

Estimated Direct Spending and Revenue Effects of Rules Committee Print 118-9 (H.R. 3799, CHOICE Arrangement Act), as amended by Amendment 8 (Smith)

As posted on the website of the House Committee on Rules on June 13, 2023

<https://rules.house.gov/bill/118/hr-3799>

	By Fiscal Year, Millions of Dollars											2023-2028	2023-2033
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
Increases or Decreases (-) in Direct Spending													
Title I. Association Health Plans Act													
Estimated Budget Authority	0	0	-2	9	20	28	32	33	34	37	40	55	231
Estimated Outlays	0	0	-2	9	20	28	32	33	34	37	40	55	231
Title III. Self-Insurance Protection Act													
Estimated Budget Authority	0	*	*	*	*	*	*	*	*	*	*	*	*
Estimated Outlays	0	*	*	*	*	*	*	*	*	*	*	*	*
Title V. Recissions													
Estimated Budget Authority	0	-245	0	0	0	0	0	0	0	0	0	-245	-245
Estimated Outlays	0	-50	-70	-82	-29	0	0	0	0	0	0	-231	-231
Total Changes in Direct Spending													
Estimated Budget Authority	0	-245	-2	9	20	28	32	33	34	37	40	-190	-14
Estimated Outlays	0	-50	-72	-73	-9	28	32	33	34	37	40	-176	0
Decreases in Revenues													
Title I. Association Health Plans Act													
Estimated Revenues	0	0	-6	-10	-25	-43	-48	-51	-54	-55	-56	-84	-348
Title III. Self-Insurance Protection Act													
Estimated Revenues	0	*	*	*	*	*	*	*	*	*	*	*	*
Total Changes in Revenues													
<i>On-Budget</i>	0	*	-5	-8	-22	-39	-44	-47	-49	-50	-51	-74	-315
<i>Off-Budget</i>	0	*	-1	-2	-3	-4	-4	-4	-5	-5	-5	-10	-33
Total Revenues	0	*	-6	-10	-25	-43	-48	-51	-54	-55	-56	-84	-348
Net Increase or Decrease (-) in the Deficit From Changes in Direct Spending and Revenues													
Total Effect on the Deficit													
<i>On-Budget</i>	0	-50	-67	-65	13	67	76	80	83	87	91	-102	315
<i>Off-Budget</i>	0	*	1	2	3	4	4	4	5	5	5	10	33
Total Deficit	0	-50	-66	-63	16	71	80	84	88	92	96	-92	348

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

* = between -\$500,000 and \$500,000.



Title I. Association Health Plans Act

CBO and the staff of the Joint Committee on Taxation (JCT) estimate that title I would increase federal deficits by \$579 million over the 2023-2033 period, primarily because more self-employed people would take up health insurance coverage through association health plans. That increase would be slightly offset by effects stemming from lower premiums by the movement of people who currently have insurance from the fully regulated nongroup and small-group market into association health plans.

CBO and JCT estimate that after 2028, when the policy would be fully in effect, title I would increase the number of people with health insurance purchased through association plans by about 200,000 per year, on average. The agencies estimate that under current law, about 40,000 (or 20 percent) of that group have no insurance, and the rest have insurance purchased in the fully regulated nongroup or small-group markets.

Title III. Self-Insurance Protection Act

Title III would amend the Employee Retirement Income Security Act of 1974 (ERISA) to exclude stop-loss policies from that act's definition of health insurance coverage. Stop-loss policies insure against excess or unexpected losses and are obtained by self-insured group health plans or plan sponsors of a group health plan that self-insures. Excluding stop-loss policies from the definition of health insurance coverage would exempt those policies from regulation under ERISA. The bill also would preempt state laws that prohibit group health plans from obtaining stop-loss policies.

CBO and JCT estimate that title III would have insignificant effects on direct spending, revenues, and the deficit over the 2023-2033 period. The agencies' analysis of state laws indicates that few states prohibit the sale of stop-loss coverage; thus, the bill's preemption of state laws would affect only a small number of people.

Title V. Rescissions

In 2024, title V would reduce by \$245 million the funding available to the Prevention and Public Health Fund. As a result, CBO estimates, direct spending would decline by \$231 million over the 2023-2033 period. CBO expects that the outlay savings would be less than the reduction in funding because under current law some of that funding would not be spent.

Other Provisions

CBO and JCT estimate that title II, the CHOICE Arrangement Act, and title IV, the Small Business Flexibility Act, would not affect direct spending or revenues.

Spending Subject to Appropriation

CBO has not completed an analysis of any effects on spending subject to appropriation.

Mandates

Title III would impose an intergovernmental mandate as defined by the Unfunded Mandates Reform Act (UMRA) by preempting any state laws that prevent certain group health plans from using stop-loss policies to insure against excess or unexpected claims losses. CBO estimates that the cost of the mandate would not exceed the intergovernmental threshold established by UMRA (\$99 million in 2023, adjusted annually for inflation). The bill would not impose any private-sector mandates.

Previous CBO Estimate

On June 15, 2023, CBO transmitted a [cost estimate for H.R. 2813](#), the Self-Insurance Protection Act, as ordered reported by the Committee on Education and the Workforce on June 6, 2023. The language in that bill is the same as title III and the estimated budgetary effects for the provisions are the same.

Phillip L. Swagel
Director, Congressional Budget Office