Current revisions to H.R. 1628, the American Health Care Act (AHCA), would cost the government more money and still leave 24 million fewer Americans insured by 2026 according to a new estimate from the Congressional Budget Office (CBO) and the staff of the Joint Committee on Taxation (JCT) on the direct spending and revenue effects of the AHCA. The CBO projected that the original proposed legislation to repeal major portions of the Patient Protection and Affordable Care Act (ACA) (P.L. 111-148) would reduce federal deficits by $337 billion over 10 years; last-minute amendments to the AHCA would now reduce federal deficits by a projected $150 billion over the same time frame or around $187 billion less (CBO Report, March 23, 2017).

The CBO and the JCT had previously estimated that the AHCA would entail costs resulting from repealing changes made to the Internal Revenue Code (IRC) and the establishment of a new tax credit for health insurance. However, those costs would be offset by reductions in outlays for Medicaid and the elimination of subsidies for nongroup health insurance (see CBO: Republican plan saves billions as 24M lose coverage, March 14, 2017). Medicaid. A number of changes to the Medicaid program would reduce the CBO’s previous estimate of savings by $41 billion over the 2017-2026 period. The reduction would result from revising the formula for calculating the per capita allotments in Medicaid to allow for faster growth of the per capita cost of aged, blind, and disabled enrollees. This would be offset by the effects of providing states with the option to make Medicaid eligibility conditional on satisfying work requirements for enrollees who are not single parents of children under age 6 or who are not pregnant or disabled and allowing states to receive a block grant for Medicaid coverage of children and some adults instead of funding based on a per capita cap.

Uninsured numbers. The CBO and JCT estimated that, in 2018, 14 million more people would be uninsured under the AHCA than under the ACA. The increase in the number of uninsured people relative to the number under current law would reach 21 million in 2020 and 24 million in 2026. Overall, in 2026, an estimated 52 million people under age 65 would be uninsured, compared with the 28 million who would lack insurance if the ACA were maintained.

Premiums. The AHCA, with the proposed amendments, would tend to increase average premiums in the nongroup market before 2020 and lower average premiums thereafter, relative to projections under the ACA. In 2018 and 2019, according to CBO and JCT’s estimates, average premiums for single policyholders in the nongroup market would be 15 percent to 20 percent higher under the legislation than under current law. By 2026, average premiums for single policyholders in the nongroup market would be roughly 10 percent lower than under the ACA.