

**S. 1378, Repeal Insurance Plans of the Multi-State Program Act**

As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on May 15, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Deficit Effect	0	0	0
Spending Subject to Appropriation (Outlays)	0	0	0
Pay-as-you-go procedures apply?	No	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

S. 1378 would repeal the multi-state plan program established by Section 1334 of the Affordable Care Act (ACA). Section 1334 requires the Office of Personnel Management (OPM) to contract with health insurers to offer multi-state plan (MSP) insurance options on each exchange in each state. Under current law, the plans generally must meet the various insurance requirements under the ACA and are available to eligible individuals and small business. The repeal would be effective January 1, 2020. Within 60 days of enactment, the bill also would require OPM to brief the Senate Committee on Homeland Security and Governmental Affairs; the Senate Committee on Health, Education, Labor, and Pensions; the House Committee on Oversight and Reform; and the House Committee on Energy and Commerce on OPM’s efforts to wind-down the program.

OPM reports that in 2019 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. 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 and thus the bill’s enactment would not affect the federal budget.

The CBO contact for this estimate is Kevin McNellis. The estimate was approved by Leo Lex, Deputy Assistant Director for Budget Analysis.