

Table 1. CBO's May 2013 Estimate of the Effects of the Affordable Care Act on Health Insurance Coverage

EFFECTS ON INSURANCE COVERAGE^a		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
(Millions of nonelderly people, by calendar year)												
Prior-Law Coverage ^b	Medicaid and CHIP	35	34	34	33	33	33	33	34	34	34	34
	Employment-Based	156	157	159	161	164	165	166	167	167	168	169
	Nongroup and Other ^c	25	25	26	26	27	27	27	27	28	28	28
	Uninsured ^d	<u>57</u>	<u>57</u>	<u>57</u>	<u>56</u>	<u>56</u>	<u>55</u>	<u>55</u>	<u>56</u>	<u>56</u>	<u>56</u>	<u>56</u>
	TOTAL	272	274	276	277	279	281	282	284	285	286	288
Change	Medicaid and CHIP	1	9	12	12	12	12	12	13	13	13	13
	Employment-Based ^e	2	*	-2	-6	-6	-7	-7	-7	-7	-7	-7
	Nongroup and Other ^c	*	-2	-3	-4	-5	-5	-5	-5	-5	-5	-5
	Insurance Exchanges	0	7	13	22	24	25	25	24	25	24	24
	Uninsured ^d	-2	-14	-20	-25	-25	-25	-25	-25	-25	-25	-25
Uninsured Under the Affordable Care Act												
	Number of Uninsured Nonelderly People ^d	55	44	37	31	30	30	30	30	31	31	31
	Insured Share of the Nonelderly Population ^a											
	Including All Residents	80%	84%	86%	89%	89%	89%	89%	89%	89%	89%	89%
	Excluding Unauthorized Immigrants	82%	86%	89%	91%	92%	92%	92%	92%	92%	92%	92%
Memo: Exchange Enrollees and Subsidies												
	Number with Unaffordable Offer from Employer ^f		*	*	*	1	1	1	1	1	1	1
	Number of Unsubsidized Exchange Enrollees		1	2	4	4	5	5	5	5	5	5
	Average Exchange Subsidy per Subsidized Enrollee		\$5,290	\$5,330	\$5,350	\$5,590	\$5,990	\$6,240	\$6,720	\$7,060	\$7,460	\$7,900

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

Notes: The Affordable Care Act comprises the Patient Protection and Affordable Care Act (Public Law 111-148) and the health care provisions of the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152) and, in the case of this document, the effects of subsequent related judicial decisions, statutory changes, and administrative actions.

Numbers may not add up to totals because of rounding.

CHIP = Children's Health Insurance Program; * = between 500,000 and -500,000 people.

a. Figures for the nonelderly population include only residents of the 50 states and the District of Columbia who are younger than 65.

b. Figures reflect average enrollment over the course of a year; individuals reporting multiple sources of coverage are assigned a primary source. To illustrate the effects of the Affordable Care Act, which is now current law, changes in coverage are shown compared with coverage projections in the absence of that legislation, or "prior law."

c. The effects are almost entirely for nongroup coverage; "other" includes Medicare.

d. The count of uninsured people includes unauthorized immigrants as well as people who are eligible for but not enrolled in Medicaid.

e. The change in employment-based coverage is the net result of projected increases in and losses of offers of health insurance from employers and changes in enrollment by workers and their families. For example, in 2019, an estimated 11 million people who would have had an offer of employment-based coverage under prior law will lose their offer under current law, and another 3 million people will have an offer of employment-based coverage but will enroll in health insurance from another source instead. These flows out of employment-based coverage will be partially offset by an estimated 7 million people who will newly enroll in employment-based coverage under the Affordable Care Act.

f. Workers who would have to pay more than a specified share of their income (9.5 percent in 2014) for employment-based coverage could receive subsidies via an exchange.

Table 2. CBO's May 2013 Estimate of the Budgetary Effects of the Insurance Coverage Provisions Contained in the Affordable Care Act

(Billions of dollars, by fiscal year)

EFFECTS ON THE FEDERAL DEFICIT ^{a,b}												Total,
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2023
Medicaid and CHIP Outlays ^c	1	21	41	62	70	76	80	83	87	92	98	710
Exchange Subsidies and Related Spending ^d	4	26	51	87	108	118	123	129	137	143	151	1,075
Small-Employer Tax Credits ^e	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>14</u>
Gross Cost of Coverage Provisions	6	48	94	151	179	195	205	214	226	237	250	1,798
Penalty Payments by Uninsured Individuals	0	0	-2	-4	-5	-5	-5	-5	-6	-6	-6	-45
Penalty Payments by Employers ^e	0	0	-10	-11	-14	-15	-16	-17	-18	-19	-20	-140
Excise Tax on High-Premium Insurance Plans ^e	0	0	0	0	0	-5	-9	-11	-14	-18	-22	-80
Other Effects on Tax Revenues and Outlays ^f	<u>*</u>	<u>1</u>	<u>1</u>	<u>-6</u>	<u>-14</u>	<u>-20</u>	<u>-23</u>	<u>-24</u>	<u>-26</u>	<u>-28</u>	<u>-31</u>	<u>-171</u>
NET COST OF COVERAGE PROVISIONS	6	49	83	130	146	151	151	156	161	166	170	1,363

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

Notes: The Affordable Care Act comprises the Patient Protection and Affordable Care Act (Public Law 111-148) and the health care provisions of the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152) and, in the case of this document, the effects of subsequent related judicial decisions, statutory changes, and administrative actions.

Numbers may not add up to totals because of rounding.

CHIP = Children's Health Insurance Program; * = between zero and -\$500 million.

- a. Excludes effects on the deficit of other provisions of the act that are not related to coverage, which in the aggregate reduce deficits. Also excludes federal administrative costs subject to appropriation. CBO has previously estimated that the Internal Revenue Service will need to spend between \$5 billion and \$10 billion over 10 years to implement the Affordable Care Act and that the Department of Health and Human Services and other federal agencies also will have to spend \$5 billion to \$10 billion over that period. In addition, the Affordable Care Act included explicit authorizations for spending on a variety of grant and other programs; that funding is also subject to future appropriation action.
- b. Negative numbers indicate a decrease in the deficit; positive numbers indicate an increase in the deficit.
- c. Under current law, states have the flexibility to make programmatic and other budgetary changes to Medicaid and CHIP. CBO estimates that state spending on Medicaid and CHIP in the 2014-2023 period would increase by about \$65 billion as a result of the coverage provisions of the Affordable Care Act.
- d. Includes spending for high-risk pools, premium review activities, loans to consumer-operated and -oriented plans, and grants to states for the establishment of exchanges.
- e. These effects on the deficit include the associated effects of changes in taxable compensation on revenues.
- f. The effects are almost entirely on revenues. CBO estimates that outlays for Social Security benefits would increase by about \$7 billion over the 2014-2023 period, and that the coverage provisions would have negligible effects on outlays for other federal programs.

Table 3. Health Insurance Exchanges: CBO's May 2013 Baseline

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total, 2014-2023
EXCHANGE ENROLLMENT^a												
	Millions of People, by Calendar Year											
Individually Purchased Coverage												
Subsidized	0	6	11	19	20	20	20	20	20	19	19	
Unsubsidized ^b	<u>0</u>	<u>1</u>	<u>2</u>	<u>4</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	
TOTAL	0	7	13	22	24	25	25	24	25	24	24	
Employment-Based Coverage												
Purchased Through Exchanges ^b	0	2	2	3	4	4	4	4	4	4	4	
DIRECT SPENDING												
	Billions of Dollars, by Fiscal Year											
Premium Credit Outlays	0	16	35	63	79	88	92	97	103	109	115	796
Cost-Sharing Subsidies	0	4	8	13	15	16	17	17	18	19	21	149
Related Spending ^c	<u>4</u>	<u>3</u>	<u>2</u>	*	*	*	*	*	*	*	*	<u>5</u>
TOTAL	4	23	44	76	95	104	108	115	122	128	135	950
ADDITIONAL INFORMATION												
Premium Credit Revenue Reductions (Billions of dollars)	0	3	7	11	13	14	15	15	15	15	16	124
Total, Exchange Subsidies and Related Spending	4	26	51	87	108	118	123	129	137	143	151	1,075
Total Exchange Subsidies by Calendar Year (Billions of dollars)	0	33	57	100	112	121	124	132	139	145	153	1,115
Average Exchange Subsidy per Subsidized Enrollee (Dollars)	\$0	\$5,290	\$5,330	\$5,350	\$5,590	\$5,990	\$6,240	\$6,720	\$7,060	\$7,460	\$7,900	

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

Notes: Numbers may not add up to totals because of rounding; * = between zero and \$500 million.

a. Figures reflect the average enrollment over the course of a year and include spouses and dependents covered by family policies.

b. Does not include coverage purchased directly from insurers outside of the exchange system.

c. Includes spending for grants to states for the establishment of exchanges. Also includes spending for high-risk pools, premium review activities, and loans to consumer-operated and -oriented plans -- none of those items are included in "Health insurance subsidies and related spending" in Table 2 of *Updated Budget Projections: Fiscal Years 2013 to 2023, May 2013*.