth depend on the details of the policies. Some policies can have differing short-term and long-term effects on growth. For example, in March and April 2020, four major federal laws were enacted to address the public health emergency and the economic distress created by the

8. For more information about the research literature that CBO draws on, see Julie Topoleski, "A Call for New Research in the Area of Labor," *CBO Blog* (July 20, 2023), www.cbo.gov/publication/59366. Research informing CBO's macroeconomic models of immigration also includes Christopher Busch and others, "Should Germany Have Built a New Wall? Macroeconomic Lessons From the 2015–18 Refugee Wave," *Journal of Monetary Economics*, vol. 113 (August 2020), pp. 28–55, https://doi.org/10.1016/j.jmoneco.2020.04.004; Michele Battisti and others, "Immigration, Search and Redistribution: A Quantitative Assessment of Native Welfare," *Journal of the European Economic Association*, vol. 16, no. 4 (August 2018), pp. 1137–1188, https://doi.org/10.1093/jeea/jvx035; Andri Chassamboulli and Theodore Palivos, "A Search-Equilibrium Approach to the Effects of Immigration on Labor Market Outcomes," *International Economic Review*, vol. 55, no. 1 (February 2014), pp. 111–129, https://doi.org/10.1111/iere.12043; and George J. Borjas, "The Labor Demand Curve Is Downward Sloping: Reexamining the Impact of Immigration on the Labor Market," *Quarterly Journal of Economics*, vol. 118, no. 4 (November 2003), pp. 1335–1374, www.jstor.org/stable/25053941.

9. For CBO's most recent population projections, see Congressional Budget Office, *The Demographic Outlook: 2024 to 2054* (January 2024), www.cbo.gov/publication/59697.

coronavirus pandemic. Those laws provided financial support to households, businesses, and state and local governments. CBO estimated that the legislation would increase output in 2020 and 2021.[10] In the longer term, by increasing debt as a percentage of GDP, the legislation raised borrowing costs and reduced output.

Question. How did the trillions of dollars enacted during the COVID-19 pandemic, as well as the pandemic's impact on the U.S. economy, impact CBO's ability to provide accurate projections for the baseline?

Answer. CBO's baseline budget projections are developed under the assumption that current laws governing taxes and spending generally remain in place. Those projections rely on the agency's economic forecast, which also reflects the economic effects of fiscal policy under current law. Actual budgetary outcomes will differ from those projections when legislation is enacted after the projections have been finalized. (Historically, new legislation has been the largest factor in discrepancies between actual deficits and the amounts that CBO projected under current law.) The agency incorporates the effects of subsequently enacted legislation (as well as those of economic developments) when it next updates its baseline projections.

CBO's economic projections, which underlie its baseline budget projections, were subject to an unusually high degree of uncertainty because of the coronavirus pandemic. That uncertainty stemmed from many sources, including incomplete knowledge about how the pandemic would unfold, how effective monetary and fiscal policy would be, and how global financial markets would respond to the substantial increases in government deficits and debt.

Estimating the budgetary effects of the major legislation was also challenging because there were no precedents for many of the programs that were established, making predictions about how they would be implemented difficult. The rapidly evolving nature and scope of the pandemic were also sources of much uncertainty.

In March 2020, CBO issued baseline projections that incorporated the effects of legislation enacted through March 6 of that year, before the scope of the coronavirus outbreak was fully realized.[11] The actual budget deficit exceeded the corresponding amount in those baseline projections by $2.1 trillion in 2020, $1.8 trillion in 2021, and $0.3 trillion in 2022. By CBO's estimates, legislation enacted after the agency made those projections added a total of $5.4 trillion to the deficits in those years; economic developments and other, technical, factors reduced deficits in those years by an estimated $1.3 trillion measured in relation to the March 2020 projections.

Question. In June 2022, CBO wrote to the Budget Committee detailing the cost of various executive actions. One executive action included was the Biden Administration's 2021 reevaluation of the Thrifty Food Plan (TFP), which CBO estimated to cost $425 billion. Relative to the February 2024 baseline, what are the total projected outlays for the Supplemental Nutrition Assistance Program over the 10-year window caused by the TFP reevaluation?

Answer. In June 2022, CBO estimated that the combined effects of the 2021 reevaluation of the TFP and higher food prices accounted for an increase, relative to the July 2021 baseline, of between $250 billion and $300 billion in outlays for the Supplemental Nutrition Assistance Program (SNAP) over the 2022–2031 period.[12] Since that estimate was produced, the economic outlook, food prices, SNAP participation, and provisions of law that relate to SNAP have all changed significantly. All those changes interact with the 2021 TFP reevaluation, potentially in significant ways. They cannot be separately identified relative to the February 2024 baseline using the agency's normal estimating procedures—which are generally based on data that reflect the many factors that affect the cost of the program, including the price of the TFP.

CBO estimates that, measured in relation to the February 2024 baseline, a proposal to reduce the price of the TFP for 2025 to the 2021 price of $680.30 and to adjust that price after 2025 only for changes in the consumer price index for food at home would reduce spending for SNAP by roughly $425 billion over the 2025–2034 period.

10. Congressional Budget Office, *The Effects of Pandemic-Related Legislation on Output* (September 2020), www.cbo.gov/publication/56537.

11. Congressional Budget Office, *Baseline Budget Projections as of March 6, 2020* (March 2020), www.cbo.gov/publication/56268.

12. Congressional Budget Office, letter to the Honorable Jason Smith providing information about the cost of eight executive actions taken by the Biden Administration (June 22, 2022, updated June 23, 2022), www.cbo.gov/publication/58231.

Chairman Arrington's Questions About Health Care

Question. In the baseline CBO noted that outlays for Medicare are projected to increase by $65 billion this year compared to 2023, mainly from "larger payments to Medicare Advantage plans and to Part D plans." To what extent is this growth in payments to Part D plans due to CBO factoring into the baseline increased use of anti-obesity medications among seniors for indications afforded coverage under current law?

Answer. Under current law, Medicare Part D is statutorily prohibited from covering anti-obesity medications, including GLP-1 agonist products for chronic weight management. The most popular anti-obesity medications are approved under a different trade name for the treatment of diabetes, which Medicare covers. In recent years, Medicare spending on that class of medications has grown rapidly. In 2023, roughly one-third of the growth in Part D retail drug spending was driven by anti-diabetes drugs. CBO expects that growth to contribute to increases in spending for Medicare Part D in 2024 and beyond. Also, the Food and Drug Administration has recently approved an anti-obesity medication for certain cardiac indications. CBO is assessing the potential budgetary implications of expanded Medicare coverage of such medications.

Question. Did CBO make any changes to this year's baseline based upon implementation of the prescription drug price negotiation provisions of the Inflation Reduction Act (IRA) by the Centers for Medicare and Medicaid Services (CMS)?

Answer. CBO's previous baseline projections already incorporated estimates of the effects of the prescription drug price negotiation provisions of the 2022 reconciliation act. CMS has published some regulatory guidance since those projections were published in May 2023. In addition, several notable lawsuits could affect or delay implementation of the negotiation provisions. Those developments are consistent with CBO's past expectations, so the agency did not significantly change its baseline projections to account for them. CBO is monitoring the process of negotiation, and future baseline projections will reflect new information as it becomes available.

Question. In the baseline CBO incorporated a technical change to the Medicare baseline because the agency "reduced its projections of mortality from COVID-19 and, as a result, increased its projections of the population age 65 or older." Can you describe the magnitude of these revised projections of the Medicare population in the new baseline?

Answer. To account for the revised mortality projections, CBO increased its projection of the number of beneficiaries over age 65 enrolled in Medicare (and covered by both Part A and Part B) for each year of the 2024–2033 period; together, those increases totaled approximately half a million people. Those changes in projected enrollment increased projected Medicare outlays over the period by $70 billion, or 0.6 percent.

Question. In the baseline, CBO incorporated a technical change in the Medicaid baseline which increased outlays over the 2024–2033 period by $67 billion, largely because "actual outlays in 2023 were higher than expected." What reasons account for Medicaid outlays being higher than initially expected in 2023 according to CBO?

Answer. Actual outlays for Medicaid in 2023 were higher than expected because CBO had previously underestimated the number of people who were enrolled in the program as a result of the continuous eligibility requirement. That requirement allowed people to remain enrolled during the COVID-19 public health emergency regardless of changes in their eligibility.

Question. CBO's recent baseline suggests the Medicare Hospital Insurance Trust Fund will be solvent through the 10-year budget window. In the Medicare Trustees' most recent report from last March, they project Medicare insolvency in 2031. What factors account for the 4+ year difference in solvency projections of the Medicare Trust Fund between CBO and the Trustees?

Answer. CBO projects that the Medicare Hospital Insurance Trust Fund will be exhausted later than the Medicare trustees project for two reasons. Roughly 60 percent of the discrepancy stems from a difference in projections of spending for Part A benefits, and roughly 40 percent is from a difference in projections of income to the trust fund. CBO's projections of spending for Part A benefits are lower than the trustees' projections, in part because the agency projects spending for certain post-acute care services, such as recovering from hospitalization at a skilled nursing facility, to grow more slowly. CBO's projections of the trust fund's income are higher than the trustees' projections because the agency projects that interest income credited to the fund and recoveries of past payments to providers will be greater than the trustees anticipate.

Question. The Dr. Michael C. Burgess Preventive Health Savings Act (H.R. 766, as amended), led by Rep. Michael C. Burgess M.D. and Rep. Diana DeGette, would create a formalized mechanism under statute for the Congressional Budget Office to create budgetary savings estimates of preventive health care legislation over a 30-year budget window. As you know, the current scoring window for CBO is 10 years, but the full-cost saving potential of preventive health care legislation often occurs over a longer period. In fact, CBO has previously stated, "CBO's shorter time may not capture the full effects of the [preventive health] policies." Additionally, CBO has previously projected significant cost savings, even within the limited 10-year budget window, for preventive health measures, including coverage of tobacco cessation services for pregnant women in Medicaid. My staff worked with your team to address technical suggestions on the legislative text, which were incorporated into the version of the bill reported by this Committee, and I thank you for that collaboration. Do you believe that creating a mechanism in law for committee leaders to request these estimates can help address limitations with how CBO currently scores preventive health care legislation? Furthermore, do you agree that there are instances where the 10-year budget window excludes a full picture of the cost saving potential of preventive health care legislation?

Answer. CBO recognizes that budgetary effects that occur outside the 10-year projection period specified in law for cost estimates for proposals affecting mandatory spending or revenues are important to Members in considering legislation involving preventive health care. The costs stemming from such legislation (outlays for screenings and treatment, for example) tend to be up front, but any budgetary savings (such as reductions in health care costs resulting from improved health) might not occur until well into the future.[13]

13. See Congressional Budget Office, *How CBO Analyzes Approaches to Improve Health Through Disease Prevention* (June 2020), www.cbo.gov/publication/56345.

CBO is well positioned to provide policymakers with analyses of proposals related to preventive health care that examine outcomes over a variety of time horizons and that include information that would be required by H.R. 766. Under that bill, upon a request from the Chairman and Ranking Member of the Budget Committee and of the committee of primary jurisdiction (either in the House or in the Senate), CBO would determine whether proposed legislation would result in net reductions in budget outlays through the use of preventive health care over a 30-year period. That additional information would provide policymakers with a more complete picture of the budgetary effects of preventive health care legislation.

CBO is working on several analyses involving preventive health care for which information beyond a 10-year projection period would be valuable to policymakers, including analyses of proposals involving coverage of anti-obesity medications in Medicare and other proposals to expand federally funded screening and treatment of chronic health conditions. In its analyses of such proposals, CBO will provide budgetary information within and beyond the standard 10-year projection period.

Congressman Carter's Question About H.R. 1770

Question. Last time you were before this committee I asked you for an update on a score for H.R. 1770, the Equitable Community Access to Pharmacist Services Act. As we near the one-year mark of this bill's introduction, do you have an updated timeline as to when we can expect a CBO score on this legislation?

Answer. With some minor exceptions, Medicare does not now pay for clinical services delivered by pharmacists. H.R. 1770 would allow pharmacists to bill Medicare for the evaluation and management of certain conditions, including influenza. The bill also would allow pharmacists to bill Medicare directly for providing certain vaccinations.

CBO expects to be able to provide an estimated range of the bill's budgetary effects by the end of June 2024. Completing a preliminary analysis of the budgetary effects of H.R. 1770 has presented the agency with several analytical challenges: CBO is working to identify the range of clinical services that would be covered by Medicare under the bill and the total cost to cover those services. The agency then must assess the extent to which the services would substitute for care currently provided by other professionals.