

LAME DUCK SPENDING AND OFFSETS OVERVIEW

Overview

Congress may consider several policies and potential offsets when lawmakers return for the “lame duck” session after the November election. Below are some of the spending policies Congress may consider and some of the potential offsets being discussed. This is not meant to be an exhaustive list and we always recommend clients prepare for the unexpected in any lame duck session.

EXPIRING SPENDING PROVISIONS

Provision	Cost	Status
<i>Lower Costs, More Transparency Act</i> (H.R. 5378)	According to the CBO cost estimate , <i>LCMT</i> extended CHC and NHSC funding for two years and expiring workforce provisions through 2030 at a cost of approximately \$11B . It also delayed Medicaid DSH cuts for two years at a cost of \$3.7B and extended the Special Diabetes program for \$675M .	Passed House; December 11, 2023.
Medicare Telehealth Extension	CBO expects a two-year extension to cost \$4B , according to multiple press reports	- Passed the House Ways and Means Committee in the <i>Preserving Telehealth, Hospital, and Ambulance Access Act</i> (H.R. 8261); May 8, 2024. - Passed the House Energy and Commerce Committee in the <i>Telehealth Modernization Act of 2024</i> (H.R. 7623); September 18, 2024.
Affordable Care Act (ACA) Premium Tax Credit (APTC) Extension	CBO estimates that making the premium tax credit permanent would cost \$335B over the 2025-2034 period, with the breakdown suggesting that the first two years would cost \$55B .	The <i>Health Care Affordability Act</i> (S. 5194/H.R. 9774); introduced on September 25, 2024, and the House on September 24, 2024, respectively.

Medicaid DSH Moratorium	The Senate Finance Committee’s section-by-section summary of the <i>Better Mental Health Care, Lower-Cost Drugs, and Extenders Act</i> notes the CBO estimates this would cost \$3.7B over two years . As noted above, this policy was also included in <i>LCMT</i> .	• The <i>PATIENT ACT</i> (H.R. 3561) passed the House Energy and Commerce Committee; May 24, 2023. • <i>Better Mental Health Care, Lower-Cost Drugs, and Extenders Act</i> passed out of the Senate Finance Committee; November 8, 2023. • <i>Lower Costs, More Transparency Act</i> (H.R. 5378), Passed House; December 11, 2023.
Community Health Centers (CHCs); Teaching Health Center Graduate Medical Education programs (THCGME) programs; National Health Service Corps (NHSC)	CBO estimates that extending CHCs, THCGMEs, and the NHSC for two years will cost \$11.48B . As noted above, this policy was also included in <i>LCMT</i> .	• No movement on Ranking Member Cassidy’s standalone bill, the <i>Community Health Care Reauthorization Act</i> (S. 2308) in Senate HELP. • <i>Lower Costs, More Transparency Act</i> (H.R. 5378), Passed House; December 11, 2023.
Addressing the Medicare Physician Pay Cut	CBO’s most recent estimate for the patch for Medicare physician payment cuts included in the March 2024 continuing resolution (CR) totaled \$727M . The CR provided a one-year fix.	• The <i>Strengthening Medicare for Patients and Providers Act</i> (H.R. 2474). • The <i>Provider Reimbursement Stability Act of 2023</i> (H.R. 6371) passed the Energy and Commerce Health Subcommittee; November 15, 2023.
APM Incentive Payments	CBO’s estimate of the cost to extend APM incentive payments via the March 2024 CR totaled \$730M . The CR provided a one-year fix.	The <i>Value in Health Care Act of 2023</i> (S. 3503/H.R. 5013).

POTENTIAL OFFSETS

Provision	Savings	Status
PBM Transparency Policies in the <i>Lower Costs, More Transparency (LCMT) Act</i>	CBO estimates LCMT PBM transparency and spread pricing changes save \$1B .	• The <i>PATIENT ACT (H.R. 3561)</i> passed the House Energy and Commerce Committee; May 24, 2023. • The <i>Health Care Price Transparency Act of 2023 (H.R. 4822)</i> passed the House Ways and Means Committee; September 29, 2023. • The <i>Medicare PBM Accountability Act (H.R. 5385)</i> passed the Energy and Commerce Committee; December 6, 2023. • The <i>Pharmacy Benefit Manager Reform Act (S.1339)</i> passed Senate HELP; June 22, 2023. • The <i>Transparency in Coverage Act of 2023 (H.R. 4507)</i> and the <i>Hidden Fee Disclosure Act of 2023 (H.R. 4508)</i> passed the House Education and Workforce Committee; July 12, 2023. • The <i>Pharmacy Benefit Manager Transparency Act of 2023 (S. 127)</i> passed the Senate Commerce Committee; December 13, 2023.
Patent Reform	CBO estimates the patent thicket provisions of the <i>Affordable Prescriptions for Patients Act of 2023</i> would save \$1.8B. The <i>Preserve Access to Affordable Generics and Biosimilars Act</i> is estimated to save \$1.65B, and the <i>Stop STALLING Act</i> is estimated to save \$401M.	• The <i>Preserve Access to Affordable Generics and Biosimilars Act (S.142)</i> and the <i>Stop STALLING Act (S. 148)</i> passed the Senate Judiciary Committee; March 1, 2023. • The <i>Affordable Prescriptions for Patients Act of 2023 (S. 150)</i> passed the Senate; July 11, 2024; no movement in the House (H.R. 9070).
Nurse Staffing Ratio Repeal	According to an Inside Health Policy report , CBO scored the <i>Protecting America's Senior's Access to Care Act</i> as saving \$22B .	The <i>Protecting America's Senior's Access to Care Act (H.R. 7513)</i> passed the House Ways and Means Committee; April 6, 2024.

Site Neutrality and National Provider ID	CBO <u>estimates</u> site neutrality policies in <i>LCMT</i> are projected to save \$3.7B , and NPI saves \$400M with a \$1.9B increase in revenues.	• The <i>SITE Act</i> (S. 1869) in the Senate Finance Committee. • The <i>Medicare Patient Access to Cancer Treatment Act</i> (H.R. 4473) in the House Energy and Commerce Committee. • The <i>Bipartisan Primary Care and Health Workforce Act</i> (S. 2840) in Senate HELP. • The <i>PATIENT ACT</i> (H.R. 3561) passed the House Energy and Commerce Committee; May 24, 2023. • <i>LCMT</i> passed House; December 11, 2023.
Extending the Medicare Sequester	According to a <u>2023 analysis by</u> the Center on Budget and Policy Priorities, a proposal in President Biden's FY 2024 Budget to extend the 2 percent Medicare sequestration for an extra year through 2033 would save \$36.8B .	
PBM Medicare de-linking	CBO's <u>score</u> of delinking provisions in the Senate Finance Committee's <i>Better Mental Health Care, Lower-Cost Drugs, and Extenders Act</i> is savings of \$719M .	• <i>Better Mental Health Care, Lower-Cost Drugs, and Extenders Act</i> passed out of the Senate Finance Committee; November 8, 2023. • <i>Protecting Patients Against PBM Abuses Act</i> (H.R. 2880) passed the House Energy and Commerce Committee; December 6, 2023.
Delay in Lab Cuts	The Senate Finance Committee proposed in the <i>Better Mental Health Care, Lower-Cost Drugs, and Extenders Act</i> a revised phase-in of Medicare clinical laboratory test payment changes; CBO <u>projected</u> this provision would save \$589M .	• <i>Better Mental Health Care, Lower-Cost Drugs, and Extenders Act</i> passed out of the Senate Finance Committee; November 8, 2023

Medicare Improvement Fund (MIF)	The most recent September 2024 CR included \$3.2B through FY26 for the MIF. According to the most recent Medicare Trustees Report from May 6, 2024, the Further Continuing Appropriations and Other Extensions Act, 2024, which was enacted in November 2023, increased the MIF’s previously allocated \$180M to just above \$466.5M.	• <i>Better Mental Health Care, Lower-Cost Drugs, and Extenders Act</i> passed out of the Senate Finance Committee; November 8, 2023. • The <i>Affordable Prescriptions for Patients Act of 2023</i> (S. 150) passed the Senate; July 11, 2024; no movement in the House (H.R. 9070). • The <i>Seniors’ Access to Critical Medications Act of 2024</i> (H.R. 5526) passed the House; September 23, 2024.
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