

Analysis of HR 1190

The Protecting Seniors Access to Medicare Act of 2015

This bill was introduced in March, 2015, by Rep. Phil Roe (R-TN) and 206 cosponsors.

HR 1190 repeals the portions of ObamaCare (the Patient Protection and Affordable Care Act) which created the Independent Payment Advisory Board (in sections 3403 and 10320).

The purpose of the Independent Payment Advisory Board (IPAB) is to reduce Medicare spending in order to offset the costs of ObamaCare (i.e. Medicaid expansion and subsidies for the purchase of health insurance) so that ObamaCare would not appear to increase the deficit in the first ten years. ObamaCare establishes a formula which determines how much Medicare spending is allowed to increase each year, and the formula is deliberately designed to slow the rate of increase below what it has been historically.

If Medicare spending is growing too fast, the IPAB must prepare a plan to cut costs and keep them within the limit prescribed by ObamaCare's formula. The IPAB then sends its plan to Congress. Congress may pass its own plan to cut Medicare by at least as much. However, if Congress fails to do so, the IPAB plan goes into effect automatically. The Congressional Budget Office (CBO) predicted in 2009 that, given some legal limitations on what the IPAB can cut, it would focus on reducing payments for Medicare Advantage plans and reducing the amount that Medicare would be allowed to pay for some goods and services.

Medicare spending has grown more slowly than projected, and the CBO has admitted that its prediction that the IPAB would reduce the deficit by \$23 billion between 2015 and 2019 was completely wrong. CBO now projects that repealing the IPAB would add little or nothing to the deficit over the next ten years, but would prevent cuts to Medicare at a later time.

The House passed HR 1190 on June 23, 2015, by a vote of 244-154. The Senate has taken no action as of June 30.

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