



November 29, 2017

Honorable Patty Murray
Ranking Member
Committee on Health,
Education, Labor and Pensions
United States Senate
Washington, DC 20510

*Re: The Bipartisan Health Care Stabilization Act of 2017 and the
Individual Mandate*

Dear Senator:

In October 2017, the Congressional Budget Office and the staff of the Joint Committee on Taxation (JCT) published a cost estimate for the Bipartisan Health Care Stabilization Act of 2017 (BHCSA), and in November 2017 the agencies published an updated estimate for repealing the individual health insurance mandate.¹ This letter responds to your request for additional information about those estimates.

In your letter of November 21, 2017, you asked about the combined effects of simultaneously passing the BHCSA and legislation that would repeal the requirement that most U.S. citizens and noncitizens who lawfully reside in the country have health insurance meeting specified standards. Specifically, you asked if legislation that combined the provisions would change the agencies' previous estimates of the number of people with insurance coverage or premiums in the nongroup insurance market.

In the estimate for the BHCSA, the agencies wrote that, relative to the Summer 2017 baseline, the legislation would not substantially change the number of people with health insurance coverage, on net. Because CBO's baseline incorporates the assumption that cost-sharing reductions (CSRs) will be fully funded, premiums would not change under the BHCSA relative to that baseline. In the estimate of repealing the individual health insurance mandate, the agencies wrote that repealing the mandate would

1. Congressional Budget Office, *Bipartisan Health Care Stabilization Act of 2017* (October 2017), www.cbo.gov/publication/53232; and *Repealing the Individual Health Insurance Mandate: An Updated Estimate* (November 2017), www.cbo.gov/publication/53300.

Honorable Patty Murray

Page 2

result in a decrease of the number of people with health insurance of 4 million in 2019 and 13 million in 2027. In addition, the agencies estimated that average premiums in the nongroup market would increase by about 10 percent in most years of the decade (with no changes in the ages of people purchasing insurance accounted for), relative to CBO's Summer 2017 baseline projections.

If legislation were enacted that incorporated both the provisions of the Bipartisan Health Care Stabilization Act and a repeal of the individual mandate, the agencies expect that the interactions among the provisions would be small; the effects on premiums and the number of people with health insurance coverage would be similar to those referenced above.

I hope that you find this information helpful; if you wish to have further information we will be pleased to provide it. The primary staff contacts for this analysis are Kate Fritzsche and Sarah Masi.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Hall". The signature is fluid and cursive, with the first name "Keith" and last name "Hall" clearly distinguishable.

Keith Hall
Director

cc: Honorable Lamar Alexander
Chairman