



Proposals Affecting

Medicare

Medicare is the federal health insurance program for people who are 65 or older, for younger people with certain disabilities, and for certain people with end-stage renal disease. The program has three principal components: Part A (Hospital Insurance), Part B (Medical Insurance, which covers doctors' services, outpatient care, and other medical services), and Part D (which covers outpatient prescription drugs). Part A benefits are paid from the Hospital Insurance Trust Fund (funded largely through payroll taxes); Part B and Part D benefits are paid from the Supplementary Medical Insurance Trust Fund (about 25 percent funded by premiums paid by enrollees and about 75 percent funded from general revenues).



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	By Fiscal Year, Millions of Dollars										
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2023-2032
Increases or Decreases (-) in Direct Spending Outlays											
1. Eliminate the 190-Day Lifetime Limit on Psychiatric Hospital Services ^a	0	379	472	496	522	575	549	600	624	662	4,879
2. Require Medicare to Cover Three Behavioral Health Visits Without Cost Sharing	103	191	206	214	222	245	237	260	270	283	2,231
3. Consolidate Vaccine Coverage Under Medicare Part B	0	297	463	314	319	296	483	453	487	549	3,661
4. Capture Savings From Increased Health Care Fraud and Abuse Control Funding	0	0	0	0	0	0	0	0	0	0	0
5. Enhance the Physician Fee Schedule Update in Calendar Year 2025	0	0	406	660	685	755	730	801	831	875	5,743
6. Establish PrEP Delivery Program to End the HIV Epidemic ^a	0	-52	-54	-55	-56	-57	-58	-59	-60	-61	-512
7. Smooth and Extend BBEDCA Section 251A Sequestration ^a	0	0	0	0	0	0	0	1,000	14,800	-19,000	-3,200
Net Increase or Decrease (-) in the Deficit From Direct Spending											
Total Changes in On-Budget Deficits	103	815	1,493	1,629	1,692	1,814	1,941	3,055	16,952	-16,692	12,802
Total Changes in Unified-Budget Deficits	103	815	1,493	1,629	1,692	1,814	1,941	3,055	16,952	-16,692	12,802

Memorandum: Cross-Cutting Policies

1. Eliminate the 190-Day Lifetime Limit on Psychiatric Hospital Services											
Medicaid	0	-133	-165	-174	-183	-201	-192	-210	-218	-232	-1,708
Medicare	<u>0</u>	<u>379</u>	<u>472</u>	<u>496</u>	<u>522</u>	<u>575</u>	<u>549</u>	<u>600</u>	<u>624</u>	<u>662</u>	4,879
Total Outlays	0	246	307	322	339	374	357	390	406	430	3,171
6. Establish PrEP Delivery Program to End the HIV Epidemic											
GDM	0	217	446	700	979	1,092	1,153	1,219	1,290	1,365	8,461
Medicaid	0	-10	-30	-52	-77	-92	-96	-101	-106	-111	-675
Medicare	<u>0</u>	<u>-52</u>	<u>-54</u>	<u>-55</u>	<u>-56</u>	<u>-57</u>	<u>-58</u>	<u>-59</u>	<u>-60</u>	<u>-61</u>	-512
Total Outlays	0	155	362	593	846	943	999	1,059	1,124	1,193	7,274



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	By Fiscal Year, Millions of Dollars										2023-2032	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
7. Smooth and extend BBEDCA Section 251A												
Sequestration												
Medicare	0	0	0	0	0	0	0	1,000	14,800	-19,000		-3,200
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-1,504</u>		-1,504
Total Outlays	0	0	0	0	0	0	0	1,000	14,800	-20,504		-4,704

CBO has estimated only certain proposals in the President's budget request for fiscal year 2023; those estimates are included in this table.

Components may not sum to totals because of rounding; BBEDCA = Balanced Budget and Emergency Deficit Control Act of 1985; GDM = General Departmental Management of the Department of Health and Human Services; PrEP = pre-exposure prophylaxis.

a. Effects on Medicare are shown in the table; effects on other programs are shown in the memorandum.

Estimates for Medicare provisions include interactions with Medicare Advantage payments and the effect on Medicare Part B premiums.

These estimates of the effects of the President's fiscal year 2023 budget proposals incorporate the effects of legislation enacted through April 8, 2002. They are based on CBO's economic projections, which reflect economic developments through March 2, 2022. The estimates do not include the budgetary or economic effects of subsequent legislation, economic developments, administrative actions, or regulatory changes.