

CBO: PRESIDENT'S 2019 BUDGET WOULD REDUCE FEDERAL HEALTH CARE SPENDING BY 1.3 TRILLION

The president's 2019 Budget would reduce federal spending for health care by \$1.3 trillion, or 8 percent, through 2028, the Congressional Budget Office (CBO) concluded in a newly issued report..

Most of the savings, \$954 billion between 2019 and 2028, result from President Donald Trump's proposal to phase out major provisions of the Affordable Care Act by replacing federal subsidies with block grants to states. This proposal in Trump's budget attempts to mimic the failed health reform plan put forth by Sens. Lindsay Graham (R-SC) and Bill Cassidy (R-LA) last fall, and would repeal Medicaid expansion under the ACA, establish per-capita caps and provide \$120 billion for block grants to states in fiscal 2020.

The president's 2019 budget also proposes changes to the medical liability system, such as placing caps on

damages awarded to successful plaintiffs. CBO said it expects these changes would reduce overall health care costs and lower federal spending on health care by \$63 billion, especially in Medicare and Medicaid.

Also, CBO said the proposal requiring Medicare Part D beneficiaries to pay higher out-of-pocket expenses would reduce federal spending by \$59 billion. Another proposal to reduce Medicare payments to certain providers would lower costs by \$55 billion.

CBO also estimated that the proposal similar to the Graham-Cassidy bill would reduce revenue by \$143 billion over the 2019-2028 period, primarily due to changes in employment-based insurance coverage, repeal of the advance premium tax credit, and elimination of the employer mandate. ■