

CBO's March 2011 Estimate of the Effects of the Insurance Coverage Provisions Contained in the Patient Protection and Affordable Care Act (Public Law 111-148) and the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152)

EFFECTS ON INSURANCE COVERAGE /a		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
(Millions of nonelderly people, by calendar year)												
Prior Law Coverage /b	Medicaid & CHIP	37	37	37	36	35	35	35	35	35	36	35
	Employer	152	154	157	159	161	163	163	163	163	163	162
	Nongroup & Other /c	25	25	25	26	26	27	28	28	28	29	30
	Uninsured /d	<u>55</u>	<u>55</u>	<u>54</u>	<u>54</u>	<u>53</u>	<u>53</u>	<u>54</u>	<u>54</u>	<u>55</u>	<u>56</u>	<u>57</u>
	TOTAL	269	271	272	274	276	277	279	281	282	284	285
Change (+/-)	Medicaid & CHIP	*	*	*	9	12	16	16	16	16	16	17
	Employer	3	3	3	6	3	-1	*	-1	-1	-1	-1
	Nongroup & Other /c	*	*	*	-3	-4	-5	-5	-6	-6	-6	-6
	Exchanges	0	0	0	9	14	22	23	23	24	24	24
	Uninsured /d	-3	-3	-3	-21	-26	-32	-33	-33	-33	-34	-34
Current Law Uninsured Population												
	Number of Nonelderly People /d	52	51	51	32	27	21	20	21	22	23	23
	Insured Share of the Nonelderly Population /a											
	Including All Residents	81%	81%	81%	88%	90%	93%	93%	92%	92%	92%	92%
	Excluding Unauthorized Immigrants	83%	83%	83%	90%	93%	95%	95%	95%	95%	95%	95%
<u>Memo: Exchange Enrollees and Subsidies</u>												
	Number w/ Unaffordable Offer from Employer /e				*	1	1	1	1	1	1	1
	Number of Unsubsidized Exchange Enrollees				1	2	4	4	4	4	4	4
	Average Exchange Subsidy per Subsidized Enrollee				4,610	5,320	5,450	5,630	6,120	6,460	6,740	7,080

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

Note: CHIP = Children's Health Insurance Program; * = between 0.5 million and -0.5 million people.

- a. Figures for the nonelderly population include only residents of the 50 states and the District of Columbia.
- b. Figures reflect average annual enrollment; individuals reporting multiple sources of coverage are assigned a primary source. To illustrate the effects of the 2010 health care legislation which is now current law, changes in coverage are shown compared with coverage projections in the absence of that legislation, or "prior law."
- c. Other includes Medicare; the effects of the proposal are almost entirely on nongroup coverage.
- d. The count of uninsured people includes unauthorized immigrants as well as people who are eligible for, but not enrolled in, Medicaid.
- e. Workers who would have to pay more than a specified share of their income (9.5 percent in 2014) for employment-based coverage could receive subsidies via an exchange.

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EFFECTS ON THE FEDERAL DEFICIT / a,b (Billions of dollars, by fiscal year)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2012-2021
Medicaid & CHIP Outlays /c	0	0	0	30	55	77	84	87	93	97	105	627
Exchange Subsidies & Related Spending /d, e	0	2	2	23	55	87	104	115	123	130	137	777
Small Employer Tax Credits /f	<u>4</u>	<u>5</u>	<u>5</u>	<u>7</u>	<u>8</u>	<u>5</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>41</u>
Gross Cost of Coverage Provisions	4	6	7	60	118	169	189	204	218	229	245	1,445
Penalty Payments by Uninsured Individuals	0	0	0	0	-2	-5	-5	-5	-5	-6	-6	-34
Penalty Payments by Employers /f	0	0	0	-4	-8	-9	-10	-11	-12	-13	-14	-81
Excise Tax on High-Premium Insurance Plans	0	0	0	0	0	0	0	-12	-20	-24	-29	-87
Other Effects on Tax Revenues and Outlays /g	<u>2</u>	<u>3</u>	<u>2</u>	<u>3</u>	<u>-4</u>	<u>-13</u>	<u>-17</u>	<u>-20</u>	<u>-22</u>	<u>-22</u>	<u>-22</u>	<u>-113</u>
NET COST OF COVERAGE PROVISIONS	7	9	9	59	104	142	157	155	158	164	174	1,131

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

Note: CHIP = Children's Health Insurance Program.

a. Does not include federal administrative costs that would be subject to appropriation.

b. Components may not sum to totals because of rounding; positive numbers indicate increases in the deficit, and negative numbers indicate reductions in the deficit.

c. Under current law, states have the flexibility to make programmatic and other budgetary changes to Medicaid and CHIP. CBO estimates that state spending on Medicaid and CHIP in the 2012-2021 period would increase by about \$60 billion as a result of the coverage provisions.

d. Includes spending for high-risk pools and the net budgetary effects of proposed collections and payments for reinsurance and risk adjustment.

e. Figures may not equal the amounts shown in the table entitled, "CBO's March 2011 Baseline: Health Insurance Exchanges" because different related items are included in the two tables.

f. The effects on the deficit of this provision include the associated effects of changes in taxable compensation on tax revenues.

g. The effects are almost entirely on tax revenues. CBO estimates that outlays for Social Security benefits would increase by about \$4 billion over the 2012-2021 period, and that the coverage provisions would have negligible effects on outlays for other federal programs.

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