



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 19, 2017

### **H.R. 1628** **Obamacare Repeal Reconciliation Act of 2017**

*An Amendment in the Nature of a Substitute [LYN17479]  
as Posted on the Website of the Senate Committee on the Budget on July 19, 2017*

#### **SUMMARY**

The Congressional Budget Office and the staff of the Joint Committee on Taxation (JCT) have completed an estimate of the direct spending and revenue effects of the Obamacare Repeal Reconciliation Act of 2017, an amendment in the nature of a substitute to H.R. 1628, which would repeal many provisions of the Affordable Care Act (ACA). According to the agencies' analysis, enacting the legislation would decrease deficits by \$473 billion over the 2017-2026 period (see Figure 1).

CBO and JCT estimate that enacting the legislation would affect insurance coverage and premiums primarily in these ways:

- The number of people who are uninsured would increase by 17 million in 2018, compared with the number under current law. That number would increase to 27 million in 2020, after the elimination of the ACA's expansion of eligibility for Medicaid and the elimination of subsidies for insurance purchased through the marketplaces established by the ACA, and then to 32 million in 2026.
- Average premiums in the nongroup market (for individual policies purchased through the marketplaces or directly from insurers) would increase by roughly 25 percent—relative to projections under current law—in 2018. The increase would reach about 50 percent in 2020, and premiums would about double by 2026.

In CBO and JCT's estimation, under this legislation, about half of the nation's population would live in areas having no insurer participating in the nongroup market in 2020 because of downward pressure on enrollment and upward pressure on premiums. That share would continue to increase, extending to about three-quarters of the population by 2026.

**Table 4 - EFFECTS OF H.R. 1628, THE OBAMACARE REPEAL RECONCILIATION ACT OF 2017, 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 Legislation  |      |      |      |      |      |      |      |      |      |      |
| Medicaid <sup>a</sup>                     | *    | -4   | -6   | -15  | -17  | -17  | -18  | -18  | -18  | -19  |
| Nongroup coverage, including marketplaces | -1   | -10  | -11  | -22  | -22  | -22  | -22  | -23  | -23  | -23  |
| Employment-based coverage                 | *    | -2   | *    | 10   | 11   | 11   | 11   | 11   | 11   | 11   |
| Other coverage <sup>b</sup>               | *    | *    | *    | -1   | -1   | -1   | -1   | -1   | -1   | -1   |
| Uninsured                                 | 1    | 17   | 18   | 27   | 29   | 29   | 30   | 31   | 31   | 32   |
| Uninsured Under the Legislation           | 28   | 43   | 45   | 55   | 56   | 57   | 57   | 58   | 59   | 59   |
| Percentage of the Population Under Age 65 |      |      |      |      |      |      |      |      |      |      |
| With Insurance Under the Legislation      |      |      |      |      |      |      |      |      |      |      |
| Including all U.S. residents              | 90   | 84   | 84   | 80   | 80   | 80   | 79   | 79   | 79   | 79   |
| Excluding unauthorized immigrants         | 92   | 86   | 86   | 82   | 82   | 82   | 81   | 81   | 81   | 81   |

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.

\* = between -500,000 and zero.

a. Includes noninstitutionalized enrollees with full Medicaid benefits.

b. 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.