

RSC Policy Brief: New CBO Analysis Finds \$115 Billion in Additional Costs in ObamaCare

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Today, in response to a [request](#) from Ranking Members Lewis and Cochran of the House and Senate Committees on Appropriations, CBO has updated their discretionary spending estimate for the *Patient Protection and Affordable Care Act* (PPACA) tacking on an additional [\\$115 billion](#) to the price tag. CBO previously found that [discretionary spending](#) for H.R. 3590 would total about \$75 billion.

Cost to Taxpayers: [CBO](#) had scored the combined bill's gross cost of coverage as \$938 billion not including discretionary costs.

As RSC previously [stated](#), the total cost of PPACA was nearly \$1.2 trillion in total new spending (taking into account CBO's previous discretionary spending estimates of nearly \$75 billion but not including the \$371 billion "Doc Fix" proposed in the President's budget). However, when including CBO's estimated cost to states of the mandated Medicaid expansion (\$20 billion), as well as the Senate Budget Committee Republican Staff's estimate ([up to \\$114 billion](#)) for [authorized discretionary](#) spending for grants, public programs, changes and funding for a variety of agencies that would be responsible for implementing the Senate bill the total cost is more like **\$1.26 trillion**.

CBO's new estimate shows, that similar to previous GOP estimates, if Congress appropriates these funds, the fictional "savings" estimated by the Administration would virtually disappear (however, if you include all the aforementioned items the bill actually increases the deficit).

Of note: CBO has not been able to score the additional costs from discretionary items listed to be appropriated at "such sums as may be necessary". Since this spending is ultimately subject to Congress's discretion, the overall cost required to implement the bill is far higher – these figures could climb up over \$200 billion. So much for President Obama's [pledge](#) that the bill will cost under \$900 billion.

Below are some highlights from CBO's letter.

Discretionary costs fall into three general categories:

- **Implicit Authorization:** CBO again confirms that [implementing](#) H.R. 3590 will require an additional \$10 to \$20 billion in discretionary spending over the ten year window for the IRS and the Department of HHS.

- **Explicit Authorization:** CBO also estimates an additional \$105.6 billion (up from \$55.6 billion) in discretionary spending would be required on the various grant programs authorized with specified funding levels for possible future appropriations.
 - **CBO estimates that this increase is due to including existing authorizations with a specified funding level that have been extended under the bill and an estimate of the Indian Health Care Improvement Reauthorization and Extension Act.**
- **Explicit Authorization:** The bill also contains authorizations for grants and programs with no funding level specified (“such sums”) and as such CBO has not yet completed these estimates.

Adding the \$20 billion in implicit authorizations and \$105.6 billion in explicit authorizations would result in over \$125 billion in discretionary spending.

Some highlights of the 52 discretionary spending provisions listed as “such sums” which CBO cannot include in its estimates but are sure to drastically increase costs include:

- Health care delivery system research; Quality improvement technical assistance.
- Preventive services task force
- Oral health prevention activities (including infrastructure and surveillance activities)
- HHS, CDC, AHRQ, HRSA, and FDA Offices on Women’s health
- Community transformation grants
- Demonstration to improve immunization coverage and re-authorization of immunization program
- Comprehensive geriatric education
- Nurse education, practice, and quality grants, nurse retention grants, nurse faculty loan program, and family nurse practitioner training programs
- Community health workforce grants
- Approval pathway for biosimilar products – user fee program
- CLASS Independence Advisory Council
- Multi-state plans in exchange
- Demonstration to provide access to affordable care

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