



March 23, 2017

Honorable Paul Ryan  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Speaker:

At your request, the Congressional Budget Office and the staff of the Joint Committee on Taxation (JCT) have prepared an estimate of the direct spending and revenue effects of H.R. 1628, the American Health Care Act, as posted on the website of the House Committee on Rules on March 22, 2017, incorporating manager's amendments 4, 5, 24, and 25.

As a result of those amendments, this estimate shows smaller savings over the next 10 years than the estimate that CBO issued on March 13 for the reconciliation recommendations of the House Committee on Ways and Means and the House Committee on Energy and Commerce.<sup>1</sup> The estimated effects on health insurance coverage and on premiums for health insurance are similar to those estimated for the committees' recommendations.

### **Effects on the Federal Budget**

CBO and JCT estimate that enacting H.R. 1628, with the proposed amendments, would reduce federal deficits by \$150 billion over the 2017-2026 period; that reduction is the net result of a \$1,150 billion reduction in direct spending, partly offset by a reduction of \$999 billion in revenues (see Tables 1 and 2). The provisions dealing with health insurance coverage would reduce deficits, on net, by \$883 billion (see Table 3); the noncoverage provisions would increase deficits by \$733 billion, mostly by reducing revenues.

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1. Congressional Budget Office, cost estimate for the American Health Care Act, Budget Reconciliation Recommendations of the House Committees on Ways and Means and Energy and Commerce, March 9, 2017 (March 13, 2017), [www.cbo.gov/publication/52486](http://www.cbo.gov/publication/52486).

Pay-as-you-go procedures apply because enacting the legislation would affect direct spending and revenues. CBO and JCT estimate that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

### **Effects on Health Insurance Coverage**

CBO and JCT estimate that, in 2018, 14 million more people would be uninsured under the legislation than under current law. The increase in the number of uninsured people relative to the number under current law would reach 21 million in 2020 and 24 million in 2026 (see Table 4). In 2026, an estimated 52 million people under age 65 would be uninsured, compared with 28 million who would lack insurance that year under current law.

### **Effects on Premiums**

H.R. 1628, with the proposed amendments, would tend to increase average premiums in the nongroup market before 2020 and lower average premiums thereafter, relative to projections under current law. In 2018 and 2019, according to CBO and JCT's estimates, average premiums for single policyholders in the nongroup market would be 15 percent to 20 percent higher under the legislation than under current law. By 2026, average premiums for single policyholders in the nongroup market would be roughly 10 percent lower than under current law.

### **Uncertainty Surrounding the Estimates**

The ways in which federal agencies, states, insurers, employers, individuals, doctors, hospitals, and other affected parties would respond to the changes made by the legislation are all difficult to predict, so the estimates in this report are uncertain. But CBO and JCT have endeavored to develop estimates that are in the middle of the distribution of potential outcomes.

### **Comparison With the Previous Estimate**

On March, 13, 2017, CBO and JCT estimated that enacting the reconciliation recommendations of the House Committee on Ways and Means and the House Committee on Energy and Commerce (which were combined into H.R. 1628) would yield a net reduction in federal deficits of \$337 billion over the 2017-2026 period. CBO estimates that enacting H.R. 1628, with the

proposed amendments, would save \$186 billion less over that period. That reduction in savings stems primarily from changes to H.R. 1628 that modify provisions affecting the Internal Revenue Code and the Medicaid program.

Over the 2017-2026 period, modifications to provisions affecting the Internal Revenue Code that are not directly related to the law's insurance coverage provisions would reduce JCT's estimate of revenues by \$137 billion. Reducing the threshold for determining the medical care deduction on individuals' income tax returns from 7.5 percent of income to 5.8 percent would reduce revenues by about \$90 billion. Other changes include adjusting the effective dates and making other modifications to the provisions that repeal or delay many of the changes in the Affordable Care Act, which would reduce revenues by \$48 billion.

A number of changes to the Medicaid program would reduce CBO's estimate of savings by \$41 billion over the 2017-2026 period. The reduction would result from revising the formula for calculating the per capita allotments in Medicaid to allow for faster growth of the per capita cost of aged, blind, and disabled enrollees. The effects of changing that formula would be offset somewhat by the effects of three other provisions that would increase savings: reducing the per capita allotment in Medicaid for the state of New York in proportion to any financing the state receives from county governments; providing states the option to make eligibility for Medicaid conditional on satisfying work requirements for enrollees who are not single parents of children under age 6 or who are not pregnant or disabled; and allowing states to receive a block grant for Medicaid coverage of children and some adults instead of funding based on a per capita cap.


Other smaller changes resulting from the manager's amendments would reduce savings by an estimated \$8 billion over the period.

Compared with the previous version of the legislation, H.R. 1628, with the proposed amendments, would have similar effects on health insurance coverage: Estimates differ by no more than half a million people in any category in any year over the next decade. (Some differences may appear larger because of rounding.) For example, the decline in Medicaid coverage after 2020 would be smaller than in the previous estimate, mainly because of states' responses to the faster growth in the per capita allotments for aged, blind, and disabled enrollees—but other changes in Medicaid would offset some of those effects.

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The legislation's impact on health insurance premiums would be approximately the same as estimated for the previous version.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,  
  
Keith Hall  
Director

Enclosure

cc: Honorable Nancy Pelosi  
Democratic Leader

**Table 1 - SUMMARY OF THE DIRECT SPENDING AND REVENUE EFFECTS OF H.R. 1628, THE AMERICAN HEALTH CARE ACT OF 2017, INCORPORATING MANAGER'S AMENDMENTS 4, 5, 24, AND 25 (WALDEN AND BRADY)**

Billions of Dollars, by Fiscal Year

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017- 2021	2017- 2026
<b>CHANGES IN DIRECT SPENDING<sup>a</sup></b>												
<b>Coverage Provisions</b>												
Estimated Budget Authority	-6.6	-12.2	-23.6	-89.1	-129.2	-147.6	-163.2	-175.6	-187.5	-199.2	-260.6	-1,133.7
Estimated Outlays	-6.6	-27.2	-26.3	-84.0	-128.7	-148.6	-164.6	-177.1	-189.4	-200.7	-272.7	-1,153.2
<b>Noncoverage Provisions</b>												
Estimated Budget Authority	1.3	-0.5	-0.7	0.4	1.2	1.0	-0.3	-0.2	-0.6	-1.5	1.7	0.2
Estimated Outlays	-0.1	0.5	0.2	0.9	1.4	1.5	-0.2	0.3	-0.1	-1.1	3.0	3.4
<b>Total Changes in Direct Spending</b>												
Estimated Budget Authority	-5.3	-12.7	-24.2	-88.8	-128.0	-146.6	-163.5	-175.8	-188.2	-200.7	-258.9	-1,133.5
Estimated Outlays	-6.7	-26.6	-26.0	-83.1	-127.3	-147.1	-164.8	-176.9	-189.5	-201.8	-269.7	-1,149.8
<b>CHANGES IN REVENUES<sup>b</sup></b>												
<b>Coverage Provisions</b>												
	-3.8	-13.8	-17.0	-23.4	-31.1	-33.8	-36.0	-37.0	-37.4	-36.9	-89.0	-270.2
<b>Noncoverage Provisions</b>												
	-11.0	-56.9	-56.8	-64.6	-73.4	-79.7	-86.8	-95.1	-104.3	-100.7	-262.6	-729.3
<b>Total Changes in Revenues</b>												
	-14.8	-70.7	-73.8	-88.0	-104.4	-113.6	-122.8	-132.1	-141.7	-137.6	-351.7	-999.5
<b>INCREASE OR DECREASE (-) IN THE DEFICIT FROM CHANGES IN DIRECT SPENDING OR REVENUES</b>												
<b>Net Increase or Decrease (-) in the Deficit</b>	8.2	44.0	47.7	4.8	-22.8	-33.5	-42.0	-44.8	-47.7	-64.3	81.9	-150.3

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

Notes: The costs of this legislation fall within budget functions 550 (health), 570 (Medicare), 600 (Income Security), and 650 (Social Security). Numbers may not add up to totals because of rounding.

- a. For outlays, a positive number indicates an increase (adding to the deficit) and a negative number indicates a decrease (reducing the deficit).
- b. For revenues, a negative number indicates a decrease (adding to the deficit).

**Table 2 - ESTIMATE OF THE DIRECT SPENDING AND REVENUE EFFECTS OF H.R. 1628, THE AMERICAN HEALTH CARE ACT OF 2017, INCORPORATING MANAGER'S AMENDMENTS 4, 5, 24, AND 25 (WALDEN AND BRADY)**

Billions of Dollars, by Fiscal Year

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017- 2021	2017- 2026
<b>ESTIMATED CHANGES IN DIRECT SPENDING<sup>a</sup></b>												
<b>Coverage Provisions</b>												
Estimated Budget Authority	-6.6	-12.2	-23.6	-89.1	-129.2	-147.6	-163.2	-175.6	-187.5	-199.2	-260.6	-1,133.7
Estimated Outlays	-6.6	-27.2	-26.3	-84.0	-128.7	-148.6	-164.6	-177.1	-189.4	-200.7	-272.7	-1,153.2
<i>On-Budget</i>	-6.6	-27.2	-26.3	-84.0	-128.6	-148.4	-164.2	-176.6	-188.8	-200.1	-272.6	-1,150.7
<i>Off-Budget</i>	0	*	*	*	-0.1	-0.2	-0.4	-0.6	-0.6	-0.6	-0.1	-2.5
<b>Title I - Committee on Energy and Commerce</b>												
<b>Sec. 101 - Prevention and Public Health Fund</b>												
Estimated Budget Authority	0	-0.9	-0.9	-1.0	-1.0	-1.5	-1.0	-1.7	-2.0	-2.0	-3.8	-12.0
Estimated Outlays	0	-0.1	-0.4	-0.7	-0.9	-1.0	-1.1	-1.3	-1.4	-1.7	-2.2	-8.8
<b>Sec. 102 - Community Health Center Program</b>												
Estimated Budget Authority	0.4	0	0	0	0	0	0	0	0	0	0.4	0.4
Estimated Outlays	0.1	0.3	0.1	0	0	0	0	0	0	0	0.4	0.4
<b>Sec. 103 - Federal Payments to States</b>												
Estimated Budget Authority	-0.2	*	*	*	*	*	*	*	*	*	-0.2	-0.1
Estimated Outlays	-0.2	*	*	*	*	*	*	*	*	*	-0.2	-0.1
<b>Sec. 111 - Repeal of Medicaid Provisions<sup>b</sup></b>												
Estimated Budget Authority	0	0	0	-1.1	-1.9	-2.5	-3.2	-3.3	-3.5	-3.7	-3.0	-19.3
Estimated Outlays	0	0	0	-1.1	-1.9	-2.5	-3.2	-3.3	-3.5	-3.7	-3.0	-19.3
<b>Sec. 112 - Repeal of Medicaid Expansion</b>												
Estimated Budget Authority	<i>included in estimate of coverage provisions</i>											
Estimated Outlays	<i>included in estimate of coverage provisions</i>											
<b>Sec. 113 - Elimination of DSH Cuts</b>												
Estimated Budget Authority	0	0.6	1.0	1.9	2.8	3.7	4.7	5.7	5.7	5.1	6.3	31.2
Estimated Outlays	0	0.6	1.0	1.9	2.8	3.7	4.7	5.7	5.7	5.1	6.3	31.2
<b>Sec. 114 - Reducing State Medicaid Costs<sup>b</sup></b>												
Estimated Budget Authority	0	-0.3	-0.5	-0.7	-0.7	-0.7	-0.8	-0.8	-0.8	-0.9	-2.2	-6.2
Estimated Outlays	0	-0.3	-0.5	-0.7	-0.7	-0.7	-0.8	-0.8	-0.8	-0.9	-2.2	-6.2
<b>Sec. 115 - Safety Net Funding for Non Expansion States</b>												
Estimated Budget Authority	0	2.0	2.0	2.0	2.0	2.0	0	0	0	0	8.0	10.0
Estimated Outlays	0	1.8	2.0	2.0	2.0	2.0	0.2	0	0	0	7.8	10.0
<b>Sec. 116 - Providing Incentives for Increased Frequency of Eligibility Redeterminations</b>												
Estimated Budget Authority	<i>included in estimate of coverage provisions</i>											
Estimated Outlays	<i>included in estimate of coverage provisions</i>											
<b>Sec. 117 - Medicaid Work Requirement</b>												
Estimated Budget Authority	<i>included in estimate of coverage provisions</i>											
Estimated Outlays	<i>included in estimate of coverage provisions</i>											
<b>Sec. 121 - Per Capita Allotment for Medical Assistance</b>												
Estimated Budget Authority	<i>included in estimate of coverage provisions</i>											
Estimated Outlays	<i>included in estimate of coverage provisions</i>											

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<b>Table 2 Continued.</b>											2017-	2017-
Billions of Dollars, by Fiscal Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2021	2026
Sec. 131 - Repeal of Cost-Sharing Subsidy												
Estimated Budget Authority	<i>included in estimate of coverage provisions</i>											
Estimated Outlays	<i>included in estimate of coverage provisions</i>											
Sec. 132 - Patient and State Stability Fund												
Estimated Budget Authority	<i>included in estimate of coverage provisions</i>											
Estimated Outlays	<i>included in estimate of coverage provisions</i>											
Sec. 133 - Continuous Health Insurance Coverage Incentive												
Estimated Budget Authority	<i>included in estimate of coverage provisions</i>											
Estimated Outlays	<i>included in estimate of coverage provisions</i>											
Sec. 134 - Increasing Coverage Options												
Estimated Budget Authority	<i>included in estimate of coverage provisions</i>											
Estimated Outlays	<i>included in estimate of coverage provisions</i>											
Sec. 135 - Change in Permissible Age Variation												
Estimated Budget Authority	<i>included in estimate of coverage provisions</i>											
Estimated Outlays	<i>included in estimate of coverage provisions</i>											
Sec. 141 - American Health Care Implementation Fund												
Estimated Budget Authority	1.0	0	0	0	0	0	0	0	0	0	1.0	1.0
Estimated Outlays	*	0.2	0.3	0.2	0.2	0.1	*	*	0	0	0.9	1.0
<b>Title II - Committee on Ways and Means</b>												
Sec. 201 - Recapture Excess Advance Payments of Premium Tax Credits												
Estimated Budget Authority	0	-2.0	-2.2	-0.7	0	0	0	0	0	0	-4.9	-4.9
Estimated Outlays	0	-2.0	-2.2	-0.7	0	0	0	0	0	0	-4.9	-4.9
Sec. 202 - Additional Modifications to Premium Tax Credit												
Estimated Budget Authority	<i>included in estimate of coverage provisions</i>											
Estimated Outlays	<i>included in estimate of coverage provisions</i>											
Sec. 203 - Small Business Tax Credit												
Estimated Budget Authority	<i>included in estimate of coverage provisions</i>											
Estimated Outlays	<i>included in estimate of coverage provisions</i>											
Sec. 204 - Individual Mandate												
Estimated Budget Authority	<i>included in estimate of coverage provisions</i>											
Estimated Outlays	<i>included in estimate of coverage provisions</i>											
Sec. 205 - Employer Mandate												
Estimated Budget Authority	<i>included in estimate of coverage provisions</i>											
Estimated Outlays	<i>included in estimate of coverage provisions</i>											
<b>Total Changes in Direct Spending</b>												
Estimated Budget Authority	-5.3	-12.7	-24.2	-88.8	-128.0	-146.6	-163.5	-175.8	-188.2	-200.7	-258.9	-1,133.5
Estimated Outlays	-6.7	-26.6	-26.0	-83.1	-127.3	-147.1	-164.8	-176.9	-189.5	-201.8	-269.7	-1,149.8
<i>On-Budget</i>	-6.7	-26.7	-26.0	-83.2	-127.2	-146.9	-164.3	-176.3	-188.9	-201.3	-269.7	-1,147.3
<i>Off-Budget</i>	0	*	*	*	-0.1	-0.2	-0.4	-0.6	-0.6	-0.6	-0.1	-2.5

Continued

<b>Table 2 Continued.</b>											2017-	2017-
Billions of Dollars, by Fiscal Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2021	2026

**ESTIMATED CHANGES IN REVENUES<sup>c</sup>**

**Title II - Committee on Ways and Means**

Coverage Provisions	-3.8	-13.8	-17.0	-23.4	-31.1	-33.8	-36.0	-37.0	-37.4	-36.9	-89.0	-270.2
<i>On-Budget</i>	-4.5	-17.1	-20.1	-25.4	-32.9	-35.8	-38.8	-41.4	-43.2	-44.2	-100.0	-303.5
<i>Off-Budget</i>	0.7	3.3	3.1	2.0	1.9	2.0	2.8	4.4	5.8	7.3	11.0	33.3
Sec. 201 - Recapture Excess Advance Payments of Premium Tax Credits	0	0.6	0.7	0.5	0	0	0	0	0	0	1.8	1.8
Sec. 202 - Additional Modifications to Premium Tax Credit	<i>included in estimate of coverage provisions</i>											
Sec. 203 - Small Business Tax Credit	<i>included in estimate of coverage provisions</i>											
Sec. 204 - Individual Mandate	<i>included in estimate of coverage provisions</i>											
Sec. 205 - Employer Mandate	<i>included in estimate of coverage provisions</i>											
Sec. 206 - Repeal of the Tax on Employee Health Insurance Premiums and Health Plan Benefits <sup>d</sup>	0	0	0	-3.4	-6.9	-8.7	-10.7	-13.4	-16.4	-6.6	-10.3	-66.0
Sec. 207 - Repeal of Tax on Over-the-Counter Medications	-0.1	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-2.3	-5.7
Sec. 208 - Repeal of Increase of Tax on HSAs	*	*	*	*	*	*	*	*	*	*	*	-0.1
Sec. 209 - Repeal of Limitations on Contributions to Flexible Spending Accounts	-0.2	-1.0	-1.2	-1.6	-1.7	-1.8	-2.2	-2.6	-3.3	-4.1	-5.7	-19.6
Sec. 210 - 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
Sec. 211 - Repeal of Elimination of Deduction for Expenses Allocable to Medicare Part D Subsidy	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.7	-1.8
Sec. 212 - Reduction of Income Threshold for Determining Medical Care Deduction	-0.4	-9.4	-9.1	-10.5	-11.9	-13.4	-15.0	-16.8	-18.7	-20.5	-41.3	-125.7
Sec. 213 - Repeal of Medicare Tax Increase	-4.1	-11.9	-10.6	-11.4	-12.3	-13.2	-14.1	-15.2	-16.5	-17.6	-50.3	-126.8
Sec. 214 - Refundable Tax Credit for Health Insurance Coverage	<i>included in estimate of coverage provisions</i>											
Sec. 215 - Maximum Contribution Limit to HSAs	0	-1.0	-1.6	-1.7	-1.9	-2.1	-2.3	-2.5	-2.7	-2.9	-6.2	-18.6
Sec. 216 - Allow Both Spouses to Make Catch-Up Contributions to the Same HSA	0	*	*	*	*	*	*	*	-0.1	-0.1	-0.1	-0.4
Sec. 217 - Special Rule for Certain Expenses Incurred Before Establishment of HSAs	0	*	*	*	*	*	*	*	*	*	-0.1	-0.2
Sec. 221 - Repeal of Tax on Prescription Medications	-3.0	-4.0	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7	-15.0	-28.5
Sec. 222 - Repeal of Health Insurance Tax	0	-12.8	-13.5	-14.3	-15.1	-15.9	-16.8	-17.8	-18.7	-19.7	-55.7	-144.7
Sec. 231 - Repeal of Tanning Tax	*	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.3	-0.6
Sec. 241 - Remuneration From Certain Insurers	*	-0.1	*	*	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.5
Sec. 251 - Repeal of Net Investment Tax	-3.1	-15.1	-15.9	-16.7	-17.8	-18.7	-19.7	-20.7	-21.7	-22.7	-68.7	-172.2
<b>Total Changes in Revenues</b>	-14.8	-70.7	-73.8	-88.0	-104.4	-113.6	-122.8	-132.1	-141.7	-137.6	-351.7	-999.5
<i>On-Budget</i>	-15.5	-73.2	-75.8	-88.1	-103.8	-112.4	-121.9	-131.9	-141.7	-141.7	-356.4	-1,005.9
<i>Off-Budget</i>	0.6	2.5	2.1	0.1	-0.7	-1.2	-1.0	-0.2	*	4.1	4.7	6.4

**INCREASE OR DECREASE (-) IN THE DEFICIT FROM CHANGES IN DIRECT SPENDING OR REVENUES**

<b>Net Increase or Decrease (-) in the Deficit</b>	8.2	44.0	47.7	4.8	-22.8	-33.5	-42.0	-44.8	-47.7	-64.3	81.9	-150.3
<i>On-Budget</i>	8.8	46.5	49.8	5.0	-23.4	-34.5	-42.5	-44.4	-47.2	-59.5	86.7	-141.4
<i>Off-Budget</i>	-0.6	-2.5	-2.1	-0.1	0.6	0.9	0.5	-0.4	-0.6	-4.7	-4.7	-8.9

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

Notes: Table is organized by the provisions of the bill incorporating the manager's amendments as posted on the House Committee on Rules website.

Numbers may not add up to totals because of rounding; DSH = Disproportionate Share Hospital; HSA = Health Savings Account;

\* = an increase or decrease between zero and \$50 million.

a. For outlays, a positive number indicates an increase (adding to the deficit) and a negative number indicates a decrease (reducing the deficit).

b. Estimate interacts with the provision related to the Per Capita Allotment for Medical Assistance.

c. For revenues, a positive number indicates an increase (reducing the deficit) and a negative number indicates a decrease (adding to the deficit).

d. This estimate does not include effects of interactions with other subsidies; those effects are included in estimates for other relevant provisions.



**Table 3 - ESTIMATE OF THE NET BUDGETARY EFFECTS OF THE INSURANCE COVERAGE PROVISIONS OF H.R. 1628, THE AMERICAN HEALTH CARE ACT OF 2017, INCORPORATING MANAGER'S AMENDMENTS 4, 5, 24, AND 25 (WALDEN AND BRADY)**

Billions of dollars, by fiscal year

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total, 2017- 2026
Medicaid Outlays	-3	-20	-28	-64	-88	-104	-117	-128	-138	-149	-839
Subsidies for Coverage Through Marketplaces and Related Spending and Revenues <sup>a,b</sup>	-5	-11	-16	-61	-85	-89	-93	-97	-101	-105	-663
Small-Employer Tax Credits <sup>b,c</sup>	*	*	*	*	-1	-1	-1	-1	-1	-1	-6
Tax Credits for Nongroup Insurance <sup>b</sup>	0	0	0	29	44	46	51	57	62	67	357
Penalty Payments by Employers <sup>c</sup>	2	16	20	15	16	18	19	20	22	23	171
Penalty Payments by Uninsured People	3	3	3	3	4	4	4	4	4	5	38
Patient and State Stability Fund Grants Medicare <sup>d</sup>	0	0	12	15	10	9	9	8	8	8	80
Medicare <sup>d</sup>	0	2	5	6	6	6	6	6	6	6	48
Other Effects on Revenues and Outlays <sup>e</sup>	-1	-5	-5	-4	-4	-4	-6	-10	-14	-18	-70
<b>Total Effect on the Deficit</b>	<b>-3</b>	<b>-13</b>	<b>-9</b>	<b>-61</b>	<b>-98</b>	<b>-115</b>	<b>-129</b>	<b>-140</b>	<b>-152</b>	<b>-164</b>	<b>-883</b>
<b>Memorandum: Additional Detail on Marketplace Subsidies and Related Spending and Revenues</b>											
Premium Tax Credit Outlays	-3	-7	-11	-40	-57	-60	-62	-65	-68	-70	-443
Premium Tax Credit Revenues	-1	-1	-2	-7	-11	-11	-11	-12	-12	-13	-80
Subtotal, Premium Tax Credits	-4	-8	-13	-47	-68	-71	-74	-77	-80	-83	-523
Cost-Sharing Outlays	-1	-1	-2	-9	-13	-13	-14	-14	-15	-16	-97
Outlays for the Basic Health Program	*	-1	-1	-5	-5	-5	-6	-6	-6	-7	-42
Collections for Risk Adjustment	0	*	1	1	2	2	2	1	1	1	11
Payments for Risk Adjustment	0	*	-1	-1	-2	-2	-2	-1	-1	-1	-11
Total, Subsidies for Coverage Through Marketplaces and Related Spending and Revenues <sup>a,b</sup>	-5	-11	-16	-61	-85	-89	-93	-97	-101	-105	-663

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

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

Numbers may not add up to totals because of rounding; \* = between -\$500 million and \$500 million.

- Related spending and revenues include spending for the Basic Health Program and net spending and revenues for risk adjustment.
- Includes effects on both outlays and revenues.
- Effects on the deficit include the associated effects on revenues of changes in taxable compensation.
- Effects arise mostly from changes in Disproportionate Share Hospital payments.
- Consists mainly of the effects on revenues of changes in taxable compensation. CBO also estimates that outlays for Social Security benefits would decrease by about \$3 billion over the 2017-2026 period.

**Table 4 - EFFECTS OF H.R. 1628, THE AMERICAN HEALTH CARE ACT OF 2017, INCORPORATING MANAGER'S AMENDMENTS 4, 5, 24, AND 25 (WALDEN AND BRADY), ON HEALTH INSURANCE COVERAGE FOR PEOPLE UNDER AGE 65**

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 AHCA										
Medicaid <sup>a</sup>	-1	-5	-6	-9	-11	-12	-13	-13	-14	-14
Nongroup coverage, including marketplaces <sup>b</sup>	-2	-6	-7	-10	-9	-8	-7	-5	-4	-3
Employment-based coverage	-1	-2	-2	-2	-2	-2	-3	-5	-6	-7
Other coverage <sup>c</sup>	*	*	*	*	*	*	*	*	*	*
Uninsured	4	14	16	21	23	23	23	24	24	24
Uninsured Under the AHCA	31	41	43	48	50	50	51	51	51	52
Percentage of the Population Under Age 65 With Insurance Under the AHCA										
Including all U.S. residents	89	85	84	82	82	82	82	82	82	81
Excluding unauthorized immigrants	91	87	87	85	84	84	84	84	84	84

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.

AHCA = American Health Care Act; \* = a reduction that falls between zero and 500,000 people.

- a. Includes noninstitutionalized enrollees with full Medicaid benefits.
- b. Under current law, many people can purchase subsidized health insurance coverage through the marketplaces (sometimes called exchanges) operated by the federal government, by state governments, or as partnerships between federal and state governments. People also can purchase unsubsidized coverage in the nongroup market outside of those marketplaces. Under the AHCA, people could receive subsidies for coverage purchased either inside or outside of the marketplaces.
- 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.