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ONE HUNDRED EIGHTEENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
COMMITTEE ON ENERGY AND COMMERCE  
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March 1, 2024

Dr. Chapin White, Ph.D.  
Director of Health Analysis  
Congressional Budget Office  
441 2nd Street, SW  
Washington, DC 20515

Dear Dr. White:

Thank you for appearing before the Subcommittee on Health on Wednesday, January 31, 2024, to testify at the hearing entitled "Health Care Spending in the United States: Unsustainable for Patients, Employers, and Taxpayers."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions with a transmittal letter by the close of business on Friday, March 15, 2024. Your responses should be mailed to Emma Schultheis, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, DC 20515 and e-mailed in Word format to [Emma.Schultheis@mail.house.gov](mailto:Emma.Schultheis@mail.house.gov).

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,



Brett Guthrie  
Chair  
Subcommittee on Health

cc: Anna Eshoo, Ranking Member, Subcommittee on Health

Attachment

## Attachment — Additional Questions for the Record

### The Honorable Robert Latta

1. How is CBO thinking about advances in AI/MI (Artificial Intelligence/Machine Learning) as a tool to help with projections and modeling of cost impacts, especially in the context of health interventions that can prevent disease or preempt the progression of disease?

### The Honorable Earl “Buddy” Carter

1. We know that Medicaid managed care companies and their PBMs are using spread pricing to overcharge taxpayer-funded state Medicaid programs to the tune of hundreds of millions of dollars. For example, in the last 2 years, Centene has reached settlements with 18 states, totaling almost \$1 billion, for overcharges to taxpayer-funded state Medicaid programs. Can you explain the negative consequences on the federal budget if MCOs and PBMs continue to overcharge Medicaid programs absent price-transparency reforms in the Lower Costs, More Transparency Act?
2. Section 106 of the Lower Cost, More Transparency Act requires pharmacy benefit managers to report data on the cost of dispensed prescription drugs to group health plans “not less frequently than every 6 months (or at the request of a group health plan, not less frequently than quarterly, but under the same conditions, terms, and cost of the semiannual report under this subsection).” On December 8, 2023, CBO estimated that this provision will save the federal government \$23 million over 10 years. What specific levers within the provision produce these savings? What behavior does CBO believe this will result in from sponsors of group health plans, particularly employer plan sponsors? Can group health plan sponsors currently access this information easily, prior to enactment of this legislation?
3. Recent CBO budgetary modeling of major health legislation and its impact on costs has been fraught with error. The CBO overestimated by 100% the cost of Part D, a Republican policy proposal that created a prescription drug benefit for seniors. CBO published a look back report 10 years later examining its mistakes, does CBO plan to do the same with the ACA now that we are a decade out? Will the CBO commit to doing the same for the IRA in a decade? If not, why? Isn't CBO accountable to Congress and the American people?

### **The Honorable Dan Crenshaw**

1. What are the projected economic outcomes or effects of further limiting small businesses' ability to band together to purchase health insurance through AHPs? Specifically, how might this affect small business growth, employee compensation and employment trends, and small business contribution to the economy and percentage of GDP?
2. Could the Congressional Budget Office (CBO) elaborate via a report on the potential long-term effects on the economy and the labor market, particularly in relation to unemployment rates, labor participation, and inflation as a result of a continued drop in the percentage of small firms offering health care benefits to their employees due to limited choices?
3. In light of the recently proposed rescission of the 2018 Trump Administration Association Health Plan (AHP) rule, what alternative policy measures could be considered to support small businesses in offering competitive and affordable health benefits to their employees while also lowering health care costs? How might these alternatives compare in terms of economic and health coverage outcomes?

### **The Honorable John Joyce**

1. Dr. White, seeing how this continued underpayment has driven consolidation and required seniors to receive care in higher cost settings like hospital OPDs. How does CBO account for these increased government outlays from consolidation when weighing the direct budgetary cost of providing necessary relief in the physician fee schedule? Are there reforms Congress should be considering to help CBO better analyze these complex issues?
  - a. Links:
    - i. [BHI Analysis: Hospital Outpatient Prices Far Higher, Rising Faster than Physician Sites](#)
    - ii. [Avalere Analysis: CMS Site-Neutral Payments Affect Small Share of Spending](#)

### **The Honorable Rick Allen**

1. I have been asking experts in the health care field for years if they can break down the health care dollar and tell me where exactly it is being spent. No one has been able to give me a straight answer until last year when CBO Director Phillip Swagel was asked at an Energy and Commerce briefing.

- a. As CBO's Director of Health Analysis, can you explain the breakdown of the health care dollar in terms that patients and employers can understand, as well as the importance of price transparency for increasing efficiency in our healthcare system and how a bill like the Lower Costs, More Transparency Act can help in this effort?

### **The Honorable Ann Kuster**

1. Studies show that for every dollar we spend to treat substance abuse in our prisons, we can save up to \$7 down the road from better health outcomes and lower recidivism rates. I believe we should be doing more to maximize effective, cost-saving treatments, which is why I introduced the Rehabilitation and Recovery During Incarceration Act. My bill, which has bipartisan support, would reform the Medicaid Inmate Exclusion Policy so that incarcerated individuals who are eligible for Medicaid otherwise would have mental health and substance use services coverage while they are incarcerated.
  - a. Dr. White, does the Congressional Budget Office consider downstream savings from better health outcomes in its analysis?
2. In addition to increasing access to care and lowering health costs, my bill would help states and counties with expenses associated with drug-related crime and criminal justice.
  - a. Dr. White, does the Congressional Budget Office consider savings for states and localities when analyzing health policy, or does it only consider the impact on the federal budget?

### **The Honorable Lori Trahan**

1. Dr. White, I have partnered with my colleague, Ms. Miller-Meeks, to introduce legislation called the Accelerating Kids' Access to Care Act, which would streamline health care provider enrollment in Medicaid programs outside their state in order to expedite access to timely care for kids with Medicaid who need medical treatment outside of their own state. I have been encouraged that CBO has met with the Childrens' Hospital Association and others to gather data that can inform a CBO score of this bill.
  - a. Could you provide the Committee with a timeline for when you expect to have a score for this bill that accounts for data like that provided by the Childrens' Hospital Association?