

# **CBO Report Shows Senate’s Bipartisan Bill on Surprise Billing, Drug Prices, Transparency, and More Would Result in Deficit Decrease**

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On July 16, 2019, the Congressional Budget Office (“CBO”) released a [Cost Estimate](#) for Senate Bill [S. 1895](#), the “Lower Health Care Costs Act.” The bipartisan bill, introduced June 19, 2019, intends to end surprise medical bills, reduce the prices of prescription drugs, improve transparency in health care costs, and increase public health awareness and access to health information.

The legislation would implement a number of reforms to the manner in which health care is currently provided. Among the sweeping and far-reaching changes proposed, key provisions include protections for patients from out-of-network expenses for services provided at in-network facilities; prohibitions on drug manufacturers delaying the market entry of generics or biosimilars; a ban on gag clauses on price and product information; a ban on anticompetitive terms in facility and insurance contracts that limit access to higher quality, lower cost care; and funding for a national public awareness campaign on the importance of vaccinations.

The CBO’s report indicates that the legislation, if enacted, would increase direct spending by about \$18.7 billion but increase revenues by \$26.2 billion, resulting in a net decrease in the deficit of \$7.6 billion over the 2019-2029 period. The budgetary effects would primarily stem from reduced federal subsidies for health care and health insurance and increased direct spending for community health centers and other federal health programs. The CBO report notes that there are still areas of “significant uncertainty,” including accurately anticipating the nature and effects of provider and insurer responses to the bill’s provisions, accurately projecting how federal and state agencies would implement the law, estimating quantities, sales, and market effects of the introduction of new pharmaceutical products, and determining how increased transparency would affect prices and private insurance premiums.

As of the date of this post, the bill is on the Senate Legislative Calendar under General Orders after being reported to the Senate July 8, 2019.

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