

**Estimate of H.R. 1624, the Protecting Affordable Coverage for Employees Act, as introduced**

(Millions of dollars, by fiscal year)

**September 15, 2015**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2015 - 2020	2015 - 2025
<b>CHANGES IN REVENUES</b>													
Changes in Revenues	0	60	100	80	60	40	30	30	10	*	-10	340	400
<i>On-budget</i>	0	40	70	60	40	30	20	20	10	*	-10	240	280
<i>Off-budget</i>	0	20	30	20	20	10	10	10	*	*	*	100	120

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

Notes: Components may not sum to totals because of rounding; \* = between -\$500,000 and \$500,000; positive numbers indicate a decrease in the deficit, and negative numbers indicate an increase in the deficit.

Estimate is based on the assumption that the bill is enacted near the end of fiscal year 2015 and is relative to CBO's March 2015 baseline. If enactment occurs later, revenues would be lower.

Under current law, firms with 100 or fewer employees are defined as "small employers" beginning in calendar year 2016 and must meet certain standards if they offer health insurance to their employees. Additionally, only firms defined as "small" may offer insurance coverage to their employees through the Small Business Health Options Program, or SHOP exchange, unless their state elects otherwise under existing authority. Under H.R. 1624, firms with 50 or fewer employees would generally be defined as "small employers" unless their state elects otherwise. CBO and JCT expect that most states would not elect to expand the definition; therefore, most firms with between 51 and 100 employees would no longer be subject to certain requirements established by the Affordable Care Act or be able to offer coverage through a SHOP exchange.

CBO and JCT estimate that H.R. 1624 would result in a net reduction in premiums for health insurance purchased by some firms with between 51 and 100 employees, in the near term. Premiums would be lower, at least in the near term, because some firms would choose to offer insurance that does not meet the standards required under current law. Under current law, CBO and JCT expect that the SHOP exchanges will develop additional features, including allowing for employees to choose plans, that will enhance competition in the small group insurance market and lead to reduced premiums. Therefore, under H.R. 1624, premiums could also be higher for some firms that are no longer able to purchase insurance through a SHOP exchange. On net, CBO and JCT anticipate that premiums would be lower in most years, which would reduce the share of employees' compensation that is non-taxable and increase the share that is taxable. Those changes would increase federal revenues. H.R. 1624 would also reduce the number of people enrolled in insurance through a SHOP exchange, but CBO and JCT expect the number of people with health insurance coverage would not change substantially.