HEALTH ISSUES
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CBO Score of Bipartisan Health Care Stabilization Bill Released

The Congressional Budget Office (CBO) released a cost estimate of the Bipartisan Health Care Stabilization Act of 2017 recently introduced in the U.S. Senate by Chairman Lamar Alexander (R-TN) and Ranking Member Patty Murray (D-WA) of the Health Education Labor and Pensions (HELP) Committee. The bill would provide federal reimbursements to insurers for cost-sharing reductions (CSRs) through 2019 and would also make several changes to the Affordable Care Act’s (ACA) State 1332 Innovation Waivers.

According to the CBO and the Joint Committee on Taxation (JCT), the bill would not significantly change the number of Americans with health care coverage, relative to current law. The bill is estimated to reduce the federal deficit by $3.8 billion over the next decade, driven primarily by the provision to loosen eligibility requirements for “catastrophic coverage” copper plans. Finally, they found that premiums in the individual insurance market would remain stable through 2019 due to the provision to fund reimbursements for CSRs through that period. CBO also notes that, after consultation with the House and Senate Budget Committees, they would not be changing their baseline to reflect the Administration’s recent decision to stop CSR payments.

Separately, a proposal to extend CSR reimbursements was announced yesterday by Senate Finance Committee Chairman Orrin Hatch (R-UT) and House Ways and Means Committee Chairman Kevin Brady (R-TX). The proposal, which does not have bipartisan support, would also extend reimbursements for CSRs through 2019 while temporarily suspending the ACA’s individual and employer mandates and increasing contribution limits for Health Savings Accounts (HSAs).

The Academy’s Health Practice Council (HPC) sent a letter in September to the Senate’s HELP Committee about what’s required to stabilize the individual health insurance market during a series of bipartisan hearings. The HPC also released a policy paper on the importance of funding for CSRs, and a list of frequently asked questions on risk pooling in the individual market in July.

If you have any questions regarding this Academy Alert, please contact David Linn, senior health policy analyst (linn@actuary.org; 202-785-6931).

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