

Preliminary Analysis of Title I of the Affordable Choices Act

7/1/2009

EFFECTS ON INSURANCE COVERAGE /a

(Millions of nonelderly people, by calendar year)

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Current Law	Medicaid/CHIP	40	39	39	38	35	34	35	35	35	35
Coverage /b	Employer	150	153	156	158	161	162	162	162	162	162
	Nongroup	13	12	12	12	13	14	14	14	14	15
	Other /c	14	14	14	14	14	15	15	15	15	16
	Uninsured /d	<u>50</u>	<u>51</u>	<u>51</u>	<u>51</u>	<u>51</u>	<u>51</u>	<u>52</u>	<u>53</u>	<u>53</u>	<u>54</u>
	TOTAL	267	269	271	273	274	276	277	279	281	282
Change (+/-)	Medicaid/CHIP	-1	-1	*	*	-4	-2	-2	-2	-2	-1
	Employer	*	2	2	3	4	1	1	1	*	*
	Nongroup/Other /c	*	*	-1	-2	-3	-5	-5	-6	-6	-6
	Exchanges	0	0	4	11	20	24	26	26	27	27
	Uninsured	-1	-1	-5	-11	-16	-18	-19	-20	-20	-21
Post-Policy Uninsured Population											
Number of People /d		49	50	46	39	35	33	32	33	33	34
Share of the Nonelderly Population											
Including All Residents		19%	19%	17%	14%	13%	12%	12%	12%	12%	12%
Excluding Unauthorized Immigrants		17%	18%	16%	13%	11%	10%	10%	10%	10%	10%
<i>Memo: Exchange Enrollees and Subsidies</i>											
<i>Number w/ Unaffordable Offer from Employer /e</i>				*	1	2	2	2	2	2	2
<i>Number of Unsubsidized Exchange Enrollees</i>				1	2	3	4	4	4	4	4
<i>Average Subsidy per Subsidized Enrollee</i>						\$4,700	\$5,000	\$5,200	\$5,500	\$5,800	\$6,100

* = Less than 0.5 million people.

NOTES:

- Components may not sum to totals because of rounding.
- Individuals reporting multiple sources of coverage are assigned a primary source.
- Includes Medicare, TRICARE, and other sources; effects of proposal are almost entirely on nongroup coverage.
- The count of uninsured people includes unauthorized immigrants as well as people who are eligible for, but not enrolled in, Medicaid.
- Workers who have to pay more than a specified share of their income for employment-based coverage (12.5% in 2013) could receive exchange subsidies; figures show enrollees who would have had employer insurance but who would obtain coverage in the exchange under that provision.

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EFFECTS ON THE FEDERAL DEFICIT /a,b,c

(Billions of dollars, by fiscal year)

Coverage Provisions

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-2019
Medicaid/CHIP Outlays /d	-2	-2	*	0	-7	-7	-5	-5	-4	-4	-36
Exchange Subsidies	0	0	11	39	70	96	113	122	131	140	723
Associated Effects on Tax Revenues /e	2	2	2	2	2	-1	-4	-4	-5	-5	-10
<i>Subtotal</i>	<i>0</i>	<i>0</i>	<i>13</i>	<i>41</i>	<i>65</i>	<i>89</i>	<i>104</i>	<i>113</i>	<i>122</i>	<i>130</i>	<i>677</i>
Small Business Credit /e	3	6	6	4	4	6	6	6	7	8	56
Payments by Uninsured Individuals	0	0	0	-1	-3	-7	-7	-6	-6	-6	-36
Employer Equity Assessments /e, f	0	0	-1	-4	-5	-7	-8	-9	-9	-9	-52
NET IMPACT OF COVERAGE PROVISIONS	3	6	17	40	61	81	96	105	114	123	645
Other Provisions of Title I											
Equity for Certain Eligible Survivors	*	*	*	*	*	*	*	*	*	*	*
Reinsurance for Retirees	3	3	3	1	0	0	0	0	0	0	10
CLASS Act /g	0	-3	-6	-8	-9	-10	-8	-6	-4	-3	-58
OVERALL IMPACT ON DEFICIT	6	6	14	33	52	71	88	99	110	120	597

Notes

a. Does not include federal administrative costs and does not account for: all costs of establishing and operating insurance exchanges; all effects on other federal programs; all effects of other proposals on the costs of the coverage specifications; or potential effects on corporate tax revenues.

b. Components may not sum to totals because of rounding.

c. Positive numbers indicate increases in the deficit, and negative numbers indicate decreases in the deficit; figures reflect only the direct spending and revenue effects of the provisions.

d. Includes the indirect effects of exchange subsidies and other coverage provisions on Medicaid and CHIP only.

e. Increases in tax revenues reduce the deficit.

f. The effects on the deficit of this provision include the associated effects of changes in taxable compensation on tax revenues.

g. Reflects the net budgetary impact of direct spending and revenue effects. CBO estimates that premium collections would exceed benefit payments during the 2010-2019 period by about \$59 billion. At some point beyond 2019, the proposal would add to the federal deficit.

* = Less than \$0.5 billion.