

Scoring Implications of Modifications to the Chairman's Mark*

The America's Healthy Future Act – Senate Committee on Finance – September 24, 2009

Original Cost of the Chairman's Mark	\$856 billion	
Plus Additional Spending and Tax Cuts Included in Modification	<u>+ \$59 billion</u>	(see Appendix A)
Subtotal	\$915 billion	
<u>Less Offsets Included in the Modification that Reduce the Size of the Mark</u>	<u>- \$15 billion</u>	(see Appendix B)
Revised Cost of the Chairman's Mark (as Modified)	\$900 billion	

Original Offsets in the Chairman's Mark	\$905 billion	
Plus New or Expanded Offsets Included in the Modification	<u>\$+40 billion</u>	(see Appendix C)
Subtotal	\$945 billion	
<u>Less Offsets reduced by the Modification</u>	<u>-\$21 billion</u>	(see Appendix D)
Revised Offsets in Chairman's Mark (as Modified)	\$924 billion	

Net Deficit Reduction **\$23 billion**

(\$21 billion FICA + \$2 billion added by the Modification)

*Source: Senate Finance Committee Democratic Staff scores based on oral and written estimates provided by CBO and JCT. They do not represent an official score and do not include interactions. Estimates represent the period of FY2010 - FY2019 under the budget resolution.

Appendix A

Additional Spending and Tax Cuts Included in Modification	Cost
Affordability:	
• Sliding scale premium credit for those between 100-300% FPL capped based on % of income, rising from 2% to 12%	\$45 billion
• Premium cap for 300-400% at 12%	
• Firewall affordability test reduced from 13% to 10%	\$5 billion
Long term care:	
• Improved Access to Home and Community Based Services (HCBS) Under Medicaid (Kerry C16)	\$1.2 billion
• Incentives for States to Offer HCBS as a Long-Term Care Alternative to Nursing Homes (Cantwell C1)	\$1.4 billion
• Create Community First Choice Option (Schumer C13)	\$1.1 billion
Medicare Part D Copayment Equity (Rockefeller D6; Bingaman D4; Nelson D5)	\$1.3 billion
Workplace Wellness:	
Grants for small businesses – 5 year grant program (Carper C1)	\$200 million
Graduate Medical Education:	
• Add additional residency slots for states with the lowest resident-to-population ratios (Nelson D7)	\$250 million
• Grants to provide community-based training sites for primary care residency programs (Bingaman D8)	\$250 million
• Training of advanced practice nurses (Stabenow D4)	\$200 million
Reimbursement for DXA services for two years (Lincoln D2)	\$100 million
IMD demonstration project (Snowe D1)	\$75 million
Clarification of FMAP formula	\$1.4 billion
Medicare Hospice Concurrent Care (HCC) three-year demonstration program (Wyden D1)	\$50 million
Extend small business credit to small non-profits	\$2 billion
TOTAL	\$59 billion

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Appendix B

Offsets Included in the Modification that Reduce the Size of the Mark	Savings
Delay Exchange tax credits until July 1, 2013	\$7 billion
Strike mandatory drug coverage in Medicaid	\$6 billion
Modify definition of income in the Mark	\$2 billion
TOTAL	\$15 billion

Appendix C

New or Expanded Offsets Included in the Modification	Additional Offsets
Generics “first fill” policy (Stabenow D11)	\$6.2 billion
Medicaid MIF	\$700 million
Medicaid family planning option	\$200 million
Long-term care pharmacy	\$6.1 billion
Increase Insurance Industry Fee from \$6 billion per year to \$6.7 billion per year	\$5 billion
Increase deduction for high cost medical expenditures threshold from 7.5% to 10%	\$21.7 billion
TOTAL	\$40 billion

Appendix D

Offsets Reduced by the Modification	Amount of Offset Reduction
High Cost Insurance Tax: - Index the threshold to CPI + 1% - Add \$2000 for either (1) high risk jobs or (2) retirees aged 55+ - Increase tax rate from 35% to 40%	\$10 billion
Individual Mandate Penalty: Reduce maximum family penalty to \$1900	\$1 billion
Medicare Advantage: MA enrollee benefit stability for plans bidding at or below 85% of fee for service (Nelson D10)	\$8 billion
Flexible Spending Accounts: Increase FSA limit to \$2500	\$2 billion
TOTAL	\$21 billion

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