

VOTER PARTICIPATION DATA CENTER

Summary of CBO Report: The American Health Care Act (House GOP Health Care Proposal)

March 14, 2017

Despite assurances from the Trump Administration that under the House GOP proposal, “we’ll have more individuals covered” and “nobody will be worse off financially,”¹ the non-partisan Congressional Budget Office (CBO) has just released an analysis of that legislation (called the American Health Care Act) contradicting both claims. Specifically, CBO estimated that the bill will:

- *Increase the number of Americans without health insurance by 14 million in 2018, rising to 21 million in 2020 and 24 million in 2026. Thus, by 2026, 52 million would be uninsured, compared to 28 million under the ACA.² In fact, the Republican proposal would result in more people being uninsured than before the ACA was enacted in 2010.³*
- *Sharply reduce federal spending for Medicaid,⁴ cutting \$880 billion (17.6%) over the next ten years, which CBO estimates will result in substantial reductions in those obtaining health insurance coverage under the program.⁵*
- *Result in increased out-of-pocket premium costs for most lower- and middle-income consumers in the non-group market (i.e. the exchanges). Although CBO estimates that the average premium for single policy holders would fall by approximately 10% by 2026 (after rising by 15% to 20% in 2018 and 2019),⁶ the actual premium costs paid by that consumer would rise because the tax subsidy “would be significantly smaller under the legislation than under current law” (equaling 60% of the current average in 2020, and falling to 50% in 2026). As a result, CBO estimates that a 40-year-old single individual with an annual income of \$26,500 would pay a net premium of \$2,400 under the Republican plan compared to \$1,700 under the ACA. Seniors would be subject to much higher net premiums than under current law.⁷*
- *Result in higher deductibles and other cost-sharing costs for those in the non-group market because the GOP proposal repeals (in 2020) the ACA provision requiring that insurance plans offered in the exchanges must cover at least 60% of total costs for covered benefits (the “actuarial value”) and the ACA’s cost-sharing subsidies. CBO concluded it expects “that individuals’ cost-sharing payments, including deductibles, in the non-group market would tend to be higher than those anticipated under current law.”⁸*

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Summary of CBO Report: The American Health Care Act

In short, CBO provides evidence that the House GOP plan to “replace Obamacare” would cause millions to lose coverage,⁹ and increase costs for those still able to afford coverage in the federal and state health exchanges.¹⁰

The GOP plan disproportionately and negatively affects unmarried women, people of color, and young people who have all benefitted from the Affordable Care Act (ACA).

Since its enactment in 2010, the Affordable Care Act (ACA) has helped millions of Americans gain access to health insurance,¹¹ especially unmarried women, people of color, and young people. Among unmarried women (18 and over), the uninsured rate fell from 16.9% in 2013 (when ACA Open Enrollment began) to 11.0% in 2015.¹² The gains among people of color (ages 18-64) and young people (ages 19-25) have been even more impressive:

<u>Category</u>	<u>2013 uninsured rate</u>	<u>2016 uninsured rate</u>
African American	24.9%	15.1%
Hispanic	40.6%	24.7%
Ages 19-25	26.5%	14.6% ¹³

Notes

¹ HHS Secretary Tom Price in a March 12, 2017 interview on “Meet the Press.”
<http://www.nbcnews.com/politics/white-house/federal-agency-could-blow-health-care-debate-n732461>.

² Congressional Budget Office, *American Health Care Act*, cost estimate, March 13, 2017, p. 2,
http://www.cbo.gov/sites/default/files/115th-congress-2017-2018/costestimate/americanhealthcareact_0.pdf.

³ 48.6 million Americans were uninsured in 2010, according to CDC National Health Interview Survey. National Center for Health Statistics, CDC, “Health Insurance Coverage: Early Release of Estimates From the National Health Interview Survey, January-September 2016,” February 2017, Table II,
<http://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201702.pdf>.

⁴ Mostly through terminating enhanced federal matching funds for the ACA’s Medicaid expansion and imposition of a per-capita-based cap on federal Medicaid payments, both beginning in 2020. Congressional Budget Office, *American Health Care Act*, cost estimate, March 13, 2017, p. 9,
http://www.cbo.gov/sites/default/files/115th-congress-2017-2018/costestimate/americanhealthcareact_0.pdf.

⁵ CBO estimates that drops in Medicaid coverage will total 5 million in 2018 (out of the total 14 million forecasted increase in the overall number of uninsured), rising to 9 million in 2020 and 14 million in 2026. Congressional Budget Office, *American Health Care Act*, cost estimate, March 13, 2017, p. 20,
http://www.cbo.gov/sites/default/files/115th-congress-2017-2018/costestimate/americanhealthcareact_0.pdf.

⁶ Congressional Budget Office, *American Health Care Act*, cost estimate, March 13, 2017, p. 3,
http://www.cbo.gov/sites/default/files/115th-congress-2017-2018/costestimate/americanhealthcareact_0.pdf.

⁷ Congressional Budget Office, *American Health Care Act*, cost estimate, March 13, 2017, p. 15-17, Table 4,
http://www.cbo.gov/sites/default/files/115th-congress-2017-2018/costestimate/americanhealthcareact_0.pdf.

⁸ Congressional Budget Office, *American Health Care Act*, cost estimate, March 13, 2017, pp. 14-15, http://www.cbo.gov/sites/default/files/115th-congress-2017-2018/costestimate/americanhealthcareact_0.pdf.

⁹ Edwin Park, "CBO: 24 Million People Would Lose Coverage Under House Republican Health Plan," Center on Budget and Policy Priorities, March 13, 2017, <http://www.cbpp.org/cbo-24-million-people-would-lose-coverage-under-house-republican-health-plan>.

¹⁰ Edwin Park, "CBO: Millions Would Pay More for Less Under House GOP Health Plan," Center on Budget and Policy Priorities, March 13, 2017, <http://www.cbpp.org/cbo-millions-would-pay-more-for-less-under-house-gop-health-plan>.

¹¹ Namrata Uberoi, Kenneth Finegold, and Emily Gee, Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, *Health Insurance Coverage and the Affordable Care Act, 2010-2016*, March 3, 2016, <http://www.aspe.hhs.gov/sites/default/files/pdf/187551/ACA2010-2016.pdf>.

¹² Figures were calculated from data from U.S. Census Bureau, "Current Population Survey, Annual Social and Economic Supplement," using the CPS Table Creator available at <http://www.census.gov/cps/data/cpstablecreator.html> (visited on September 18, 2016).

¹³ National Center for Health Statistics, CDC, "Health insurance Coverage: Early Release of Estimates From the National Health Interview Survey, January-September 2016," February 2017, <http://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201702.pdf>.