



Five Facts about the Congressional Budget Office Estimate of the American Health Care Act (AHCA)

- AHCA is only step one in repealing and replacing Obamacare.** The CBO analysis does not take into account actions the Administration is taking to stabilize insurance markets, nor does it include the effects of subsequent legislation planned by congressional Republicans to provide patients with even greater choices and lower costs. While AHCA repeals the most burdensome aspects of Obamacare and lays a solid foundation for reform, the budget reconciliation process does not allow other policy improvements like the purchase of insurance across state lines or allowing groups to band together for purchasing power.

Step One
- There is a difference between “losing insurance” and choosing not to buy it.** AHCA repeals the individual mandate, the tax penalty Obamacare imposes on uninsured Americans. According to CBO, most of its projected decline in coverage would occur because people will choose not to buy insurance when the government no longer forces them to do so.¹ If CBO is correct, this shows the magnitude of people who have insurance not because they believe it is best for them but because of government coercion. However, noted health policy expert Avik Roy believes CBO may have overestimated the number of uninsured Americans by 19 million given the agency’s track record of coverage projections that never materialized.²

More Freedom
- AHCA will lower premiums by 10 percent.** Patients in Obamacare exchanges experienced double-digit and even triple-digit increases in Obamacare premiums this year. In contrast, CBO estimates that premiums will be 10 percent lower under AHCA.³

Lower Premiums
- AHCA will cut taxes by \$887 billion.** AHCA repeals almost \$900 billion in Obamacare taxes,⁴ including many that hit low- and middle-income Americans⁵ or make health care more expensive by taxing health products.

Lower Taxes
- AHCA will reduce the deficit by \$337 billion.** Combining the \$1.2 trillion reduction in federal spending and \$900 billion in tax relief, CBO estimates AHCA will reduce deficits by \$337 billion over the decade.⁶

Lower Deficits

¹ “Congressional Budget Office Cost Estimate.” 2017. Congressional Budget Office, p. 2. https://www.cbo.gov/sites/default/files/115th-congress-2017-2018/costestimate/americanhealthcareact_0.pdf

² Roy, Avik. 2017. “Believe It Or Not, CBO’s Score Of House GOP Obamacare Replacement Is Better Than Expected.” *Forbes*. March 14. <https://www.forbes.com/sites/theapothecary/2017/03/14/believe-it-or-not-cbos-score-of-house-gop-obamacare-replacement-is-better-than-expected/#419874165951>

³ CBO, p. 3.

⁴ CBO, p. 1.

⁵ “CBO/JCT Confirm that Obamacare is a \$1 Trillion Tax Hike.” 2012. House Ways and Means Committee. July 25. <https://goo.gl/7GkO5w>

⁶ CBO, p. 1.