



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 20, 2016

### **H.R. 5458** **Veterans TRICARE Choice Act of 2016**

*As ordered reported by the House Committee on Ways and Means on June 15, 2016*

H.R. 5458 would allow certain individuals who are automatically eligible for TRICARE, which is the health benefits program of the Department of Defense, to elect to be temporarily ineligible for that benefit. Making that election would allow those individuals to contribute to health savings accounts (HSAs), which are tax-advantaged accounts used to pay health expenses. Under current law, individuals eligible for TRICARE cannot make contributions to HSAs. The new election allowed under H.R. 5458 would not apply to individuals serving on active duty.

The staff of the Joint Committee on Taxation estimates that the legislation would reduce revenues by \$97 million over the 2017-2026 period. That change in revenues includes a reduction of \$41 million that would result from changes in off-budget revenues (from Social Security payroll taxes). CBO estimates that effects on direct spending and spending subject to appropriation would be insignificant in any year and in total over the 2017-2026 period.

The Statutory Pay-As-You Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting revenues and direct spending. The estimated net increase in the federal deficit is shown in the following table. Only on-budget changes to revenues or outlays are subject to pay-as-you-go procedures.

JCT and CBO estimate that enacting the bill would not increase net direct spending or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2027.

JCT has determined that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Peter Huether. The estimate was approved by Mark Booth, Unit Chief, Revenue Estimating.

**CBO Estimate Of Pay-As-You-Go Effects for H.R. 5458, as ordered reported by the House Committee on Ways and Means on June 15, 2016.**

	By Fiscal Year, in Millions of Dollars											2016-	2016-
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2021	2026
<b>NET INCREASE IN THE ON-BUDGET DEFICIT</b>													
Statutory Pay-As-You-Go Effects	0	0	5	5	5	6	6	6	7	8	7	21	56
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<b>Memorandum:</b>													
<i>Change in Off-Budget Revenues<sup>a</sup></i>	0	-1	-3	-4	-4	-4	-5	-5	-5	-5	-6	-16	-41

Source: Staff of the Joint Committee on Taxation.

Note: Components may not sum to total because of rounding

a. A negative sign for revenues indicates a reduction in revenues.