

THE PATIENT PROTECTION AND AFFORDABLE CARE ACT: REPRESENTING FISCAL RESPONSIBILITY

The Patient Protection and Affordable Care Act is fiscally responsible legislation. The bill reduces the federal deficit even while it significantly increases health insurance coverage among Americans. Despite rumors to the contrary, health care reform is fully paid for and does not add to the federal debt. The official cost estimate of the bill, issued by the independent, non-partisan Congressional Budget Office and the Joint Committee on Taxation on November 18, 2009, illustrates the truth about the fiscal responsibility of health care reform. Here are some highlights from what CBO said about fiscal responsibility in health reform:

On federal deficit reduction...

“[T]he Patient Protection and Affordable Care Act would yield a net reduction in federal deficits of \$130 billion over the 2010-2019 period” *Page 1*

On reducing the debt in the long-term...

“CBO expects that the bill, if enacted, would reduce federal budget deficits over the ensuing decade relative to those projected under current law—with a total effect during that decade that is in a broad range around one-quarter percent of GDP.” *Page 15*

On enduring deficit reductions...

“[I]n view of the projected net savings during the decade following the 10-year budget window, CBO anticipates that the legislation would probably continue to reduce budget deficits relative to those under current law in subsequent decades” *Page 15*

On slowing the growth of skyrocketing Medicare spending...

“Medicare spending under the bill would increase at an average annual rate of roughly 6 percent during the next two decades—well below the roughly 8 percent annual growth rate of the past two decades (excluding the effect of establishing the Medicare prescription drug benefit). Adjusting for inflation, Medicare spending per beneficiary under the bill would increase at an average annual rate of roughly 2 percent during the next two decades—much less than the roughly 4 percent annual growth rate of the past two decades.” *Page 17*

The full text of that analysis is available online at:
http://www.cbo.gov/ftpdocs/107xx/doc10731/Reid_letter_11_18_09.pdf.

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