

The Financial Impact of the Health Security Act

TABLE 8  
NET COST OF THE HEALTH SECURITY ACT TO THE FEDERAL GOVERNMENT: 1994 THROUGH 2000 (IN BILLIONS)

	1994	1995	1996	1997	1998	1999	2000	Total 1994 through 2000
<b>NEW PROGRAM COSTS</b>								
Net Cost of Subsidies a/	\$0.0	\$0.0	\$5.6	\$15.2	\$43.6	\$44.2	\$44.3	\$152.9
Medicare Drug Benefit (Less Rebates, Premiums) b/	\$0.0	\$0.0	\$10.6	\$11.1	\$11.8	\$12.5	\$13.3	\$59.3
Long-Term Care c/	\$0.0	\$0.0	\$4.7	\$9.9	\$12.7	\$16.6	\$20.8	\$64.7
New Public Health Spending d/	\$0.0	\$0.0	\$3.2	\$3.5	\$4.8	\$5.8	\$5.8	\$23.1
Administration e/	\$0.0	\$3.2	\$1.2	\$1.3	\$1.7	\$1.1	\$1.1	\$9.6
Tax Deduction for Self-Employed	\$0.0	\$0.5	\$0.7	\$0.9	\$1.8	\$1.9	\$2.1	\$7.9
<b>Total New Costs</b>	\$0.0	\$3.7	\$26.0	\$41.9	\$76.4	\$82.1	\$87.4	\$317.5
<b>OFFSETS TO NEW PROGRAM COSTS</b>								
Medicare Savings Under Budget Cap f/	\$0.0	(\$4.8)	(\$14.0)	(\$17.6)	(\$23.7)	(\$29.1)	(\$34.7)	(\$123.9)
Medicaid Savings Under Budget Cap g/	\$0.0	\$0.0	(\$1.7)	(\$4.6)	(\$11.1)	(\$22.2)	(\$27.1)	(\$66.7)
Corporate Assessments h/	\$0.0	\$0.0	(\$5.9)	(\$6.3)	(\$6.7)	(\$6.9)	(\$7.2)	(\$33.0)
Tobacco Taxes i/	\$0.0	(\$11.8)	(\$11.5)	(\$11.1)	(\$10.8)	(\$10.4)	(\$10.2)	(\$65.8)
Recover Retiree Savings j/	\$0.0	\$0.0	\$0.0	\$0.0	(\$2.3)	(\$4.8)	(\$5.0)	(\$12.1)
Offsets to Federal Indigent Care Programs	\$0.0	\$0.0	(\$0.3)	(\$0.8)	(\$2.0)	(\$2.1)	(\$2.2)	(\$7.4)
Veterans Program Effects k/	\$0.0	\$0.0	\$0.4	(\$0.1)	(\$2.6)	(\$2.9)	(\$3.0)	(\$8.2)
Other Program Effects l/	\$0.0	\$0.0	\$2.3	\$1.1	(\$4.8)	(\$4.7)	(\$5.6)	(\$11.7)
<b>Total Offsets</b>	\$0.0	(\$16.6)	(\$30.7)	(\$39.4)	(\$64.0)	(\$83.1)	(\$95.0)	(\$328.8)
<b>OTHER EFFECTS</b>								
Federal Tax Revenues Loss (Gain) m/	\$0.0	\$0.0	\$0.8	(\$1.7)	(\$1.3)	(\$4.3)	(\$6.8)	(\$13.3)
<b>NET COST</b>	\$0.0	(\$12.9)	(\$3.9)	\$0.8	\$11.1	(\$5.3)	(\$14.4)	(\$24.6)

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