



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 27, 2018

S. 2221 **Repeal Insurance Plans of the Multi-State Program Act of 2017**

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on February 14, 2018*

S. 2221 would repeal Section 1334 of the Affordable Care Act (ACA), eliminating multi-state plans (MSPs) offered through marketplaces established by the ACA. Under current law, the Office of Personnel Management (OPM) contracts with private insurers to offer MSPs; those plans may operate in one or more states. The repeal would be effective January 1, 2019. Within 60 days of enactment, the bill also would require OPM to brief the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform on OPM's efforts to wind-down the program.

OPM reports that in 2018 Arkansas Blue Cross and Blue Shield is the only insurer to offer MSPs and such plans are only available in Arkansas. Premium data from the Department of Health and Human Services (HHS) show that MSPs are not the lowest-cost or second-lowest cost silver plans in any rating areas where they are offered.¹ Because premiums for silver plans with the second-lowest-cost are the basis for calculating federal subsidies for health insurance purchased through the marketplaces, eliminating plans with premiums higher than those second-lowest cost plans would not affect subsidies.

Data from HHS on enrollment in and premiums for MSPs over a longer-period of time show that those plans serve a small and declining percentage of people who purchase coverage through the marketplaces. CBO and the staff of the Joint Committee on Taxation do not expect that eliminating such plans would affect the level of competition in or average premiums for marketplace coverage in future years. Thus, implementing S. 2221 would not have a significant effect on the federal budget.

The bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

1. Silver plans cover about 70 percent of the costs of covered benefits for people at most income levels.

CBO estimates that enacting S. 2221 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 2221 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Alice Burns. The estimate was approved by Leo Lex, Deputy Assistant Director for Budget Analysis.