

*Summary of CBO Score of Senate Substitute Amendment to H.R. 1628:
The Better Care Reconciliation Act
Updated June 27, 2017*



Coverage Losses

- 22 million total more uninsured by 2026 than under current law; 15 million of the uninsured will have lost Medicaid coverage
 - The increase in the uninsured would be disproportionately larger among older low-income (under 200% FPL) people
 - While CBO cannot estimate past the 10-year window, they believe that after 2026, other changes in the legislation—lower spending on Medicaid and substantially smaller average subsidies for coverage in the nongroup market—would also lead to increases in the number of people without health insurance.
 - Medicaid expansion will be rolled back by 2024

Individual Market Changes

- Premiums will rise by 20% in 2018
- Premiums will decrease in later years, mainly because deductibles will rise and individuals will be forced to pay a higher percentage of their health care costs
 - Despite being eligible for subsidies to buy insurance, many low-income people will choose not to do so because of the percentage of their income they would be required to pay
- A fundamental shift will occur where younger people will have their premiums decrease or remain about the same while older people will see massive increases. From the CBO Report: “This legislation would generally reduce the percentage of income that younger people had to pay toward their premiums and increase that percentage for older people.”
 - A 40-year-old making \$56,00 would pay \$5,500 in yearly premiums under Obamacare, with a \$500 reduction to \$5,000 under the Senate bill
 - a 64-year-old making \$56,000 would pay \$4,400 in yearly premiums under Obamacare, compared to an almost 400% increase to \$16,000 a year under the Senate health care bill
- Close to ½ of the population reside in states that are likely to utilize 1332 waivers to narrow the scope of the Essential Health Benefits offered by insurers
 - These waivers will produce instability, very expensive policies or no insurance available to a small segment of the population

Savings in bill

- \$772 billion cut to Medicaid over 10 years
 - a 26% cut over spending under current law
 - a large gap will grow between Medicaid spending under current law and under this bill
 - Medicaid reductions would likely force states to either spend more of their own money on Medicaid, cut payments to doctors and hospitals, reduce services for Medicaid recipients, limit Medicaid enrollment
- \$424 billion savings through changing the tax credits (making them less generous)
- \$9 billion savings by eliminating the Prevention and Public Health Fund
- \$5 billion reduction in direct spending by changes to the Provider Tax rules

- \$146 million in savings from removing Planned Parenthood from the Medicaid program for 1 year (amount of funding to PP for one year minus the additional Medicaid births)
 - CBO estimates that this provision will result in an increase in unintended pregnancies and thousands of additional Medicaid-covered births.

Costs in bill

- \$210 billion cost to eliminating the individual and employer mandates
 - 4 million people will lose employer-sponsored insurance due to repeal of employer mandate
- \$541 billion in tax cuts mainly benefiting the wealthy and corporations