

CBO ESTIMATE FOR H.R. 1628, BETTER CARE RECONCILIATION ACT OF 2017 JULY 26, 2017

Selected provisions of an amendment in the nature of a substitute (ERN17500), as requested by the Democratic staff of the Senate Committee on Finance and the Senate Committee on Health, Education, Labor, and Pensions

[H.R. 1628 Selected Provisions.pdf](#)

Summary

Three tables:

Table 1. Estimate of the direct spending and revenue effects of selected provisions from H.R. 1628

Table 2. Estimate of the net budgetary effects of the insurance coverage provisions of selected provisions from H.R. 1628

Table 3. Effects of selected provisions from H.R. 1628 on health insurance coverage for people under age 65

Table 1 - ESTIMATE OF THE DIRECT SPENDING AND REVENUE EFFECTS OF SELECTED PROVISIONS FROM H.R. 1628, THE BETTER CARE RECONCILIATION ACT OF 2017, AN AMENDMENT IN THE NATURE OF A SUBSTITUTE [ERN17500]^a

Billions of Dollars, by Fiscal Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017-2021	2017-2026
ESTIMATED CHANGES IN DIRECT SPENDING^b												
Coverage Provisions												
Estimated Budget Authority	-1.0	-11.7	-19.5	-21.8	-26.3	-28.8	-30.8	-33.1	-34.9	-37.7	-80.3	-245.7
Estimated Outlays	-1.0	-11.7	-19.5	-21.8	-26.3	-28.8	-30.8	-33.1	-34.9	-37.7	-80.3	-245.7
<i>On-Budget</i>	-1.0	-11.7	-19.5	-21.8	-26.3	-28.8	-30.8	-33.1	-34.9	-37.7	-80.3	-245.7
<i>Off-Budget</i>	0	0	0	0	0	0	0	0	0	0	0	0
Sec. 104 - Individual Mandate												
Estimated Budget Authority	<i>included in estimate of coverage provisions</i>											
Estimated Outlays	<i>included in estimate of coverage provisions</i>											
Sec. 105 - Employer Mandate												
Estimated Budget Authority	<i>included in estimate of coverage provisions</i>											
Estimated Outlays	<i>included in estimate of coverage provisions</i>											
Sec. 123 - Federal Payment to States ^c												
Estimated Budget Authority	*	-0.1	*	*	*	*	*	*	*	*	-0.2	-0.1
Estimated Outlays	*	-0.1	*	*	*	*	*	*	*	*	-0.2	-0.1
Sec. 201 - Prevention and Public Health Fund												
Estimated Budget Authority	0	0	-0.9	-1.0	-1.0	-1.5	-1.0	-1.7	-2.0	-2.0	-2.9	-11.1
Estimated Outlays	0	0	-0.1	-0.4	-0.8	-1.0	-1.1	-1.3	-1.4	-1.7	-1.3	-7.9
Sec. 203 - Community Health Center Program												
Estimated Budget Authority	0.4	0	0	0	0	0	0	0	0	0	0.4	0.4
Estimated Outlays	0	0.2	0.2	*	0	0	0	0	0	0	0.4	0.4
Total Changes in Direct Spending												
Estimated Budget Authority	-0.6	-11.9	-20.4	-22.8	-27.3	-30.3	-31.8	-34.8	-36.9	-39.7	-83.0	-256.5
Estimated Outlays	-1.0	-11.7	-19.5	-22.2	-27.0	-29.9	-31.9	-34.4	-36.3	-39.4	-81.4	-253.3
<i>On-Budget</i>	-1.0	-11.7	-19.5	-22.2	-27.0	-29.9	-31.9	-34.4	-36.3	-39.4	-81.4	-253.3
<i>Off-Budget</i>	0	0	0	0	0	0	0	0	0	0	0	0
ESTIMATED CHANGES IN REVENUES^d												
Coverage Provisions	-5.1	-9.2	-10.9	-7.4	-9.2	-10.9	-11.9	-12.5	-13.0	-13.5	-41.7	-103.5
<i>On-Budget</i>	-5.4	-15.0	-16.4	-12.5	-14.3	-16.2	-17.4	-18.4	-19.4	-20.2	-63.7	-155.3
<i>Off-Budget</i>	0.3	5.8	5.5	5.2	5.1	5.2	5.5	5.9	6.4	6.7	22.0	51.8
Sec. 104 - Individual Mandate	<i>included in estimate of coverage provisions</i>											
Sec. 105 - Employer Mandate	<i>included in estimate of coverage provisions</i>											
Sec. 113 - Repeal of Medical Device Excise Tax	0	-1.4	-1.9	-2.0	-2.1	-2.2	-2.3	-2.4	-2.6	-2.7	-7.4	-19.6
Total Changes in Revenues	-5.1	-10.6	-12.8	-9.4	-11.3	-13.1	-14.2	-15.0	-15.6	-16.2	-49.0	-123.1
<i>On-Budget</i>	-5.4	-16.4	-18.3	-14.5	-16.4	-18.4	-19.7	-20.9	-22.0	-22.9	-71.0	-174.9
<i>Off-Budget</i>	0.3	5.8	5.5	5.2	5.1	5.2	5.5	5.9	6.4	6.7	22.0	51.8
INCREASE OR DECREASE (-) IN THE DEFICIT FROM CHANGES IN DIRECT SPENDING AND REVENUES												
Net Increase or Decrease (-) in the Deficit	4.0	-1.1	-6.7	-12.8	-15.8	-16.7	-17.7	-19.4	-20.7	-23.2	-32.4	-130.2
<i>On-Budget</i>	4.4	4.7	-1.2	-7.7	-10.7	-11.5	-12.2	-13.5	-14.3	-16.5	-10.4	-78.4
<i>Off-Budget</i>	-0.3	-5.8	-5.5	-5.2	-5.1	-5.2	-5.5	-5.9	-6.4	-6.7	-22.0	-51.8

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.

Numbers may not add up to totals because of rounding.

* = between -\$50 million and \$50 million.

- a. Selected provisions requested by the Democratic staff of the Senate Committees on Finance and Health, Education, Labor, and Pensions.
- b. For outlays, a positive number indicates an increase (adding to the deficit) and a negative number indicates a decrease (reducing the deficit).
- c. CBO expects that this provision would be implemented in a way that the prohibition would apply only if at least one entity, affiliate, subsidiary, successor, or clinic satisfied all of the criteria specified in the legislation; CBO identified only one organization that would be affected: Planned Parenthood Federation of America and its affiliates and clinics. If the provision was implemented in a way that affiliates, subsidiaries, successors, and clinics could satisfy the criteria separately, then the provision could apply to more organizations, perhaps many more.
- d. For revenues, a positive number indicates an increase (reducing the deficit) and a negative number indicates a decrease (adding to the deficit).

Table 2 - ESTIMATE OF THE NET BUDGETARY EFFECTS OF THE INSURANCE COVERAGE PROVISIONS OF SELECTED PROVISIONS FROM H.R. 1628, THE BETTER CARE RECONCILIATION ACT OF 2017, AN AMENDMENT IN THE NATURE OF A SUBSTITUTE [ERN17500]^a

Billions of Dollars, by Fiscal Year

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total, 2017- 2026
Medicaid	*	-8	-15	-19	-24	-27	-29	-31	-33	-35	-220
Change in Subsidies for Coverage Through Marketplaces and Related Spending and Revenues ^{b,c}	-1	-7	-9	-8	-7	-6	-5	-6	-6	-7	-62
Change in Small-Employer Tax Credits ^{c,d}	*	*	*	*	*	*	*	*	*	*	*
Elimination of Penalty Payments by Employers ^d	2	16	20	15	16	18	19	20	22	23	171
Elimination of Penalty Payments by Uninsured People	3	3	3	3	4	4	4	4	4	5	38
Medicare ^e	0	2	5	4	4	4	4	4	4	4	35
Other Effects on Revenues and Outlays ^f	*	-9	-12	-11	-11	-11	-11	-12	-13	-14	-105
Total Effect on the Deficit	4	-3	-9	-14	-17	-18	-19	-21	-22	-24	-142
Memorandum: Additional Detail on Marketplace Subsidies and Related Spending and Revenues											
Premium Tax Credit Outlay Effects	-1	-5	-7	-6	-5	-5	-5	-5	-5	-6	-51
Premium Tax Credit Revenue Effects	*	-1	-1	-1	-1	-1	-1	-1	-1	-1	-9
Subtotal, Premium Tax Credits	-1	-6	-9	-7	-6	-6	-6	-6	-6	-7	-60
Cost-Sharing Outlays	*	-1	-1	*	*	*	*	*	*	*	*
Outlays for the Basic Health Program	*	*	*	*	*	*	*	*	*	*	-1
Total, Subsidies for Coverage Through Marketplaces and Related Spending and Revenues ^{a,b}	-1	-7	-9	-8	-7	-6	-5	-6	-6	-7	-62

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.

Estimates are based on CBO's March 2016 baseline, adjusted for subsequent legislation.

Positive numbers indicate an increase in the deficit; negative numbers indicate a decrease in the deficit.

Numbers may not add up to totals because of rounding.

* = between -\$500 million and \$500 million.

- a. Selected provisions requested by the Democratic staff of the Senate Committees on Finance and Health, Education, Labor, and Pensions.
- b. Related spending and revenues include spending for the Basic Health Program and net spending and revenues for risk adjustment.
- c. Includes effects on both outlays and revenues.
- d. Effects on the deficit include the associated effects on revenues of changes in taxable compensation.
- e. Effects arise mostly from changes in Disproportionate Share Hospital payments.
- f. Consists mainly of the effects on revenues of changes in taxable compensation.

Table 3 - EFFECTS OF SELECTED PROVISIONS FROM H.R. 1628, THE BETTER CARE RECONCILIATION ACT OF 2017, AN AMENDMENT IN THE NATURE OF A SUBSTITUTE [ERN17500], ON HEALTH INSURANCE COVERAGE FOR PEOPLE UNDER AGE 65^a

Millions of People, by Calendar Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Total Population Under Age 65	273	274	275	276	276	277	278	279	279	280
Uninsured Under Current Law	26	26	27	27	27	27	27	28	28	28
Change in Coverage Under the BCRA										
Medicaid ^b	*	-3	-3	-5	-6	-6	-7	-7	-7	-7
Nongroup coverage, including marketplaces	-1	-6	-6	-6	-5	-5	-5	-5	-5	-5
Employment-based coverage	*	-6	-5	-5	-4	-4	-4	-4	-5	-4
Other coverage ^c	*	*	*	*	*	*	*	*	*	*
Uninsured	1	15	15	15	16	16	16	16	16	16
Uninsured Under the BCRA	28	42	42	43	43	43	43	44	44	44
Percentage of the Population Under Age 65										
With Insurance Under the BCRA										
Including all U.S. residents	90	85	85	84	84	84	84	84	84	84
Excluding unauthorized immigrants	92	87	87	87	87	87	87	87	87	87

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.

Estimates are based on CBO's March 2016 baseline, adjusted for subsequent legislation. They reflect average enrollment over the course of a year among noninstitutionalized civilian residents of the 50 states and the District of Columbia who are under the age of 65, and they include spouses and dependents covered under family policies.

For these estimates, CBO and the Joint Committee on Taxation consider individuals to be uninsured if they would not be enrolled in a policy that provides financial protection from major medical risks.

BCRA = Better Care Reconciliation Act; * = between -500,000 and zero.

- a. Selected provisions requested by the Democratic staff of the Senate Committees on Finance and Health, Education, Labor, and Pensions.
- b. Includes noninstitutionalized enrollees with full Medicaid benefits.
- c. Includes coverage under the Basic Health Program, which allows states to establish a coverage program primarily for people whose income is between 138 percent and 200 percent of the federal poverty level. To subsidize that coverage, the federal government provides states with funding that is equal to 95 percent of the subsidies for which those people would otherwise have been eligible.