

At a Glance

H.R. 4716, Inhaler Coverage and Access Now Act of 2019

As ordered reported by the House Committee on Ways and Means on October 23, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2029
Direct Spending (Outlays)	0	0	0
Revenues	-35	-476	-1,402
Increase or Decrease (-) in the Deficit	35	476	1,402

Spending Subject to Appropriation (Outlays)	0	0	0
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Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The bill would

- H.R. 4716 would amend the Internal Revenue Code to allow a high deductible plan to provide inhalers for treatment of any chronic lung disease, or any medicine or drug which is delivered through such inhaler for treatment of such disease, without a deductible and without affecting a beneficiary's eligibility to participate in a Health Savings Account (HSA).

Estimated budgetary effects would primarily stem from

- An increase in contributions to HSAs, which are excluded from income and employment taxes

The Congressional Budget Act of 1974, as amended, stipulates that revenue estimates provided by the staff of the Joint Committee on Taxation (JCT) will be the official estimates for all tax legislation considered by Congress. As such, CBO incorporates those estimates into its cost estimates of the effects of legislation. All of the estimates for the provisions of H.R. 4716 were provided by JCT.

Detailed estimate begins on the next page.

Bill Summary

H.R. 4716 would amend the Internal Revenue Code by expanding the range of services a high deductible health plan can cover before the plan’s minimum deductible is satisfied. Under current law, individuals are generally eligible to participate in a Health Savings Account (HSA) if they are covered by a high deductible health plan and no other health care plan, except for certain types of coverage specifically disregarded by law. Currently, high-deductible health plans are allowed to provide “first dollar” (before the minimum deductible is satisfied) coverage for preventative care, including inhalers for individuals diagnosed with asthma. H.R. 4716 would allow a high deductible plan to also provide inhalers for treatment of any chronic lung disease, or any medicine or drug which is delivered through such inhaler for treatment of such disease, without a deductible and without affecting a beneficiary’s eligibility to participate in an HSA.

Estimated Federal Cost

The estimated budgetary effect of H.R. 4716 is shown in Table 1.

Table 1. Estimated Budgetary Effects of H.R. 4716												
By Fiscal Year, Millions of Dollars											2020-2024	2020-2029
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		
Decreases (-) in Revenues												
Estimated Revenues	-35	-68	-98	-129	-146	-157	-177	-189	-197	-206	-476	-1,402
On-Budget	-27	-52	-76	-99	-113	-121	-139	-150	-156	-163	-367	-1,095
Off-Budget ^a	-8	-16	-22	-30	-33	-36	-38	-39	-41	-43	-109	-307
Increase in the Deficit From Changes in Revenues												
Effect on the Deficit	35	68	98	129	146	157	177	189	197	206	476	1,402
On-Budget Deficit	27	52	76	99	113	121	139	150	156	163	367	1,095
Off-Budget Deficit	8	16	22	30	33	36	38	39	41	43	109	307

Source: Staff of the Joint Committee on Taxation
 Components may not sum to totals because of rounding.
 a. Off-budget revenues result from changes in Social Security payroll tax receipts.

Basis of Estimate

The Congressional Budget Act of 1974, as amended, stipulates that revenue estimates provided by the staff of the Joint Committee on Taxation (JCT) are the official estimates for all tax legislation considered by the Congress. CBO therefore incorporates those estimates



into its cost estimates of the effects of legislation. All of the estimates for the provisions of H.R. 4716 were provided by JCT.¹

Revenues

JCT estimates that the bill would decrease revenues by \$1.4 billion over the 2020-2029 period. The change in revenues includes a reduction of \$307 million that would result from changes in off-budget revenues (from Social Security payroll taxes).

Uncertainty

These budgetary estimates are uncertain because they rely on underlying projections and other estimates that are uncertain. Specifically, they are based in part on CBO's economic projections for the next decade under current law, and on estimates of changes in taxpayers' behavior in response to changes in tax rules.

Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The changes in revenues that are subject to those pay-as-you-go procedures are shown in Table 1. Only on-budget changes to outlays or revenues are subject to pay-as-you-go procedures.

Increase in Long-Term Deficits

JCT estimates that enacting H.R. 4716 would increase on-budget deficits by less than \$5 billion in each of the four consecutive 10-year periods beginning in 2030.

Mandates: None.

JCT has reviewed H.R. 4716 and determined that it contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

Estimate Prepared By

Revenues: Staff of the Joint Committee on Taxation and Nathaniel Frenz

Mandates: Staff of the Joint Committee on Taxation

1. For JCT's estimates of the provisions, which include detail beyond the summary presented below, see Joint Committee on Taxation, Description of H.R. 4716, Description Of H.R. 4716, The "Inhaler Coverage and Access Now Act", JCX-45-19 (October 21, 2019) <https://go.usa.gov/xpajj>