

Cost Estimate for S. 2122, the Responsible Medicare SGR Repeal and Beneficiary Access Improvement Act of 2014, as Introduced

(Billions of dollars, by fiscal year)												March 24, 2014	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2014 - 2019	2014 - 2024
CHANGES IN DIRECT SPENDING^a													
Titles I - IV ^b	6.5	14.6	15.4	15.0	15.0	16.2	17.5	18.8	19.9	20.8	20.6	82.7	180.3
Title V ^c	-4.6	-24.4	-38.2	-41.2	-43.0	-45.4	-48.3	-51.2	-53.8	-57.3	-61.1	-196.7	-468.5
Total Changes in Direct Spending	2.0	-9.7	-22.7	-26.2	-28.0	-29.3	-30.8	-32.4	-33.9	-36.5	-40.6	-114.0	-288.1
CHANGES IN REVENUES^d													
Titles I - V	1.0	5.0	5.9	0.2	-1.6	-2.3	-2.1	-1.8	-1.7	-2.6	-3.6	8.1	-3.8
<i>On-budget</i>	0.5	2.3	3.4	-0.9	-2.2	-2.9	-2.8	-2.7	-2.7	-3.2	-4.1	0.3	-15.2
<i>Off-budget</i>	0.5	2.7	2.5	1.1	0.5	0.6	0.7	0.8	1.0	0.6	0.5	7.8	11.4
NET INCREASE OR DECREASE (-) IN THE DEFICIT FROM CHANGES IN DIRECT SPENDING AND REVENUES													
Net Changes in Deficits^e	1.0	-14.7	-28.6	-26.4	-26.4	-27.0	-28.7	-30.6	-32.2	-33.9	-37.0	-122.1	-284.4
<i>On-budget</i>	1.5	-12.1	-26.2	-25.3	-25.9	-26.4	-28.0	-29.7	-31.2	-33.3	-36.4	-114.3	-273.0
<i>Off-budget</i>	-0.5	-2.7	-2.5	-1.1	-0.5	-0.6	-0.7	-0.8	-1.0	-0.6	-0.5	-7.8	-11.4

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation (JCT).

Notes: Components may not sum to totals because of rounding.

Estimates assume enactment near the end of March 2014 and are relative to CBO's February 2014 baseline.

S. 2122 combines the provisions of S. 2110, the SGR Repeal and Medicare Provider Payment Modernization Act of 2014, as introduced, with the provisions of S. 40, the American Liberty Restoration Act, as introduced. S. 2110 would replace the Sustainable Growth Rate (SGR) formula, which determines the annual updates to Medicare's payment rates for physician services, with new systems for establishing those payment rates; extend a number of health care and human services programs and provisions that would otherwise expire; and make other modifications to Medicare, Medicaid, the Children's Health Insurance Program (CHIP), and several human services programs. S. 40 would eliminate the requirement that individuals purchase health insurance and penalties associated with not complying with that requirement.

CBO and JCT estimate that enacting the legislation would increase the number of people without health insurance coverage in 2018—relative to current-law projections—by about 15 million people, resulting in 45 million uninsured in that year. That increase in the uninsured population would consist of roughly 6 million fewer individuals with coverage under Medicaid or the Children's Health Insurance Program, 1 million fewer individuals with employment-based coverage, and 8 million fewer individuals with coverage obtained in the individual market (including individual policies purchased in the exchanges or directly from insurers in the nongroup market). Similar changes in coverage would occur in most other years.

CBO and JCT estimate that premiums for policies in the individual market would increase by 10 percent to 20 percent relative to current law in most years between 2015 and 2024.

- a. Budget authority equals outlays for most mandatory provisions.
- b. Titles I - IV of S. 2122 are estimated to have the same budgetary effects as Titles I - IV of S. 2110 (see www.cbo.gov/publication/45187). S. 2110 included several provisions related to program integrity that would have nonscoreable effects.
- c. Title V of S. 2122 is estimated to have the same budgetary effects as S. 40 (see www.cbo.gov/publication/45198).
- d. Almost all of the effects on revenues would result from Title V of S. 2122. Titles I - IV of S. 2122 would increase revenues by \$0.1 billion over the 2014-2024 period.
- e. Positive numbers indicate an increase in the deficit, negative numbers indicate a decrease in the deficit.