



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 1, 2017

H.R. 2579 **Broader Options for Americans Act**

As ordered reported by the House Committee on Ways and Means on May 24, 2017

H.R. 2579 would amend certain health-related provisions of the Internal Revenue Code, contingent upon enactment of the American Health Care Act of 2017 (AHCA). Under current law, employment-based health plans are generally required to offer employees and their families the option to continue coverage, without any subsidy from the employer, for a period of time following certain events that would have terminated the coverage, such as the employee no longer working for the employer. Under AHCA, the premium assistance tax credit allowed under current law would be replaced by a new credit and a new definition of qualified health plans to which the new credit would apply. H.R. 2579 would amend provisions of AHCA to include unsubsidized continuation coverage under the new definition of qualified health plans, allowing people covered by such a plan to receive the new credits.

Because the effects of the bill would be contingent upon enactment of subsequent legislation, the staff of the Joint Committee on Taxation estimates that the bill would in isolation have no effect on revenues or direct spending relative to current law; therefore pay-as-you-go procedures do not apply. However, if the American Health Care Act of 2017 was enacted prior to this legislation, then relative to the new law the enactment of this bill could affect revenues or direct spending and, as a result, subsequent estimates of the effects of this legislation could change.

CBO and JCT estimate that enacting the bill would not increase on-budget deficits or net direct spending by more than \$5 billion in any of the four 10-year periods beginning in 2028.

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 Mark Booth. The estimate was approved by John McClelland, Assistant Director for Tax Analysis.