



CHAIR JODEY ARRINGTON

# HOUSE BUDGET COMMITTEE

## Chairman Arrington, Health Care Task Force Chair Burgess *Request Investigation* into Obamacare Program Driving Deficits

WASHINGTON, D.C. – Today, House Budget Committee Chairman Jodey Arrington (R-TX) and Budget Committee Health Care Task Force (HCTF) Chair Michael C. Burgess, M.D. (R-TX) sent a [letter](#) to Comptroller General Gene Dodaro of the U.S. Government Accountability Office (GAO) **requesting an updated report** on the cost of the Center for Medicare and Medicaid Innovation (CMMI) and its effect on the federal budget.

### THE RELATIONSHIP BETWEEN FEDERAL SPENDING AND CMMI

- The Patient Protection and Affordable Care Act (PPACA) established the Center for Medicare and Medicaid Innovation (CMMI) within the Centers for Medicare and Medicaid Services (CMS) **to test new approaches to health care delivery that could curb spending while providing better care.**
- In establishing CMMI, the law provided CMS with additional authority when testing new health care delivery and payment approaches, known as “[models](#).”
- The creation of CMMI also provided a permanent mandatory appropriation stream for testing models—**\$10 billion for the CMMI’s activities for the period of fiscal years 2011 through 2019 and \$10 billion every decade beginning in fiscal year 2020.**
- In 2010, the nonpartisan **Congressional Budget Office (CBO) originally estimated funding for CMMI would result in net savings of \$1.3 billion over the ten-year budget window.**



- A September 2023 report from CBO revised the agency’s prior analysis, estimating CMMI’s activities **increased direct spending by \$5.4 billion, or 0.1 percent of net spending on Medicare, between 2011 and 2020.**
- **CBO now currently projects that CMMI’s activities will increase net federal spending by \$1.3 billion, or 0.01 percent of net spending on Medicare, over the center’s second decade, which extends from 2021 to 2030.”**

## COUNTING THE COST OF CMMI

Established by Obamacare with the goal of saving taxpayer money and improving the quality of care for beneficiaries, **CMMI has failed to deliver on its mandate.**

In 2010, the Congressional Budget Office (CBO) *projected* that CMMI would produce net savings over the 10-year budget window. CBO *revised* its analysis last year, **finding that CMMI is not saving tax dollars but rather has increased federal spending by billions of dollars.**

In the [letter](#) penned by the House Budget Committee’s Health Care Task Force, the committee requests that GAO issue a report updating previous [work](#) it has done on CMMI focusing on its use of dedicated mandatory funding and an assessment of its performance.

*The letter directs GAO to examine the following:*

- *How* CMMI has **used dedicated funding to develop models** and carry out other agency functions;
- *How much* of CMMI’s first **\$10 billion mandatory appropriation did CMMI utilize prior to receiving its second \$10 billion** in funding in Fiscal Year 2020;
- *The status of* CMMI’s testing of models, including **models that have saved money** or **increased spending per the Administration**; and
- *How* CMMI **determines what types of providers to include in models** — focusing on **the discrepancy between the number of models focused on primary care physicians compared to specialists.**



## BACKGROUND

The letter follows a recent [HCTF member roundtable](#) focused on examining why CMMI is adding billions to the national debt, rather than generating budgetary savings as the program intended.

The roundtable brought together [members of the HCTF](#), CBO Director Phillip Swagel, and Demetrios Kouzoukas of Paragon Health Institute, who previously served as the head of the Medicare program under the Trump Administration.



***Pictured left to right:** Demetrios Kouzoukas with Paragon Health Institute, HCTF Chair Michael C. Burgess (R-TX), CBO Director Phillip Swagel, and Rep. Rudy Yakym (R-IN)*

Members, CBO, and stakeholders discussed how mandatory health care programs are the primary drivers of our nation's out-of-control **\$34 trillion** in national debt.

The CBO baseline shows that spending on major health care programs will exceed **\$3.2 trillion in 2034, three times larger than the amount projected to be spent on national defense in the same year.** As a result, we must conduct budgetary oversight of mandatory health care programs such as CMMI that are adding to our national debt and not delivering for taxpayers or patients.



## MORE FROM THE HEALTH CARE TASK FORCE (HCTF)

Click [HERE](#) for the House Budget Committee release on the HCTF member roundtable.

Click [HERE](#) for the House Budget Committee release on “The Cost Of...The Center for Medicare and Medicaid Innovation.”

