

**ESTIMATE OF DIRECT SPENDING AND REVENUE EFFECTS OF H.R. 3762, THE RESTORING AMERICANS' HEALTHCARE FREEDOM RECONCILIATION ACT, AS PASSED BY THE HOUSE AND FOLLOWING ENACTMENT OF THE BIPARTISAN BUDGET ACT OF 2015<sup>a</sup>**

	By Fiscal Year, in Billions of Dollars											2016-	2016-
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2020	2025	
<b>ESTIMATED CHANGES WITHOUT MACROECONOMIC FEEDBACK</b>													
<b>Changes in Direct Spending</b>													
<b>Title I—Committee on Education and the Workforce</b>													
Auto-Enrollment for Certain Large Employers <sup>b</sup>													
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Title II—Committee on Energy and Commerce</b>													
Prevention and Public Health Fund													
Estimated Budget Authority	-1.0	-1.0	-1.3	-1.3	-1.5	-1.5	-2.0	-2.0	-2.0	-2.0	-6.0	-15.5	
Estimated Outlays	-0.2	-0.5	-0.9	-1.1	-1.3	-1.4	-1.6	-1.8	-1.9	-2.0	-4.1	-12.7	
Medicaid													
Estimated Budget Authority	-0.2	*	*	*	*	*	*	*	*	0	-0.2	-0.2	
Estimated Outlays	-0.2	*	*	*	*	*	*	*	*	0	-0.2	-0.2	
Community Health Center Program													
Estimated Budget Authority	0.2	0.2	0	0	0	0	0	0	0	0	0.5	0.5	
Estimated Outlays	0.1	0.2	0.1	*	0	0	0	0	0	0	0.5	0.5	
<b>Title III—Committee on Ways and Means</b>													
Repeal Individual and Employer Mandates <sup>c</sup>													
Estimated Budget Authority	-8.7	-17.2	-21.1	-24.5	-26.7	-28.6	-30.6	-32.2	-33.9	-35.4	-98.3	-258.9	
Estimated Outlays	-8.7	-17.2	-21.1	-24.5	-26.7	-28.6	-30.6	-32.2	-33.9	-35.4	-98.3	-258.9	
Repeal Excise Tax on Certain High-Premium Insurance Plans													
Estimated Budget Authority	0	0	-0.7	-0.9	-1.4	-1.6	-2.4	-3.1	-3.9	-4.1	-3.0	-18.2	
Estimated Outlays	0	0	-0.7	-0.9	-1.4	-1.6	-2.4	-3.1	-3.9	-4.1	-3.0	-18.2	
<b>Total Changes in Direct Spending</b>													
Estimated Budget Authority	-9.7	-18.0	-23.1	-26.7	-29.6	-31.7	-35.0	-37.3	-39.8	-41.5	-107.1	-292.4	
Estimated Outlays	-9.1	-17.5	-22.6	-26.5	-29.3	-31.6	-34.6	-37.1	-39.7	-41.5	-105.1	-289.6	
<b>Changes in Revenues</b>													
<b>Title I—Committee on Education and the Workforce</b>													
Auto-Enrollment for Certain Large Employers <sup>b</sup>													
	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Title III—Committee on Ways and Means</b>													
Repeal Individual and Employer Mandates <sup>c</sup>													
	-10.1	-7.7	-7.0	-8.1	-8.2	-8.4	-9.4	-10.1	-10.4	-10.7	-41.2	-90.4	
Repeal Medical Device Tax													
	-1.4	-2.0	-2.1	-2.2	-2.3	-2.5	-2.6	-2.8	-2.9	-3.1	-10.0	-23.9	
Repeal Excise Tax on Certain High-Premium Insurance Plans													
	0	0	-2.9	-8.1	-9.7	-11.5	-14.0	-17.1	-20.8	-25.0	-20.8	-109.3	
Interaction within Title III													
	0	0	*	2.1	2.0	1.7	1.7	1.6	1.6	1.4	4.1	12.1	
<b>Total Changes in Revenues</b>													
On-Budget	-11.5	-9.7	-12.0	-16.3	-18.2	-20.7	-24.3	-28.4	-32.5	-37.4	-67.9	-211.5	
Off-Budget <sup>d</sup>	-13.0	-13.8	-16.2	-20.5	-22.4	-24.6	-27.7	-31.3	-34.9	-38.9	-86.2	-243.7	
	1.5	4.1	4.2	4.2	4.2	3.9	3.5	2.9	2.4	1.5	18.3	32.2	

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	By Fiscal Year, in Billions of Dollars											2016-	2016-
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2020	2025	
<b>Net Increase or Decrease (-) in the Deficit Without Macroeconomic Feedback</b>													
<b>Impact on Deficit</b>	2.4	-7.9	-10.6	-10.2	-11.1	-10.8	-10.3	-8.6	-7.2	-4.0	-37.2	-78.1	
On-Budget	3.9	-3.7	-6.4	-6.0	-6.9	-7.0	-6.8	-5.8	-4.8	-2.6	-19.0	-45.9	
Off-Budget <sup>d</sup>	-1.5	-4.1	-4.2	-4.2	-4.2	-3.9	-3.5	-2.9	-2.4	-1.5	-18.3	-32.2	
<b>ESTIMATED BUDGETARY IMPACT OF MACROECONOMIC FEEDBACK<sup>e</sup></b>													
Effects on Outlays	*	-0.2	-0.3	-0.2	*	0.4	0.6	0.8	1.0	1.1	-0.7	3.1	
Effects on Revenues	0.5	1.1	2.5	4.3	5.4	6.4	7.2	8.1	8.9	9.6	13.8	54.0	
Effects on the Deficit	-0.6	-1.3	-2.8	-4.5	-5.3	-6.0	-6.6	-7.3	-8.0	-8.6	-14.5	-50.9	
On-Budget	-0.3	-0.8	-1.9	-3.1	-3.7	-4.2	-4.6	-5.1	-5.6	-6.0	-9.9	-35.4	
Off-Budget <sup>d</sup>	-0.2	-0.4	-0.9	-1.4	-1.6	-1.8	-2.0	-2.2	-2.4	-2.6	-4.6	-15.5	
<b>TOTAL ESTIMATED CHANGES, INCLUDING MACROECONOMIC FEEDBACK<sup>f</sup></b>													
Effects on Outlays	-9.1	-17.7	-22.9	-26.8	-29.3	-31.2	-34.0	-36.3	-38.7	-40.4	-105.8	-286.5	
Effects on Revenues	-11.0	-8.6	-9.5	-12.1	-12.9	-14.4	-17.1	-20.3	-23.6	-27.8	-54.1	-157.5	
Effects on the Deficit <sup>d</sup>	1.9	-9.1	-13.4	-14.7	-16.4	-16.8	-16.9	-16.0	-15.1	-12.6	-51.7	-129.0	
On-Budget	3.6	-4.6	-8.3	-9.2	-10.6	-11.1	-11.5	-10.9	-10.4	-8.6	-28.9	-81.3	
Off-Budget <sup>d</sup>	-1.7	-4.6	-5.1	-5.5	-5.8	-5.7	-5.4	-5.0	-4.8	-4.1	-22.8	-47.7	

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

Notes: Numbers may not add up to totals because of rounding; \* = an increase or decrease between zero and \$50 million.

On October 23, 2015, the House passed H.R. 3762 (see <https://www.congress.gov/114/bills/hr3762/BILLS-114hr3762eh.pdf>). That bill removed subtitle B of H.R. 3762 as reported by the House Committee on the Budget on October 16, 2015, which would have repealed the Independent Payment Advisory Board. Additionally, the Bipartisan Budget Act of 2015 (Public Law 114-74) was enacted on November 2, 2015, and included a provision identical to title I of this legislation. This estimate differs from CBO and JCT's prior estimate of H.R. 3762 as reported by the House Committee on the Budget (see <https://www.cbo.gov/publication/50918>) as a result of these two legislative actions.

- a. For outlays, a positive number indicates an increase (adding to the deficit) and a negative number indicates a decrease (reducing the deficit); for revenues, a positive number indicates an increase (reducing the deficit) and a negative number indicates a decrease (adding to the deficit); for the deficit, a positive number indicates an increase and a negative number indicates a reduction.
- b. The Bipartisan Budget Act of 2015 (P.L. 114-74) was enacted on November 2, 2015. Title VI of that law includes a provision identical to title I of this legislation. Therefore, CBO estimates that title I would have no effect relative to current law.
- c. CBO previously estimated additional effects of combining the repeal of the auto-enrollment requirement for large employers with the repeal of the individual and employer mandates. Because the former is now current law (see P.L. 114-74), that interaction effect is included in our estimate of the repeal of the individual and employer mandates.
- d. Excluding macroeconomic feedback, all off-budget effects would come from changes in revenues. (The payroll taxes for Social Security are classified as off-budget.) Off-budget effects from macroeconomic feedback include changes in Social Security spending and revenues.
- e. An explanation of these estimates of macroeconomic feedback can be found in the cost estimate for H.R. 3762 as reported by the House Committee on the Budget on October 16, 2015. The effects of the changes proposed in the legislation analyzed here are quite similar to the effects estimated previously. As a result, CBO and JCT's estimated economic effects and macroeconomic feedback to the budget are not appreciably changed from that previous analysis.
- f. Including macroeconomic effects, CBO and JCT estimate that enacting the legislation would not increase net direct spending by more than \$5 billion in any of the first three consecutive 10-year periods beginning in 2026; however, the agencies are not able to determine whether enacting the legislation would increase net direct spending by more than \$5 billion in the fourth 10-year period. The agencies estimate that enacting the legislation would increase on-budget deficits by more than \$5 billion in one or more of the four consecutive 10-year periods beginning in 2026. Excluding macroeconomic feedback, the agencies estimate that enacting the legislation would not increase net direct spending by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2026, and would increase on-budget deficits by more than \$5 billion in one or more of the four consecutive 10-year periods beginning in 2026.