

June 18, 2003

Honorable George Miller
Senior Democratic Member
Committee on Education
and the Workforce
U.S. House of Representatives
Washington, DC 20515

Dear Congressman:

This letter responds to your request of June 17, 2003, for additional information on CBO's estimate of the impact of H.R. 660 on enrollment in the health insurance markets for small employers and self-employed workers. We expect that the effects of the bill would be fully reflected in those markets by 2008, and all of the following numbers refer to that year.

Under current law, CBO estimates that approximately 30.1 million people will be enrolled in health insurance offered by plans in the state-regulated small group insurance market. Under the bill, CBO estimates that combined enrollment in state-regulated plans and association health plans (AHPs) would rise by about 550,000 people to a total of 30.7 million people. Of this, approximately 23.2 million people would retain coverage in the state-regulated market. About 7.5 million people would be enrolled in AHPs, including the additional 550,000 people who would not have been covered by any small-employer plan under current law, and 6.9 million people who would have been covered in the state-regulated market.

The same considerations apply to self-employed people. We estimate that approximately 4.7 million people will be enrolled in state-regulated coverage purchased by self-employed workers under current law. Under H.R. 660, CBO estimates that combined enrollment through state-regulated insurers and AHPs would rise by about 70,000 people to 4.8 million people. Of this, approximately 3.8 million people would retain state-regulated coverage. About 1.0 million people would obtain coverage through AHPs, including the

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additional 70,000 people who would not have been insured under current law, and 0.9 million people who would have been covered in the state-regulated market

If you would like additional information on this estimate, the CBO staff contact is Stuart Hagen.

Sincerely,

Douglas Holtz-Eakin
Director

cc: Honorable John A. Boehner
Chairman