

**ESTIMATE OF DIRECT SPENDING AND REVENUE EFFECTS OF H.R. 3762, THE RESTORING AMERICANS' HEALTHCARE FREEDOM RECONCILIATION ACT, AS PASSED BY THE SENATE ON DECEMBER 3, 2015, AND FOLLOWING ENACTMENT OF THE CONSOLIDATED APPROPRIATIONS ACT, 2016**

(Billions of Dollars, by Fiscal Year)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-2020	2016-2025
<b>ESTIMATED CHANGES WITHOUT MACROECONOMIC FEEDBACK</b>												
<b>Changes in Direct Spending <sup>a</sup></b>												
<b>Coverage Provisions in Titles I and II <sup>b</sup></b>												
Estimated Budget Authority	-22.1	-26.2	-111.1	-147.9	-156.7	-165.3	-174.4	-182.5	-190.6	-197.7	-464.1	-1,374.6
Estimated Outlays	-22.1	-26.2	-111.1	-147.9	-156.7	-165.3	-174.4	-182.5	-190.6	-197.7	-464.1	-1,374.6
On-Budget	-22.1	-26.2	-110.5	-147.0	-155.8	-164.3	-173.4	-181.5	-189.6	-196.6	-461.6	-1,366.9
Off-Budget	0	0	-0.6	-0.9	-0.9	-1.0	-1.0	-1.0	-1.1	-1.1	-2.5	-7.7
<b>Title I—Health, Education, Labor and Pensions</b>												
Sec. 101 - 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
Sec. 102 - 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
Sec. 103 - Territories												
Estimated Budget Authority	0	0	-0.1	-0.1	0	0	0	0	0	0	-0.2	-0.2
Estimated Outlays	0	0	-0.1	-0.1	0	0	0	0	0	0	-0.2	-0.2
Sec. 104 - Reinsurance, Risk Corridor, and Risk Adjustment Programs												
Estimated Budget Authority	<i>included in coverage estimate</i>											
Estimated Outlays	<i>included in coverage estimate</i>											
Sec. 105 - Support for State Response to Substance Abuse Public Health Crisis												
Estimated Budget Authority	0.8	0.8	0	0	0	0	0	0	0	0	1.5	1.5
Estimated Outlays	0.1	0.4	0.5	0.3	0.1	*	0	0	0	0	1.4	1.5
<b>Title II—Finance</b>												
Sec. 201 - Recapture Excess Advance Payments of Premium Tax Credits												
Estimated Budget Authority	-1.8	-3.3	-1.1	0	0	0	0	0	0	0	-6.1	-6.1
Estimated Outlays	-1.8	-3.3	-1.1	0	0	0	0	0	0	0	-6.1	-6.1
Sec. 202 - Premium Tax Credit and Cost Sharing Reductions												
Estimated Budget Authority	<i>included in coverage estimate</i>											
Estimated Outlays	<i>included in coverage estimate</i>											
Sec. 203 - Small Business Tax Credit												
Estimated Budget Authority	<i>included in coverage estimate</i>											
Estimated Outlays	<i>included in coverage estimate</i>											
Sec. 204 - Individual Mandate												
Estimated Budget Authority	<i>included in coverage estimate</i>											
Estimated Outlays	<i>included in coverage estimate</i>											
Sec. 205 - Employer Mandate												
Estimated Budget Authority	<i>included in coverage estimate</i>											
Estimated Outlays	<i>included in coverage estimate</i>											

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(Billions of Dollars, by Fiscal Year)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016- 2020	2016- 2025
Sec. 206 - Federal Payment to States												
Estimated Budget Authority	-0.2	*	*	*	*	*	*	*	*	0	-0.2	-0.2
Estimated Outlays	-0.2	*	*	*	*	*	*	*	*	0	-0.2	-0.2
Sec. 207 - Medicaid (Coverage)												
Estimated Budget Authority	<i>included in coverage estimate</i>											
Estimated Outlays	<i>included in coverage estimate</i>											
Sec. 207 - Medicaid (Non-Coverage)												
Estimated Budget Authority	0	0	-1.6	-2.3	-1.6	-1.7	-1.8	-1.9	-2.0	-2.1	-5.5	-15.0
Estimated Outlays	0	0	-1.6	-2.3	-1.6	-1.7	-1.8	-1.9	-2.0	-2.1	-5.5	-15.0
Sec. 208 - Repeal of DSH Allotment Reductions												
Estimated Budget Authority	0	0	1.5	2.4	3.4	4.3	5.3	6.2	7.2	7.2	7.2	37.5
Estimated Outlays	0	0	1.5	2.4	3.4	4.3	5.3	6.2	7.2	7.2	7.2	37.5
Sec. 209 - Repeal of the Tax on Certain Employee Health Insurance Premiums and Health Plan Benefits <sup>b</sup>												
Estimated Budget Authority	<i>included in coverage estimate</i>											
Estimated Outlays	<i>included in coverage estimate</i>											
Sec. 223 - Budgetary Savings for Extending Medicare Solvency												
Estimated Budget Authority	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
<b>Total Changes in Direct Spending</b>												
Estimated Budget Authority	-24.2	-29.5	-113.7	-149.2	-156.5	-164.2	-172.9	-180.2	-187.4	-194.6	-473.0	-1,372.3
Estimated Outlays	-24.3	-29.3	-112.7	-148.7	-156.1	-164.0	-172.5	-179.9	-187.4	-194.6	-471.2	-1,369.6
<i>On-Budget</i>	-24.3	-29.3	-112.1	-147.8	-155.2	-163.1	-171.5	-178.9	-186.3	-193.4	-468.7	-1,361.9
<i>Off-budget</i>	0	0	-0.6	-0.9	-0.9	-1.0	-1.0	-1.0	-1.1	-1.1	-2.5	-7.7
<b>Changes in Revenues<sup>c</sup></b>												
<b>Coverage Provisions in Titles I and II<sup>b</sup></b>												
Estimated Revenues	-18.0	-14.4	-26.6	-35.1	-39.4	-49.7	-55.5	-61.3	-67.6	-74.0	-133.4	-441.5
<i>On-Budget</i>	-19.2	-18.0	-21.9	-26.8	-30.2	-39.1	-43.6	-48.3	-53.3	-57.7	-116.1	-358.0
<i>Off-Budget</i>	1.2	3.5	-4.6	-8.3	-9.1	-10.6	-11.9	-13.1	-14.3	-16.3	-17.3	-83.5
<b>Title II—Finance</b>												
Sec. 201 - Recapture Excess Advance Payments of Premium Tax Credits	0.2	1.2	1.1	0	0	0	0	0	0	0	2.6	2.6
Sec. 202 - Premium Tax Credit and Cost Sharing Reductions	<i>included in coverage estimate</i>											
Sec. 203 - Small Business Tax Credit	<i>included in coverage estimate</i>											
Sec. 204 - Individual Mandate	<i>included in coverage estimate</i>											
Sec. 205 - Employer Mandate	<i>included in coverage estimate</i>											
Sec. 209 - Repeal of the Tax on Certain Employee Health Insurance Premiums and Health Plan Benefits <sup>b</sup>	<i>included in coverage estimate</i>											
Sec. 210 - Repeal of Tax on Over-the-Counter Medications	-0.3	-0.5	-0.6	-0.6	-0.6	-0.7	-0.7	-0.8	-0.9	-0.9	-2.7	-6.7
Sec. 211 - Repeal of Tax on Health Savings Accounts	*	*	*	*	*	*	*	*	*	*	*	-0.1
Sec. 212 - Repeal of Limitations on Contributions to Flexible Spending Accounts	-1.4	-2.4	-2.7	-2.9	-3.1	-3.4	-3.6	-3.9	-4.4	-4.4	-12.6	-32.0

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(Billions of Dollars, by Fiscal Year)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-2020	2016-2025
Sec. 213 - Repeal of Tax on Prescription Medications	-2.9	-3.9	-4.0	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7	-16.1	-29.6
Sec. 214 - Repeal of Medical Device Excise Tax <sup>d</sup>	0	0	-1.5	-2.2	-2.3	-2.5	-2.6	-2.8	-2.9	-3.1	-6.1	-20.0
Sec. 215 - Repeal of Health Insurance Tax <sup>e</sup>	-9.9	-1.0	-11.3	-13.1	-13.8	-14.6	-15.5	-16.4	-17.0	-17.5	-49.0	-130.0
Sec. 216 - Repeal of Elimination of Deduction for Expenses Allocable to Medicare Part D Subsidy	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.8	-1.8
Sec. 217 - Repeal of Chronic Care Tax	-0.6	-2.0	-3.4	-3.7	-4.1	-4.5	-4.9	-5.3	-5.7	-6.1	-13.7	-40.0
Sec. 218 - Repeal of Medicare Tax Increase	-6.4	-8.9	-10.1	-10.9	-11.7	-12.7	-13.8	-14.9	-16.1	-17.6	-48.0	-123.0
Sec. 219 - Repeal of Tanning Tax	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.4	-0.8
Sec. 220 - Repeal of Net Investment Tax	-15.1	-7.7	-20.8	-21.8	-22.9	-24.1	-25.5	-26.8	-28.2	-29.7	-88.4	-222.8
Sec. 221 - Remuneration	*	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.3	-0.6
Sec. 222 - Economic Substance Doctrine	-0.3	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-2.5	-5.8
<b>Total Changes in Revenues</b>	<b>-54.8</b>	<b>-40.6</b>	<b>-80.7</b>	<b>-93.9</b>	<b>-101.5</b>	<b>-115.8</b>	<b>-125.8</b>	<b>-136.0</b>	<b>-146.5</b>	<b>-157.0</b>	<b>-371.5</b>	<b>-1,052.1</b>
<i>On-Budget</i>	<i>-55.6</i>	<i>-43.2</i>	<i>-75.0</i>	<i>-84.6</i>	<i>-91.2</i>	<i>-104.1</i>	<i>-112.5</i>	<i>-121.5</i>	<i>-130.7</i>	<i>-139.3</i>	<i>-349.4</i>	<i>-956.8</i>
<i>Off-Budget</i>	<i>0.8</i>	<i>2.6</i>	<i>-5.8</i>	<i>-9.4</i>	<i>-10.3</i>	<i>-11.8</i>	<i>-13.2</i>	<i>-14.5</i>	<i>-15.8</i>	<i>-17.8</i>	<i>-22.1</i>	<i>-95.3</i>
<b>Net Increase or Decrease (-) in the Deficit</b>	<b>30.5</b>	<b>11.3</b>	<b>-32.0</b>	<b>-54.8</b>	<b>-54.6</b>	<b>-48.2</b>	<b>-46.7</b>	<b>-43.9</b>	<b>-40.8</b>	<b>-37.5</b>	<b>-99.7</b>	<b>-317.5</b>
<i>On-Budget</i>	<i>31.3</i>	<i>13.9</i>	<i>-37.2</i>	<i>-63.2</i>	<i>-64.0</i>	<i>-59.0</i>	<i>-58.9</i>	<i>-57.4</i>	<i>-55.6</i>	<i>-54.2</i>	<i>-119.3</i>	<i>-405.1</i>
<i>Off-Budget</i>	<i>-0.8</i>	<i>-2.6</i>	<i>5.1</i>	<i>8.5</i>	<i>9.4</i>	<i>10.8</i>	<i>12.2</i>	<i>13.4</i>	<i>14.7</i>	<i>16.6</i>	<i>19.6</i>	<i>87.7</i>

**ESTIMATED BUDGETARY IMPACT OF MACROECONOMIC FEEDBACK**

Effects on Outlays <sup>a</sup>	*	0.3	0.2	-0.2	0.8	2.3	3.4	4.2	4.6	4.8	1.0	20.3
Effects on Revenues <sup>c</sup>	3.1	5.5	6.6	13.2	22.8	28.0	30.4	33.0	36.5	39.8	51.2	218.9
Net Decrease (-) in the Deficit	-3.1	-5.2	-6.4	-13.4	-22.1	-25.7	-27.0	-28.8	-31.9	-35.0	-50.2	-198.6
<i>On-Budget</i>	<i>-2.9</i>	<i>-4.7</i>	<i>-5.1</i>	<i>-9.9</i>	<i>-16.0</i>	<i>-18.4</i>	<i>-19.2</i>	<i>-20.2</i>	<i>-22.3</i>	<i>-24.4</i>	<i>-38.5</i>	<i>-143.1</i>
<i>Off-Budget</i>	<i>-0.2</i>	<i>-0.6</i>	<i>-1.3</i>	<i>-3.4</i>	<i>-6.1</i>	<i>-7.3</i>	<i>-7.8</i>	<i>-8.6</i>	<i>-9.6</i>	<i>-10.6</i>	<i>-11.7</i>	<i>-55.5</i>

**TOTAL ESTIMATED CHANGES, INCLUDING MACROECONOMIC FEEDBACK**

Effects on Outlays <sup>a</sup>	-24.3	-29.1	-112.6	-148.9	-155.4	-161.8	-169.1	-175.8	-182.7	-189.7	-470.2	-1,349.3
Effects on Revenues <sup>c</sup>	-51.7	-35.2	-74.1	-80.7	-78.7	-87.8	-95.3	-103.0	-110.1	-117.2	-320.3	-833.2
Net Increase or Decrease (-) in the Deficit	27.4	6.1	-38.4	-68.1	-76.7	-73.9	-73.7	-72.8	-72.7	-72.5	-149.9	-516.0
<i>On-Budget</i>	<i>28.4</i>	<i>9.3</i>	<i>-42.2</i>	<i>-73.1</i>	<i>-80.0</i>	<i>-77.5</i>	<i>-78.2</i>	<i>-77.6</i>	<i>-77.8</i>	<i>-78.6</i>	<i>-157.9</i>	<i>-548.2</i>
<i>Off-Budget</i>	<i>-1.0</i>	<i>-3.2</i>	<i>3.8</i>	<i>5.0</i>	<i>3.3</i>	<i>3.5</i>	<i>4.4</i>	<i>4.8</i>	<i>5.2</i>	<i>6.1</i>	<i>8.0</i>	<i>32.2</i>

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

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

CBO and the staff of the Joint Committee on Taxation (JCT) have updated their estimate of the budgetary effects of H.R. 3762, the Restoring Americans' Healthcare Freedom Reconciliation Act, as passed by the Senate on December 3, 2015. Since that estimate was completed, the Consolidated Appropriations Act, 2016 was enacted on December 18, 2015. It contained several provisions—including a delay of the medical device tax, a one-year moratorium on the health insurance tax, and a delay of the tax on certain employee health insurance premiums and health plan benefits along with changes to the deductibility of that excise tax—that affected CBO and JCT's estimate for H.R.3762. Over the 2016-2025 period, estimated savings are \$36 billion larger, without macroeconomic feedback, and \$42 billion larger, with macroeconomic feedback, relative to CBO and JCT's prior estimate for H.R. 3762. The change in the estimate of macroeconomic feedback also reflects some technical revisions to the previous estimate. For additional information on the estimated effects of H.R. 3762, see <https://www.cbo.gov/publication/51090>.

- a. For outlays, a positive number indicates an increase (adding to the deficit) and a negative number indicates a decrease (reducing the deficit).
- b. Differs from CBO and JCT's prior estimate because of provisions included in the Consolidated Appropriations Act, 2016 that delayed the tax on certain employee health insurance premiums and health plan benefits for two years and made changes to the deductibility of that excise tax.
- c. For revenues, a positive number indicates an increase (reducing the deficit) and a negative number indicates a decrease (adding to the deficit).
- d. Differs from CBO and JCT's prior estimate because of a two-year moratorium on the medical device tax that was enacted as part of the Consolidated Appropriations Act, 2016.
- e. Differs from CBO and JCT's prior estimate because of a one-year moratorium on the health insurance tax for 2017 that was enacted as part of the Consolidated Appropriations Act, 2016.