

Table 1.
Estimated Effect on the Deficit of Rules Committee Print 116-56, the Patient Protection and Affordable Care Enhancement Act, as Amended by Amendment Number 6 (Pallone, Neal, Scott) on June 25, 2020

	By Fiscal Year, Millions of Dollars										2020- 2025	2020- 2030
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
Net Increase or Decrease (-) in the Deficit From Changes in Direct Spending and Revenues												
TITLE I - Lowering Health Care Costs and Protecting People With Preexisting Conditions												
101. Improving affordability by expanding premium assistance for consumers	0	13,059	19,795	22,260	23,778	24,338	25,324	26,725	28,006	29,137	78,892	212,422
102. Improving affordability by reducing out-of-pocket and premium costs for consumers	0	77	190	323	445	616	774	1,010	1,236	1,505	1,035	6,176
103. Expanding affordability for working families to fix the family glitch	0	2,620	4,145	4,677	5,032	5,163	5,428	5,776	6,024	6,171	16,473	45,035
104. Tax credit reconciliation protections for individuals receiving Social Security lump-sum payments	38	30	32	34	36	39	41	44	47	50	170	391
105. Preserving state option to implement health care marketplaces	20	100	80	0	0	0	0	0	0	0	200	200
106. Establishing a Health Insurance Affordability Fund	0	-4,819	2,738	2,506	2,250	2,474	2,557	2,594	2,701	2,790	2,675	15,791
107. Rescinding the short-term, limited duration insurance regulation	115	202	236	239	283	323	367	416	416	486	1,075	3,083
109. Requiring marketplace outreach, educational activities, and annual enrollment targets	0	306	721	1,015	1,242	1,420	1,520	1,596	1,749	1,752	3,284	11,321
114. Promoting state innovations to expand coverage	0	30	80	145	150	120	55	20	0	0	405	600
117. Eligibility of DACA recipients for qualified health plans	445	687	730	769	828	874	921	980	1,031	1,086	3,459	8,351
TITLE II—Encouraging Medicaid Expansion and Strengthening the Medicaid Program												
201. Incentivizing Medicaid expansion	5,954	3,457	2,463	1,160	1,118	1,137	857	431	249	158	14,152	16,982
202. Providing 12 months of continuous eligibility for Medicaid and CHIP	0	0	10,467	23,254	24,575	26,036	27,591	29,220	30,963	32,805	58,296	204,911
203. Mandatory 12 months of postpartum Medicaid eligibility	0	466	641	800	693	646	631	661	677	786	2,600	6,001
205. Enhanced reporting requirements for nonexpansion states	0	0	-9	-6	-3	-2	-1	0	0	0	-18	-21
206. Primary care pay increase	3,216	12,068	11,877	12,217	3,855	3,242	2,557	1,791	942	0	43,233	51,765
208. Permanent extension of CHIP enrollment and quality measures	0	0	0	0	0	0	0	5	14	21	0	40
210. Medicaid coverage for citizens of Freely Associated States	43	50	49	52	57	61	65	69	74	79	251	598
211. Extension of full federal medical assistance percentage to Indian health care providers	29	61	65	70	75	80	85	91	97	104	299	757
TITLE III—Lowering Prices Through Fair Drug Price Negotiation a/												
	1,180	791	534	-15,525	-31,370	-39,596	-97,843	-132,458	-141,404	-125,866	-44,390	-581,557
TITLE IV—Public Health Investments												
401. Supporting increased innovation	195	700	700	270	115	0	0	0	0	0	1,980	1,980
Interactions b/												
	-1	-3,188	-4,095	-3,295	-2,642	-2,407	-2,150	-1,851	-1,711	-1,721	-13,221	-23,061
Total Effect on the Deficit	11,234	26,697	51,440	50,964	30,516	24,563	-31,221	-62,880	-68,890	-50,657	170,850	-18,235
<i>Effect on the on-budget deficit</i>	<i>11,286</i>	<i>28,808</i>	<i>54,573</i>	<i>55,492</i>	<i>36,133</i>	<i>30,859</i>	<i>-24,401</i>	<i>-55,488</i>	<i>-60,943</i>	<i>-42,055</i>	<i>186,291</i>	<i>34,263</i>
<i>Effect on the off-budget deficit</i>	<i>-52</i>	<i>-2,111</i>	<i>-3,133</i>	<i>-4,528</i>	<i>-5,617</i>	<i>-6,296</i>	<i>-6,820</i>	<i>-7,392</i>	<i>-7,947</i>	<i>-8,602</i>	<i>-15,441</i>	<i>-52,498</i>

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

Components may not sum to totals because of rounding; CHIP = Children's Health Insurance Program; DACA = Deferred Action for Childhood Arrivals.

Notes:

Section 108 would affect direct spending by less than \$500,000 over the 2020-2030 period. Sections 104 and 108 would affect revenues by less than \$500,000 over the 2020-2030 period. Section 111 would affect direct spending and revenues. However, CBO and JCT cannot estimate the magnitude or direction of those effects. For more information, see Congressional Budget Office, cost estimate for H.R. 1386, the Enroll Act of 2019 (April 25, 2019), www.cbo.gov/publication/55171.

Estimates for titles I and II are relative to CBO's March 2020 baseline, adjusted for the agency's current estimates of sources of health insurance coverage and for the estimated effects of subsequent legislation, primarily in response to the coronavirus pandemic and public health emergency. Estimates for title III are relative to CBO's March 2020 baseline, reflecting the effects of subsequent legislation.

CBO and JCT estimate that enacting Rules Committee Print 116-56 would reduce the number of people who are uninsured by an average of 4 million people between 2022 and 2030, compared with CBO's current-law projections. CBO and JCT consider people to be uninsured if they would not be enrolled in a policy that provides financial protection from major medical risks.

CBO and JCT estimate that gross premiums—that is, the premium amounts without subsidies—for nongroup coverage would be about 10 percent lower in 2022 and later years, on average, under Rules Committee Print 116-56 than under current law. That reduction primarily stems from section 106, which establishes an affordability fund that CBO estimates would be used primarily to provide reinsurance payments to insurers. Reinsurance payments reduce premiums by shielding insurers from some of the cost of enrolling people with high medical expenses.

- a. The estimate for title III includes effects on Medicare, Medicaid, private health insurance, the health programs of the Department of Defense, and the Federal Employees Health Benefits program. CBO has not completed an analysis of the effects of title III on pharmaceutical research and development. The agency's most recent analysis of those effects was included in its letter to the Honorable Frank Pallone Jr. (www.cbo.gov/publication/55936) regarding the budgetary effects of H.R. 3, the Elijah E. Cummings Lower Drug Costs Now Act, which contained an earlier version of this proposal. The agency's preliminary assessment is that title III would have similar effects on pharmaceutical research and development as those estimated for H.R. 3.
- b. The combined effects of the policies in Rules Committee Print 116-56 would differ from the sum of the effects individually, relative to CBO's current-law baseline projections. Estimated interaction effects between section 117 and other provisions of the bill are not shown here; they are instead incorporated into the individual estimate for that section.

Table 2.
Estimated Budget Effects of Rules Committee Print 116-56, the Patient Protection and Affordable Care Enhancement Act, as Amended by Amendment Number 6 (Pallone, Neal, Scott) on June 25, 2020

	By Fiscal Year, Millions of Dollars										2020- 2025	2020- 2030
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
Increases or Decreases (-) in Direct Spending Outlays												
TITLE I - Lowering Health Care Costs and Protecting People With Preexisting Conditions												
101. Improving affordability by expanding premium assistance for consumers												
Estimated Budget Authority	0	8,909	13,198	14,727	15,788	15,857	15,997	16,792	17,583	18,484	52,622	137,335
Estimated Outlays	0	8,909	13,198	14,727	15,788	15,857	15,997	16,792	17,583	18,484	52,622	137,335
102. Improving affordability by reducing out-of-pocket and premium costs for consumers												
Estimated Budget Authority	*	74	172	287	402	559	684	899	1,112	1,363	935	5,552
Estimated Outlays	*	74	172	287	402	559	684	899	1,112	1,363	935	5,552
103. Expanding affordability for working families to fix the family glitch												
Estimated Budget Authority	0	2,652	4,050	4,486	4,766	4,793	4,988	5,299	5,492	5,609	15,954	42,136
Estimated Outlays	0	2,652	4,050	4,486	4,766	4,793	4,988	5,299	5,492	5,609	15,954	42,136
104. Tax credit reconciliation protections for individuals receiving Social Security lump-sum payments												
Estimated Budget Authority	38	30	32	34	36	39	41	44	47	50	170	391
Estimated Outlays	38	30	32	34	36	39	41	44	47	50	170	391
105. Preserving state option to implement health care marketplaces												
Estimated Budget Authority	20	100	80	0	0	0	0	0	0	0	200	200
Estimated Outlays	20	100	80	0	0	0	0	0	0	0	200	200
106. Establishing a Health Insurance Affordability Fund												
Estimated Budget Authority	0	6,099	4,200	4,060	4,177	4,477	4,599	4,643	4,717	4,804	18,536	41,776
Estimated Outlays	0	-3,573	4,538	4,388	4,177	4,477	4,599	4,643	4,717	4,804	9,530	32,770
107. Rescinding the short-term, limited duration insurance regulation												
Estimated Budget Authority	90	143	163	165	203	230	264	309	304	367	764	2,238
Estimated Outlays	90	143	163	165	203	230	264	309	304	367	764	2,238
109. Requiring marketplace outreach, educational activities, and annual enrollment targets												
Estimated Budget Authority	0	307	652	909	1,109	1,239	1,311	1,372	1,503	1,498	2,977	9,900
Estimated Outlays	0	282	652	909	1,109	1,239	1,311	1,372	1,503	1,498	2,952	9,875
114. Promoting state innovations to expand coverage												
Estimated Budget Authority	0	200	200	200	0	0	0	0	0	0	600	600
Estimated Outlays	0	30	80	145	150	120	55	20	0	0	405	600
117. Eligibility of DACA recipients for qualified health plans												
Estimated Budget Authority	371	499	504	532	572	582	603	641	673	713	2,478	5,690
Estimated Outlays	371	499	504	532	572	582	603	641	673	713	2,478	5,690
TITLE II—Encouraging Medicaid Expansion and Strengthening the Medicaid Program												
201. Incentivizing Medicaid expansion												
Estimated Budget Authority	6,034	3,548	2,522	1,180	1,152	1,184	903	433	250	167	14,436	17,373
Estimated Outlays	6,034	3,548	2,522	1,180	1,152	1,184	903	433	250	167	14,436	17,373
202. Providing 12 months of continuous eligibility for Medicaid and CHIP												
Estimated Budget Authority	0	0	10,774	24,542	25,942	27,618	29,304	31,016	32,840	34,772	61,257	216,807
Estimated Outlays	0	0	10,774	24,542	25,942	27,618	29,304	31,016	32,840	34,772	61,257	216,807

Table 2.
Estimated Budget Effects of Rules Committee Print 116-56, the Patient Protection and Affordable Care Enhancement Act, as Amended by Amendment Number 6 (Pallone, Neal, Scott) on June 25, 2020

	By Fiscal Year, Millions of Dollars										2020-2025	2020-2030	
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030			
203. Mandatory 12 months of postpartum Medicaid eligibility													
Estimated Budget Authority	0	645	1,002	1,370	1,393	1,436	1,487	1,561	1,619	1,776	4,410	12,289	
Estimated Outlays	0	645	1,002	1,370	1,393	1,436	1,487	1,561	1,619	1,776	4,410	12,289	
205. Enhanced reporting requirements for nonexpansion states													
Estimated Budget Authority	0	0	-9	-6	-3	-2	-1	*	*	*	-18	-21	
Estimated Outlays	0	0	-9	-6	-3	-2	-1	*	*	*	-18	-21	
206. Primary care pay increase													
Estimated Budget Authority	3,216	12,068	11,877	12,217	3,855	3,242	2,557	1,791	942	0	43,233	51,765	
Estimated Outlays	3,216	12,068	11,877	12,217	3,855	3,242	2,557	1,791	942	0	43,233	51,765	
208. Permanent extension of CHIP enrollment and quality measures													
Estimated Budget Authority	0	0	0	0	0	0	0	27	28	28	0	83	
Estimated Outlays	0	0	0	0	0	0	0	5	14	21	0	40	
210. Medicaid coverage for citizens of Freely Associated States													
Estimated Budget Authority	43	50	49	52	57	61	65	69	74	79	251	599	
Estimated Outlays	43	50	49	52	57	61	65	69	74	79	251	599	
211. Extension of full federal medical assistance percentage to Indian health care providers													
Estimated Budget Authority	29	61	65	70	75	80	85	91	97	104	299	757	
Estimated Outlays	29	61	65	70	75	80	85	91	97	104	299	757	
TITLE III—Lowering Prices Through Fair Drug Price Negotiation a/													
Estimated Budget Authority	1,216	742	490	-13,120	-26,508	-32,940	-89,960	-123,410	-131,030	-114,030	-37,180	-528,550	
Estimated Outlays	1,180	760	490	-13,120	-26,490	-32,940	-89,960	-123,410	-131,030	-114,030	-37,180	-528,550	
TITLE IV—Public Health Investments													
401. Supporting increased innovation													
Estimated Budget Authority	2,000	0	0	0	0	0	0	0	0	0	2,000	2,000	
Estimated Outlays	195	700	700	270	115	0	0	0	0	0	1,980	1,980	
Interactions b/													
Estimated Budget Authority	-1	-1,893	-2,299	-1,704	-1,382	-1,562	-1,217	-1,047	-1,131	-1,427	-7,278	-13,663	
Estimated Outlays	-1	-1,868	-2,299	-1,704	-1,382	-1,562	-1,217	-1,047	-1,131	-1,427	-7,253	-13,638	
Total Changes in Direct Spending													
Estimated Budget Authority	13,056	34,234	47,722	50,000	31,634	26,893	-28,288	-59,470	-64,879	-45,643	176,646	5,258	
Estimated Outlays	11,215	25,110	48,640	50,543	31,917	27,013	-28,233	-59,472	-64,893	-45,650	167,425	-3,811	
On-budget outlays	11,215	25,110	48,640	50,583	31,977	27,083	-28,153	-59,382	-64,793	-45,540	167,525	-3,261	
Off-budget outlays	0	0	0	-40	-60	-70	-80	-90	-100	-110	-100	-550	
Increases or Decreases (-) in Revenues													
TITLE I - Lowering Health Care Costs and Protecting People With Preexisting Conditions													
101. Improving affordability by expanding premium assistance for consumers	0	-4,150	-6,597	-7,533	-7,990	-8,481	-9,327	-9,933	-10,423	-10,653	-26,270	-75,087	
102. Improving affordability by reducing out-of-pocket and premium costs for consumers	0	-3	-18	-36	-43	-57	-90	-111	-124	-142	-100	-624	
103. Expanding affordability for working families to fix the family glitch	0	32	-95	-191	-266	-369	-440	-477	-531	-562	-520	-2,899	
106. Establishing a Health Insurance Affordability Fund	0	1,246	1,800	1,882	1,927	2,003	2,042	2,050	2,016	2,015	6,855	16,979	

Table 2.
Estimated Budget Effects of Rules Committee Print 116-56, the Patient Protection and Affordable Care Enhancement Act, as Amended by Amendment Number 6 (Pallone, Neal, Scott) on June 25, 2020

	By Fiscal Year, Millions of Dollars										2020-2025	2020-2030
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
107. Rescinding the short-term, limited duration insurance regulation	-25	-59	-73	-74	-80	-93	-103	-107	-112	-119	-311	-845
109. Requiring marketplace outreach, educational activities, and annual enrollment targets	0	-24	-69	-106	-133	-181	-209	-224	-246	-254	-332	-1,446
117. Eligibility of DACA recipients for qualified health plans	-74	-188	-226	-237	-256	-292	-318	-339	-358	-373	-981	-2,661
TITLE II—Encouraging Medicaid Expansion and Strengthening the Medicaid Program												
201. Incentivizing Medicaid expansion	80	91	59	21	34	47	46	2	1	9	284	391
202. Providing 12 months of continuous eligibility for Medicaid and CHIP	0	0	306	1,288	1,367	1,582	1,714	1,796	1,877	1,967	2,961	11,896
203. Mandatory 12 months of postpartum Medicaid eligibility	0	179	361	570	700	790	856	900	942	990	1,810	6,288
210. Medicaid coverage for citizens of Freely Associated States	*	*	*	*	*	*	*	*	*	*	*	1
TITLE III—Lowering Prices Through Fair Drug Price Negotiation a/												
	0	-31	-44	2,405	4,880	6,656	7,883	9,048	10,374	11,836	7,210	53,007
Interactions b/												
	*	1,320	1,796	1,591	1,260	845	934	803	580	293	5,967	9,423
Total Changes in Revenues	-19	-1,587	-2,800	-420	1,400	2,450	2,988	3,408	3,996	5,007	-3,426	14,423
<i>On-budget revenues</i>	-71	-3,697	-5,933	-4,908	-4,157	-3,776	-3,752	-3,894	-3,850	-3,485	-18,767	-37,525
<i>Off-budget revenues</i>	52	2,111	3,133	4,488	5,557	6,226	6,740	7,302	7,847	8,492	15,341	51,948
Net Increase or Decrease (-) in the Deficit From Changes in Direct Spending and Revenues												
Total Effect on the Deficit	11,234	26,697	51,440	50,964	30,516	24,563	-31,221	-62,880	-68,890	-50,657	170,850	-18,235
<i>Effect on the on-budget deficit</i>	11,286	28,808	54,573	55,492	36,133	30,859	-24,401	-55,488	-60,943	-42,055	186,291	34,263
<i>Effect on the off-budget deficit</i>	-52	-2,111	-3,133	-4,528	-5,617	-6,296	-6,820	-7,392	-7,947	-8,602	-15,441	-52,498

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

Components may not sum to totals because of rounding; CHIP = Children's Health Insurance Program; DACA = Deferred Action for Childhood Arrivals; * = between - \$500,000 and \$500,000.

Section 108 would affect direct spending by less than \$500,000 over the 2020-2030 period. Sections 104 and 108 would affect revenues by less than \$500,000 over the 2020-2030 period. Section 111 would affect direct spending and revenues. However, CBO and JCT cannot estimate the magnitude or direction of those effects. For more information, see Congressional Budget Office, cost estimate for H.R. 1386, the Enroll Act of 2019 (April 25, 2019), www.cbo.gov/publication/55171.

Estimates for titles I and II are relative to CBO's March 2020 baseline, adjusted for the agency's current estimates of sources of health insurance coverage and for the estimated effects of subsequent legislation, primarily in response to the coronavirus pandemic and public health emergency. Estimates for title III are relative to CBO's March 2020 baseline, reflecting the effects of subsequent legislation.

CBO and JCT estimate that enacting Rules Committee Print 116-56 would reduce the number of people who are uninsured by an average of 4 million people between 2022 and 2030, compared with CBO's current-law projections. CBO and JCT consider people to be uninsured if they would not be enrolled in a policy that provides financial protection from major medical risks.

CBO and JCT estimate that gross premiums—that is, the premium amounts without subsidies—for nongroup coverage would be about 10 percent lower in 2022 and later years, on average, under Rules Committee Print 116-56 than under current law. That reduction primarily stems from section 106, which establishes an affordability fund that CBO estimates would be used primarily to provide reinsurance payments to insurers. Reinsurance payments reduce premiums by shielding insurers from some of the cost of enrolling people with high medical expenses.

a. The estimate for title III includes effects on Medicare, Medicaid, private health insurance, the health programs of the Department of Defense, and the Federal Employees Health Benefits program. CBO has not completed an analysis of the effects of title III on pharmaceutical research and development. The agency's most recent analysis of those effects was included in its letter to the Honorable Frank Pallone Jr. (www.cbo.gov/publication/55936) regarding the budgetary effects of H.R. 3, the Elijah E. Cummings Lower Drug Costs Now Act, which contained an earlier version of this proposal. The agency's preliminary assessment is that title III would have similar effects on pharmaceutical research and development as those estimated for H.R. 3.

b. The combined effects of the policies in Rules Committee Print 116-56 would differ from the sum of the effects individually, relative to CBO's current-law baseline projections. Estimated interaction effects between section 117 and other provisions of the bill are not shown here; they are instead incorporated into the individual estimate for that section.