Weekly Checkup

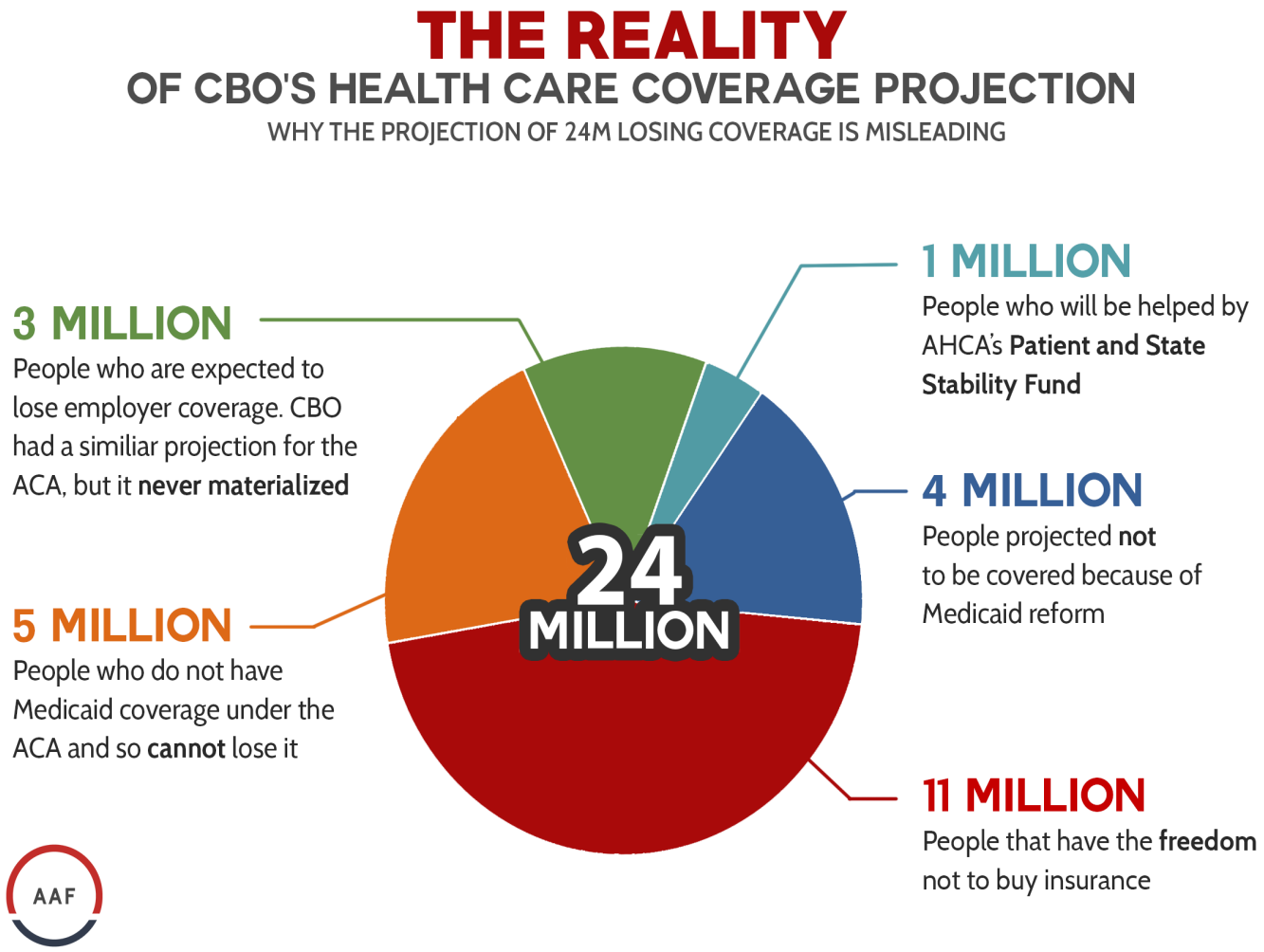
The Reality of CBO's American Health Care Act Coverage Projection

JONATHAN KEISLING | MARCH 22, 2017

Recently, the Congressional Budget Office (CBO) released its analysis of the American Health Care Act (AHCA)—the first step in Congress and the Trump Administration's effort to repeal and replace the Affordable Care Ace (ACA). CBO estimated that, as a result of AHCA, there would 24 million fewer insured Americans by 2026 relative to their projections under current law as of March 2016—the last time CBO updated its baseline.[i]

Of the 24 million, CBO expects about 9 to 11 million people will exercise their new freedom to choose not to buy insurance due to the AHCA's repeal of the individual mandate. Secondly, 5 million of those who are projected to lose Medicaid coverage do not actually have Medicaid coverage now. Rather, CBO is assuming an additional 3 to 5 million individuals will become eligible for Medicaid due to new states taking up the ACA's Medicaid Expansion after over 7 years of declining to do so. CBO foresees an additional 4 million individuals losing Medicaid coverage as a result of AHCA's Medicaid reforms. Further, CBO expects about 3 million people to lose insurance because their employer stopped offering insurance—even though CBO admitted that their estimates of this occurring were too high in the baseline against which the AHCA was scored.[ii] Finally, about 1 million people in New York and Minnesota, who are currently enrolled through the Basic Health Program, are projected to lose coverage through that program. However, the AHCA's Patient and State Stability Fund provides over $10 billion a year to states to help exactly these types of populations.

In summation, the 24 million figure for coverage loss is a combination of people who do not want coverage and will choose not to have it if allowed, shaky guesses at employer behavior that have not come to pass previously, people whose coverage could be disrupted but for whom the law provides alternatives, people who do not even have coverage today, but who might possibly gain coverage in an alternate future, as well as about 4 million who may lose their current coverage due to changes to the Medicaid program. A far cry from 24 million people being stripped of their health care.



GRAPHIC BY ALISA AYDIN

PDF VERSION

[i] https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/americanhealthcareact.pdf

[ii] https://www.cbo.gov/sites/default/files/recurringdata/51298-2017-01-healthinsurance.pdf