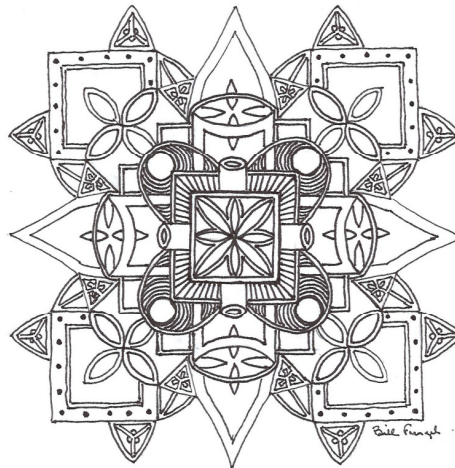


**Newly Updated Charts Comparing
the Health Care Reform Bills:
Displaying Fiscal Implications of Reform Plans**



November 23, 2009

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SUMMARY TABLE 1: SUMMARY OF MAJOR METRICS

Metric	House Bill	Senate Bill
Cost of Coverage Provisions		
10-year Gross Cost of Coverage Provisions	\$1,052 billion	\$848 billion
10-year Net Cost of Coverage Provisions [#]	\$891 billion	\$748 billion
Gross Cost of Coverage Provisions in 2019	\$207 billion	\$196 billion
Net Cost of Coverage Provisions in 2019 [#]	\$173 billion	\$166 billion
Change in Federal Budgetary Commitment to Health Care	\$670 billion increase	\$160 billion increase
Deficit Projections		
10-year Budgetary Impact	\$138 billion surplus	\$130 billion surplus
10-year Impact Excluding CLASS Act*	\$37 billion surplus	\$57 billion surplus
Budgetary Impact in 2019	\$12 billion surplus	\$8 billion surplus
Beyond the Ten-Year Window		
Deficit Reduction for 2020 through 2029	0% to 0.25% of GDP	0.25% of GDP
% of Offsets Growing Much Faster than Costs ⁺	48%	69%
% of Offsets Growing Much Slower than Costs ⁺	37%	10%
Curve Benders and Game Changers^{&c}		
Tax Measures to Reduce Costs	Limits on Certain Health Tax Benefits; No Major Provisions	Excise Tax on High-Cost Insurance Plans
Insurance Market Reforms	Health Exchange; Guarantee Issue Rules with Strong Mandate	Health Exchange; Guarantee Issue Rules with Weak Mandate; Rules Allowing Some Insurance Purchases Across State Lines
Direct Payment Reforms	Pilots for Payment Bundling and Accountable Care Orgs; Strong Penalties to Reduce Preventable Hospital Readmissions	Pilot for Payment Bundling; Broader Program for Accountable Care Orgs; Penalties to Reduce Preventable Hospital Readmissions
Indirect Payment Reforms	Innovation Center to Experiment with New Payment Models	Commission to Automatically Cut Costs; Innovation Center to Experiment with New Payment Models
Other Potential Curve Benders	Center for Comparative Effectiveness Research	Patient-Centered Outcomes Research Institute
Other Metrics		
Decrease in Number of Uninsured in 2019	36 million	31 million
Decrease in Percent of Uninsured in 2019	67%	57%

Notes: Estimates in billions.

Sources: Congressional Budget Office, Joint Committee on Taxation, Library of Congress (legislation via Thomas) and US Budget Watch calculations.

[#]Including interaction effects.

⁺The CBO measures “federal budgetary commitment to health care” by summing direct spending on the provision of care and estimated revenue loss as a result of health care tax expenditures.

*The CLASS Act makes available government-sponsored long-term care insurance. Because this insurance would have a “vesting period,” the provision appears to raise considerable amounts of revenue over the next decade. However, these revenues must ultimately be used to cover the program’s costs, and therefore do not belong in the bill as an offset.

⁺Measures which reduce Medicare/Medicaid spending or tax health insurance are assumed to grow faster than costs while non-health related taxes are assumed to grow slower.

^{&c}Categories, and measures listed within categories, are non-exhaustive.

SUMMARY TABLE 2: HEALTH CARE COSTS AND SAVINGS

Provision	10-year Costs		2019 Costs	
	House Bill	Senate Bill	House Bill	Senate Bill
Mandate Provisions	\$168	\$36	\$33	\$8
Individual Mandate Penalties	\$33	\$8	\$6	\$2
Employer Play-or-Pay Provision	\$135	\$28	\$27	\$6
Coverage Expansion	-\$1,052	-\$848	-\$208	-\$196
Insurance Subsidies	-\$602	-\$447	-\$120	-\$106
Medicaid Expansion	-\$425	-\$374	-\$85	-\$87
Small Business Tax Credit	-\$25	-\$27	-\$2	-\$3
Other Spending	-\$226	-\$93	-\$18	-\$12
Physician Payment Updates	n/a	-\$11	n/a	-\$0
Medicare Prescription Drug Coverage	n/a [†]	-\$23	n/a [†]	-\$4
Measures to Slow Health Cost Growth	-\$31	-\$17	-\$5	-\$2
Other Spending	-\$195	-\$42	-\$13	-\$6
Spending Offsets[‡]	\$569	\$544	\$107	\$116
Prescription Drug Cost Reductions	\$83 ⁺	\$51	\$11 ⁺	\$12
Medicare Advantage Cuts	\$170	\$119	\$28	\$22
Provider Payment Updates	\$173	\$160	\$36	\$39
Medicare Premium Increase	n/a	\$36	n/a	\$5
Medicare Payment Commission	n/a	\$23	n/a	\$8
Measures to Slow Health Cost Growth	\$37	\$26	\$5	\$6
Measures to Reduce Federal Health Care Spending	\$106	\$129	\$27	\$24
Tax Increases	\$563	\$370	\$82	\$64
Surtax on High Earners	\$461	n/a	\$68	n/a
Excise Tax on High-Cost Insurance	n/a	\$149	n/a	\$35
Medicare Payroll Tax Increase for High Earners	n/a	\$54	n/a	\$8
Limits to Corporate Tax Benefits	\$60	\$17	\$8	\$3
Limits to Health Care Tax Benefits	\$22	\$43	\$3	\$8
Fees on Health Care Companies and Taxes on Certain Health Procedures	\$20	\$108	\$3	\$11
Interaction and Other Effects	\$15	\$48	\$6	\$20
Budgetary Impact Subtotal	\$37	\$57	\$2	\$1
CLASS Act[*]	\$102	\$72	\$10	\$7
Total Budgetary Impact	\$138	\$130	\$12	\$8

Notes: Estimates in billions, and may not add due to rounding.

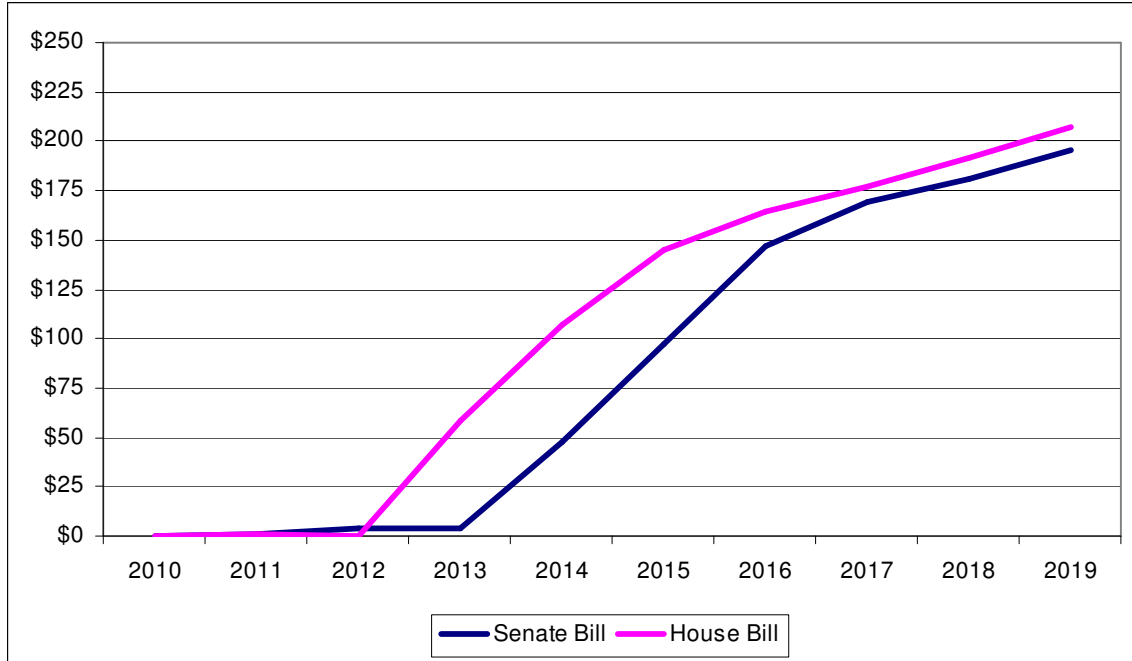
Sources: Congressional Budget Office, Joint Committee on Taxation, and US Budget Watch calculations.

[†]Includes certain indirect revenue effects.

^{*}The CLASS Act makes available government-sponsored long-term care insurance. Because this insurance would have a "vesting period," the provision appears to raise significant revenue over the next decade. However, these revenues must ultimately be used to cover the program's costs, and therefore do not belong in the bill as an offset.

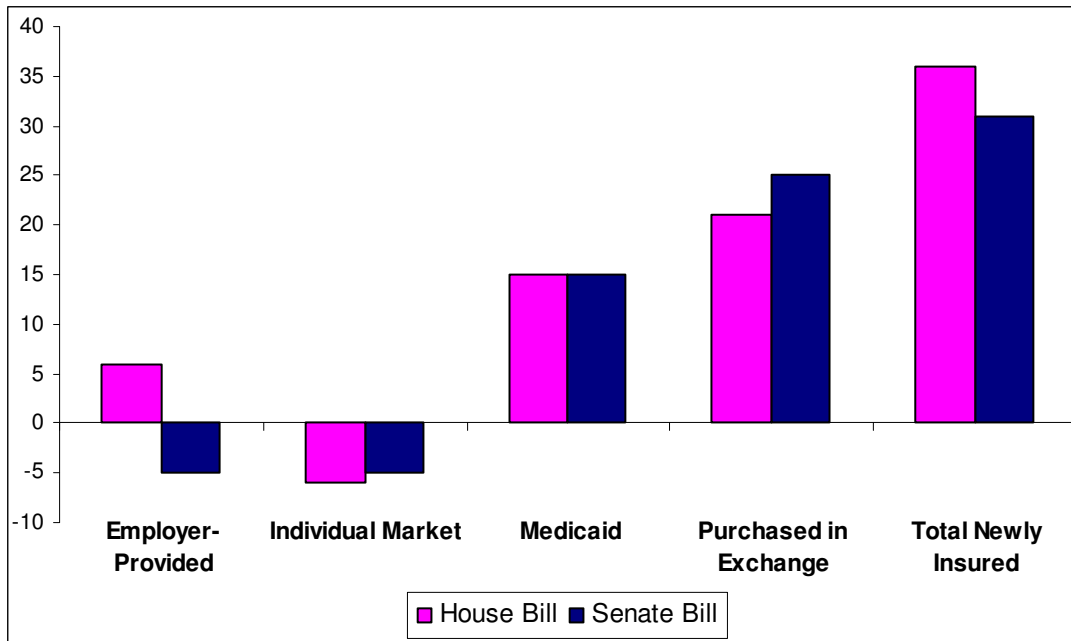
[‡]Costs of expanding prescription drug coverage incorporated into savings estimate for reducing payments.

Figure 1: Gross Cost of Coverage Provisions by Year (billions)



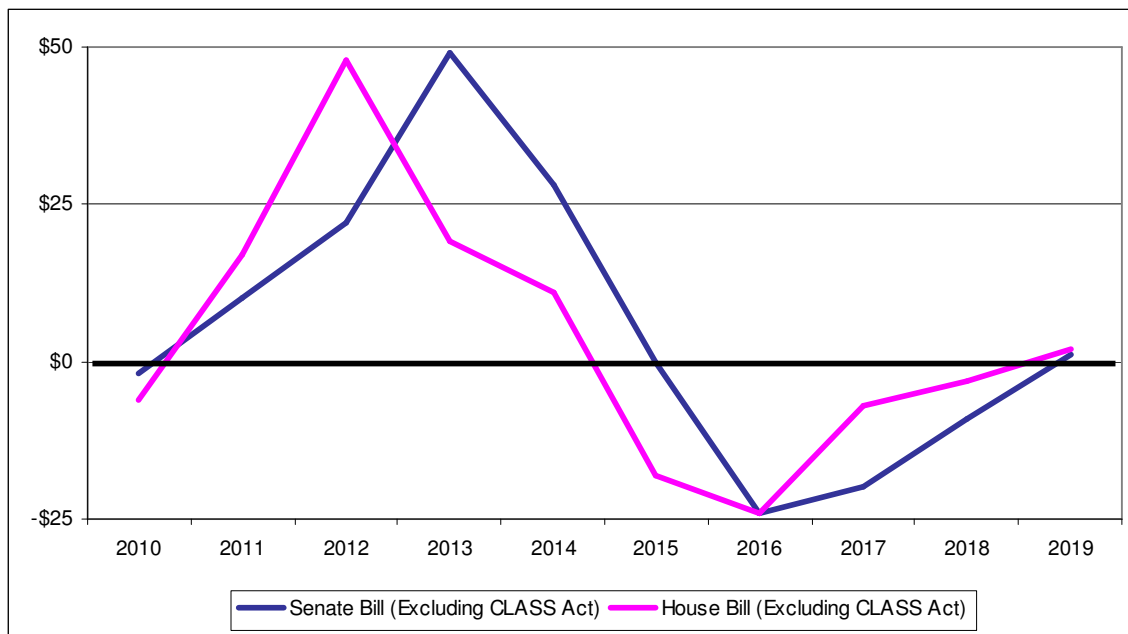
Source: Congressional Budget Office.

Figure 2: Impact of Legislation on Insurance Coverage in 2019 (millions of people)



Source: Congressional Budget Office.

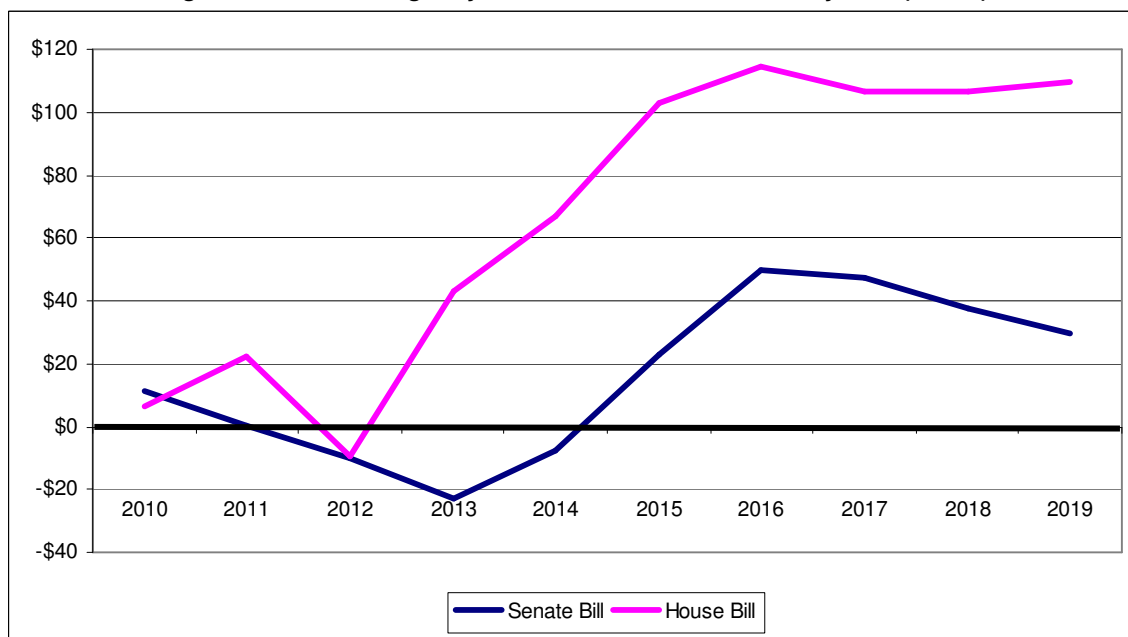
Figure 3: Budgetary Impact by Year (billions)



Source: Congressional Budget Office and US Budget Watch Calculation.

Notes: Positive numbers represent a decrease in the deficit. The CLASS Act makes available government-sponsored long-term care insurance. Because this insurance would have a “vesting period,” the provision appears to raise significant funds over the next decade. However, these revenues must ultimately be used to cover the program’s costs, and therefore do not belong in the bill as an offset. In this chart, we have excluded their deficit impact.

Figure 4: Federal Budgetary Commitment to Health Care by Year (billion)



Sources: Congressional Budget Office, Joint Committee on Taxation, and US Budget Watch Calculations.

Note: Federal Budgetary Commitment to Health Care is a rough measure created by the Congressional Budget Office which sums the federal government’s direct spending on and tax relief related to health care. Although the Congressional Budget Office only offers approximate ten-year estimates of how legislation might affect this measure, we have calculated year-by-year estimates based upon their methodology.