

Estimated Effect on Direct Spending and Revenues of Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5): Health Information Technology

(by fiscal years; in billions of dollars)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009-2019
CHANGES IN DIRECT SPENDING												
Medicare Bonuses and Penalties												
Physician Bonuses	0	0	2.3	3.5	3.7	2.9	1.8	0.8	0.1	0	0	15.2
Hospital Bonuses	0	0	1.5	2.1	2.0	1.6	1.0	0.5	0.1	0	0	8.7
Physician Penalties	0	0	0	0	0	0	-0.1	-0.2	-0.3	-0.3	-0.3	-1.3
Hospital Penalties	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-0.2</u>	<u>-0.5</u>	<u>-0.7</u>	<u>-0.7</u>	<u>-0.6</u>	<u>-2.6</u>
Subtotal	0	0	3.9	5.6	5.7	4.4	2.4	0.6	-0.7	-1.0	-0.9	20.0
Medicaid Bonuses												
Physician Bonuses	0	0	0.7	1.1	1.5	1.7	1.6	1.7	0.9	0.6	0.3	10.3
Hospital Bonuses	<u>0</u>	<u>0</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.4</u>	<u>0.2</u>	<u>0.1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2.3</u>
Subtotal	0	0	1.3	1.7	2.1	2.1	1.8	1.8	0.9	0.6	0.3	12.7
Spending on Benefits												
Medicare	0	0	-0.1	-0.3	-0.5	-0.6	-0.6	-0.6	-0.6	-0.5	-0.5	-4.5
Medicaid	0	0	-0.4	-0.6	-0.8	-0.9	-1.0	-1.0	-1.0	-1.1	-1.0	-8.0
FEHB (on-budget)	<u>0</u>	<u>0</u>	<u>*</u>	<u>*</u>	<u>-0.1</u>	<u>-0.5</u>						
Subtotal, On-budget	0	0	-0.5	-1.0	-1.4	-1.6	-1.7	-1.7	-1.7	-1.7	-1.6	-13.0
FEHB (off-budget)	<u>0</u>	<u>0</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>-0.2</u>
Subtotal, Unified budget	0	0	-0.6	-1.0	-1.5	-1.6	-1.7	-1.7	-1.7	-1.7	-1.6	-13.2
Mandatory Administrative Funding												
Medicare	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	*	0	0	0.7
Medicaid	*	*	*	*	*	*	*	*	*	0	0	0.3
Other Mandatory Provisions												
Other Medicare Provisions	0.3	*	*	0	0	0	0	0	0	0	0	0.3
MIF (interacted with MA and Premiums)	0	0	0	0	0	9.2	1.2	-6.3	-3.4	-0.7	0	0.0
Total Changes												
On-budget	0.4	0.2	4.8	6.5	6.5	14.3	3.9	-5.5	-5.0	-2.8	-2.2	21.0
Unified Budget	0.4	0.2	4.7	6.5	6.5	14.2	3.8	-5.5	-5.0	-2.8	-2.2	20.8
CHANGES IN REVENUES												
Income and HI Payroll Taxes (on-budget)	0	0	0.1	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	2.1
Social Security Payroll Taxes (off-budget)	<u>0</u>	<u>0</u>	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.2</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>1.1</u>
Total Changes (Unified budget)	0	0	0.1	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	3.3
CHANGES IN DEFICITS												
On-budget	0.4	0.2	4.7	6.3	6.3	14.0	3.6	-5.8	-5.2	-3.0	-2.5	18.9
Unified budget	0.4	0.2	4.6	6.2	6.1	13.8	3.4	-6.0	-5.4	-3.2	-2.6	17.6

Memorandum:

Average Reduction in Health Care Spending 0.3%

	2009	2014	2019
Adoption Rate under Prior Law			
Physicians	20%	40%	65%
Hospitals	10%	25%	45%
Critical Access Hospitals	5%	15%	20%
Adoption Rate under Current Law			
Physicians		85%	90%
Hospitals		55%	70%
Critical Access Hospitals		45%	50%

Notes:

* = between -\$50 million and \$50 million. Details may not add to totals because of rounding.

FEHB is the Federal Employees Health Benefits program (most FEHB spending for annuitants of the U.S. Postal Service is off-budget);

MA is Medicare Advantage;

MIF is the Medicare Improvement Fund;

HI is the Medicare Hospital Insurance program (Part A).