

## Preliminary Estimate of Eliminating the Requirement that Individuals Purchase Health Insurance and Associated Penalties

(Billions 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 Direct Spending (Outlays)<sup>a</sup></b>	0	-9.5	-21.5	-27.0	-29.8	-32.2	-34.1	-36.4	-38.3	-39.8	-42.4	-120.0	-311.0
<b>Changes in Revenues</b>	0	-1.1	1.3	-0.8	-1.6	-1.4	-0.8	-0.7	-0.6	-0.3	0.1	-3.6	-5.8
<i>On-budget</i>	0	-2.0	-0.2	-1.9	-2.6	-2.5	-2.1	-1.9	-1.9	-1.8	-1.3	-9.1	-18.1
<i>Off-budget</i>	0	0.9	1.4	1.1	1.0	1.1	1.2	1.3	1.3	1.5	1.5	5.5	12.3
<b>Net Changes in Deficits<sup>b</sup></b>	<b>0</b>	<b>-8.4</b>	<b>-22.7</b>	<b>-26.2</b>	<b>-28.2</b>	<b>-30.9</b>	<b>-33.3</b>	<b>-35.7</b>	<b>-37.7</b>	<b>-39.5</b>	<b>-42.5</b>	<b>-116.4</b>	<b>-305.2</b>
<i>On-budget</i>	0	-7.5	-21.3	-25.1	-27.2	-29.7	-32.0	-34.5	-36.4	-38.0	-41.0	-110.9	-292.9
<i>Off-budget</i>	0	-0.9	-1.4	-1.1	-1.0	-1.1	-1.2	-1.3	-1.3	-1.5	-1.5	-5.5	-12.3

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

Notes: Components may not sum to totals because of rounding.

Estimate assumes enactment near the end of calendar year 2015 and is relative to CBO's March 2015 baseline.

The Affordable Care Act established a requirement that most individuals obtain health insurance or pay a penalty for not doing so. CBO and JCT estimate that eliminating that requirement and the associated penalties would increase the number of people without health insurance coverage in 2025—relative to current-law projections—by about 14 million people, resulting in 41 million uninsured in that year. That increase in the uninsured population would consist of roughly 5 million fewer individuals with coverage under Medicaid or the Children's Health Insurance Program, 1 million fewer individuals with employment-based coverage, and 8 million fewer individuals with coverage obtained in the individual market (including individual policies purchased through the exchanges or directly from insurers in the nongroup market). Similar changes in coverage would occur in most other years.

CBO and JCT estimate that premiums for policies in the individual market would increase by roughly 20 percent relative to current law in all years between 2017 and 2025.

- a. Most of the reductions in spending would occur because outlays would be \$110 billion less for exchange subsidies and \$200 billion less for Medicaid and the Children's Health Insurance Program.
- b. Negative numbers indicate a decrease in the deficit.