

JOINT ECONOMIC COMMITTEE DEMOCRATS

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U.S. Senator Martin Heinrich • Ranking Member

Kicking Consequences Down the Road: What Happens in 2027?

The Senate is racing toward a vote next week on Cassidy-Graham—a bill that impacts the health care of **millions** of people and one-sixth of the economy—without a full Congressional Budget Office (CBO) score, an unprecedented move that defies regular order. A complete score would likely show that the bill would kick **millions** of people off of their health insurance and raise premiums for working Americans. The effects of the bill are most similar to the Republican attempt to fully repeal the Affordable Care Act through the Obamacare Repeal Reconciliation Act (ORRA) from July 2017. Using CBO estimates from that bill, Cassidy-Graham will cut coverage by **at least** 32 million in 2027, and likely even more as many of the provisions in the bill are **worse** than ORRA. In addition, Cassidy-Graham threatens to increase premiums, raise uncompensated costs to hospitals, and devastate state and local economies:

- If Cassidy-Graham is passed, 32 million Americans will lose coverage in 2027, including 809,000 in Ohio, 243,000 in Nevada, and 230,000 in New Mexico.
- Average annual premiums will increase by more than \$4,300, with the premium increase in Alaska exceeding \$11,100.
- Hospitals will buckle under the strain of \$28.8 billion in additional uncompensated costs, further squeezing already strapped hospitals and passing greater costs on to taxpayers and patients. Uncompensated care will increase by \$460 million in Arizona alone.
- <u>State economies</u> will shed jobs in every sector and take a hit to economic growth. Ohio could lose 126,000 jobs across all industries. State output in Colorado may fall by \$24 billion within the first four years of the full effects of repeal.

State United States Alabama Alaska Arizona Arkansas California	Average Annual Premium Increase (\$) \$4,332 \$5,628 \$11,124 \$6,204	Coverage Losses (Number of People) -32,000,000 -480,000	Employment Losses (Number of Workers)	Federal Funding Loss	Increased Cost of Uncompensated Care to Hospitals	Decreases in Gross State Product 2027-203
United States Alabama Alaska Arizona Arkansas	(\$) \$4,332 \$5,628 \$11,124	(Number of People) -32,000,000	(Number of Workers)	Loss		
United States Alabama Alaska Arizona Arkansas	(\$) \$4,332 \$5,628 \$11,124	People) -32,000,000	Workers)		to Hospitals	Product 2027-203
United States Alabama Alaska Arizona Arkansas	\$4,332 \$5,628 \$11,124	-32,000,000				
Alabama Alaska Arizona Arkansas	\$5,628 \$11,124			(Millions of \$)	(Millions of \$)	(Billions of \$)
Alaska Arizona Arkansas	\$11,124	-480 000	-2,598,800	-\$299,458	\$28,800	n.a.
Arizona Arkansas		-400,000	-28,200	-\$2,150	\$432	-\$14
Arkansas	\$6,204	-41,000	-5,300	-\$844	\$37	-\$4
		-511,000	-33,900	-\$6,913	\$460	-\$18
California	\$3,624	-439,000	-27,600	-\$3,912	\$395	-\$16
Carriornia	\$4,044	-4,552,000	-333,600	-\$57,547	\$4,097	-\$208
Colorado	\$4,224	-468,000	-39,000	-\$3,842	\$421	-\$24
Connecticut	\$5,220	-299,000	-35,900	-\$4,054	\$269	-\$23
Delaware	\$5,076	-81,000	-9,000	-\$1,277	\$73	-\$5
District of Columbia	\$3,576	-96,000	-8,200	-\$866	\$86	-\$7
Florida	\$3,972	-3,217,000	-181,000	-\$17,801	\$2,895	-\$90
Georgia	\$3,960	-1,192,000	-71,500	-\$5,731	\$1,073	-\$39
Hawaii	\$4,164	-95,000	-7,400	-\$1,328	\$86	-\$4
Idaho	\$4,260	-201,000	-11,500	-\$987	\$181	-\$ 4 -\$6
Illinois	\$4,272	-965,000	-11,500	-\$9,264	\$181	-\$6 -\$66
Indiana	\$3,336	· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·		\$439	-\$30
		-488,000	-55,400	-\$4,850		
lowa	\$4,548	-172,000	-25,800	-\$2,334	\$155	-\$15
Kansas	\$4,512	-241,000	-18,800	-\$912	\$217	-\$10
Kentucky	\$3,468	-386,000	-44,500	-\$6,890	\$347	-\$23
Louisiana	\$4,956	-422,000	-36,800	-\$7,277	\$380	-\$22
Maine	\$4,620	-161,000	-13,100	-\$1,037	\$145	-\$7
Maryland	\$3,744	-400,000	-52,000	-\$4,887	\$360	-\$31
Massachusetts	\$2,976	-665,000	-56,900	-\$8,717	\$599	-\$38
Michigan	\$3,336	-862,000	-101,500	-\$9,999	\$776	-\$54
Minnesota	\$4,944	-404,000	-52,900	-\$5,718	\$364	-\$33
Mississippi	\$3,984	-291,000	-16,400	-\$1,284	\$262	-\$8
Missouri	\$4,464	-534,000	-46,100	-\$3,423	\$481	-\$25
Montana	\$5,568	-117,000	-8,200	-\$1,348	\$105	-\$4
Nebraska	\$6,084	-161,000	-14,300	-\$922	\$145	-\$8
Nevada	\$3,624	-243,000	-22,100	-\$2,701	\$219	-\$13
New Hampshire	\$3,204	-112,000	-13,400	-\$948	\$101	-\$8
New Jersey	\$4,188	-732,000	-86,400	-\$8,548	\$659	-\$53
New Mexico	\$3,276	-230,000	-18,800	-\$3,445	\$207	-\$10
New York	\$5,448	-2,212,000	-130,700	-\$33,058	\$1,991	-\$90
North Carolina	\$6,516	-1,148,000	-76,200	-\$8,709	\$1,033	-\$39
North Dakota	\$4,224	-47,000	-8,200	-\$677	\$42	-\$6
Ohio	\$3,288	-809,000	-126,300	-\$10,259	\$728	-\$70
Oklahoma	\$6,216	-362,000	-22,800	-\$1,698	\$326	-\$14
Oregon	\$4,188	-526,000	-45,300	-\$6,576	\$473	-\$25
Pennsylvania	\$4,752	-1,066,000	-137,200	-\$8,263	\$959	-\$76
Rhode Island	\$3,132	-89,000	-12,100	-\$1,300	\$80	-\$6
South Carolina	\$4,656	-552,000	-28,500	-\$2,786	\$497	-\$15
South Dakota	\$5,484	-70,000	-7,400	-\$314	\$63	-\$4
Tennessee	\$5,664	-545,000	-57,000	-\$3,203	\$491	-\$34
Texas	\$3,828	-2,759,000	-174,700	-\$11,947	\$2,483	-\$107
Utah	\$3,756	-352,000	-18,600	-\$1,280	\$317	-\$10
Vermont	\$5,904	-87,000	-5,700	-\$920	\$78	-\$3
Virginia	\$3,864	-839,000	-51,600	-\$3,833	\$755	-\$31
Washington	\$2,916	-657,000	-40,900	-\$3,635 -\$7,541	\$591	-\$27
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West Virginia	\$5,664	-156,000	-16,500	-\$2,042	\$140	· · · · · · · · · · · · · · · · · · ·
Wisconsin Wyoming	\$4,416 \$6,048	-414,000 -51,000	-45,700 -3,600	-\$2,909 -\$386	\$373 \$46	-\$26 -\$3

Source: JEC Democratic Staff Calculations based on data from Congressional Budget Office; Kaiser Family Foundation; Center for American Progress; Center on Budget and Policy Priorities; Garthwaite, Gross, and Notowidigdo (2015); and Ku et al. (2017)

Note: Premium increases are based on the second lowest cost silver plan in 2017 for a 40 year-old in each county, weighted by county plan selections, and CBO projections that premiums will double within six full years of full implementation of Obamacare Repeal Reconciliation Act (ORRA) after marketplace subsidies and Medicaid expansion are eliminated. We assume that even with block grant funding, these effects will occur within seven years of the start of the repeal under Cassidy-Graham. Premiums are before tax credits. Increased cost in uncompensated care is based on the estimate that each additional uninsured person costs local hospitals \$900 per year from Garthwaite, Gross, and Notowidigdo (2015). Employment losses and decreases in gross state product are estimates from Ku at el. (2017) for losses in the first year after full implementation of Medicaid expansion and premium tax credit repeal in ORRA (2019), which take place in 2027 under Cadssidy-Graham.