

*Improving Health Care Reform:*  
**Delivering Fiscal Responsibility**  
**Highlights of the CBO-JCT Cost Analysis**

The landmark health care reform bill signed into law by President Obama was fully paid for and significantly reduced the national debt, and the health care improvements bill bolsters that fiscal responsibility. The improvements in this bill reduce the federal deficit even while significantly increasing health coverage among Americans. Both the health care reform bill and the improvements bill are fully paid for and do not add to the federal debt. The official cost-estimate of the Health Care and Education Reconciliation Act issued by the independent, non-partisan Congressional Budget Office (CBO) and the Joint Committee on Taxation (JCT) on March 20, 2010, confirmed that the improvements legislation is fiscally responsible.

Here are highlights from CBO's analysis of the fiscal responsibility in the improvements bill:

**On federal deficit reduction...**

*"[E]nacting both pieces of legislation—H.R. 3590<sup>1</sup> and the reconciliation proposal—would produce a net reduction in federal deficits of \$143 billion over the 2010–2019 period . . . . That figure comprises \$124 billion in net reductions deriving from the health care and revenue provisions and \$19 billion in net reductions deriving from the education provisions." Page 2*

*"[E]nacting H.R. 3590 by itself would yield a net reduction in federal deficits of \$118 billion over the 2010–2019 period . . . . The incremental effect of enacting the reconciliation proposal—assuming that H.R. 3590 had already been enacted—would be . . . an estimated net reduction in federal deficits of \$25 billion during the 2010–2019 period over and above the savings from enacting H.R. 3590 by itself . . . ." Page 2*

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

*"[E]nacting H.R. 3590, as passed by the Senate, would reduce federal budget deficits over the ensuing decade relative to those projected under current law—with a total effect during that decade in a broad range between one quarter percent and one-half percent of gross domestic product (GDP)." Page 12*

*"[T]he combined effect of enacting H.R. 3590 and the reconciliation proposal would also be to reduce federal budget deficits over the ensuing decade . . . —with a total effect during that decade in a broad range around one-half percent of GDP. The incremental effect of enacting the reconciliation bill (over and above the effect of enacting H.R. 3590 by itself) would thus be to further reduce federal budget deficits in that decade, with an effect in a broad range between zero and one-quarter percent of GDP." Page 12*

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<sup>1</sup> The Patient Protection and Affordable Care Act

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**On enduring deficit reductions...**

*“[T]he reconciliation proposal would probably continue to reduce budget deficits relative to those under current law in subsequent decades . . . .” Page 13*

*“H.R. 3590, as passed by the Senate, would increase the federal budgetary commitment to health care over the 2010–2019 period . . . . In subsequent years, the effects of the provisions of the two bills combined that would tend to decrease the federal budgetary commitment to health care would grow faster than the effects of the provisions that would increase it. As a result, CBO expects that enacting both proposals would generate a reduction in the federal budgetary commitment to health care during the decade following the 10-year budget window . . . .” Page 15*

**On expanding health care coverage to millions of Americans . . .**

*“[T]he combined effect of enacting H.R. 3590 and the reconciliation proposal would be to reduce the number of nonelderly people who are uninsured by about 32 million . . . . [T]he share of legal nonelderly residents with insurance coverage would rise from about 83 percent currently to about 94 percent.” Page 9*

*“Approximately 24 million people would purchase their own coverage through the new insurance exchanges, and there would be roughly 16 million more enrollees in Medicaid and the Children’s Health Insurance Program . . . .” Page 9*

The full text of the CBO analysis is available online at:

<http://www.cbo.gov/ftpdocs/113xx/doc11379/Manager'sAmendmenttoReconciliationProposal.pdf>

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