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People of All Ages and Incomes Would Lose Coverage Under House Bill, CBO Data Show 23 Million Coverage Loss Includes 3 Million Children

By Aviva Aron-Dine

The American Health Care Act (AHCA), passed by the House on May 4, would cause 23 million people of all ages and income levels to lose health insurance by 2026, according to Congressional Budget Office (CBO) estimates.¹ These coverage losses would occur mainly because the House bill would effectively end the Affordable Care Act's (ACA) Medicaid expansion for low-income adults; cap and cut federal Medicaid funding for seniors, people with disabilities, and families with children; cut subsidies for individual market coverage; and let insurers charge sharply higher premiums to people with pre-existing conditions.

Overall, nearly 1 in 10 non-elderly people who would have health insurance coverage under current law would lose it as a result of the bill, and the historic gains in coverage achieved since the ACA was enacted in 2010 would be fully reversed. Supplemental data released by CBO show that losses would be widespread across age and income groups.² (See Figure 1.)

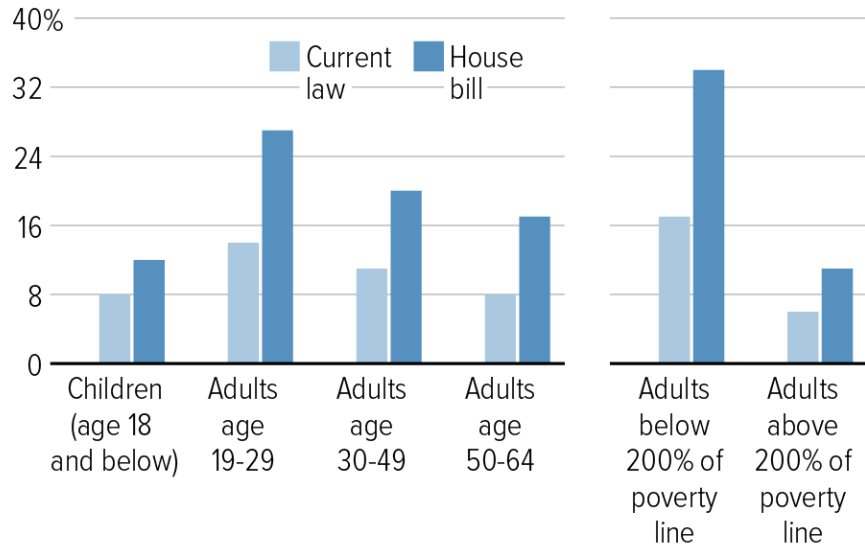
¹ Congressional Budget Office, "American Health Care Act of 2017," May 24, 2017, <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/hr1628aspassed.pdf>.

² Estimates are based on calculations from Figure 2 of the CBO estimate, which shows uninsured rates for different groups under current law and the AHCA. The backup data for Figure 2 can be downloaded at <https://www.cbo.gov/publication/52752>. CBO also provided estimates of the total number of non-elderly adults in backup data for its earlier score of the House bill, available at <https://www.cbo.gov/publication/52486>.

FIGURE 1

Uninsured Rates Would Increase Dramatically for All Age and Income Groups Under House Health Bill

Uninsured rates in 2026



Note: 200% of the poverty line is about \$50,000 for a family of four.

Source: CBPP calculations from Congressional Budget Office data

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People of All Ages Would Lose Coverage

- **About 3 million children would lose coverage, increasing the uninsured rate for children by about 50 percent.**³ Children would lose coverage mainly because the House bill would cap and cut federal Medicaid funding (including for children) and slash tax credits that help moderate-income families afford coverage in the individual market. But children could also be affected by the House bill’s repeal of the ACA’s Medicaid expansion for low-income adults, which extended coverage to millions of low-income parents. Research has found that extending coverage to parents results in greater participation among eligible but unenrolled children as well.⁴

³ CBO provided detailed backup data only for its adult coverage estimates, so we derived the number of children losing coverage by subtraction. Due to ambiguities created by rounding, the number of children losing coverage could range from 2.8 million to 3.7 million.

⁴ Joan Alker and Alisa Chester, “Children’s Health Coverage Rate Now at Historic High of 95 Percent,” Georgetown University Health Policy Institute Center for Children and Families, October 2016, <https://ccf.georgetown.edu/wp-content/uploads/2016/11/Kids-ACS-update-11-02-1.pdf>.

- **6.4 million young adults (age 19-29) — about 1 in 8 people in this age group — would lose coverage.** Young adults have sometimes been described as the winners under the House bill, because the bill would reduce average individual market premiums for young adults, at least before accounting for tax credits.⁵ But in fact, as Table 1 shows, both lower- and middle-income young adults would see large coverage losses, unsurprising given the large coverage gains these groups made under the ACA. While these gains partly reflect the ACA’s provision allowing young adults up to age 26 to remain on their parents’ health insurance plans (which the House bill would maintain), the uninsured rate for adults age 19-29 fell by more than one-third between 2013 and 2015. The ACA’s age 26 provision took effect in 2010, while Medicaid expansion and the ACA’s major individual market reforms took effect in 2014, benefitting millions of young adults.
- **8.2 million middle-aged people (age 30-49) would lose coverage, increasing their uninsured rate by 84 percent.** All of the House bill’s major provisions would affect this group. As a result, where just over 1 in 10 middle-aged adults would be uninsured under current law, about *1 in 5* would be uninsured under the House bill.
- **5.1 million older adults (age 50-64) would lose coverage.⁶ The uninsured rate for this group would more than double, the largest percentage increase for any age group.** The disproportionate increase likely reflects the fact that the House bill would allow individual market insurers to charge older people premiums five times higher than younger people’s, while also slashing tax credits for older consumers. The combination means that moderate-income older people in many states would see their out-of-pocket premiums quintuple or more. Millions of older adults have also gained coverage through Medicaid expansion, and older people would be impacted by the House bill’s provision to convert Medicaid to a per capita cap. (See Figure 2.)

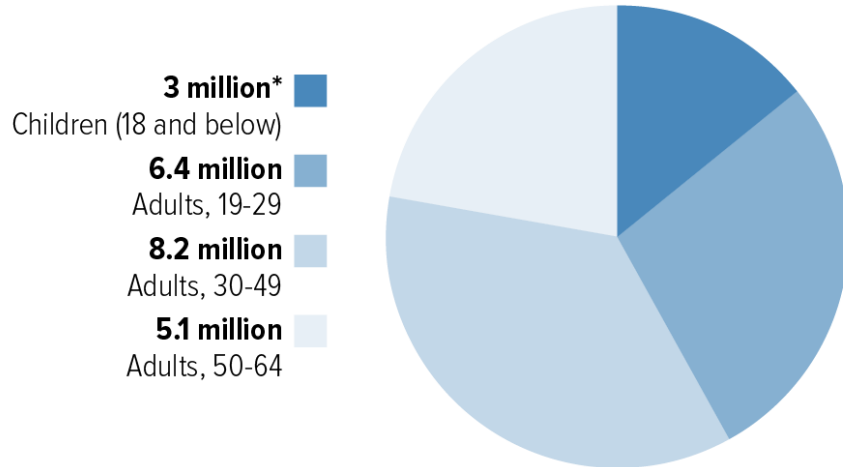
⁵ See for example Tami Luhby, “Who Wins and Who Loses Under Obamacare Replacement Bill,” CNN Money, March 9, 2017, <http://money.cnn.com/2017/03/06/news/economy/republicans-obamacare-repeal-replacement-bill/index.html>.

⁶ This estimate was previously reported in Tricia Newman, Karen Pollitz, and Larry Levitt, “How ACA Repeal and Replace Proposals Could Affect Coverage and Premiums for Older Adults and Have Spillover Effects for Medicare,” Kaiser Family Foundation, June 5, 2017, <http://www.kff.org/health-reform/issue-brief/how-aca-repeal-and-replace-proposals-could-affect-coverage-and-premiums-for-older-adults-and-have-spillover-effects-for-medicare/>.

FIGURE 2

People of All Ages Would Lose Coverage Under House Health Bill

People losing coverage in 2026



*The Congressional Budget Office (CBO) estimate of the number of children losing coverage could range from 2.8 million to 3.7 million.

Source: CBPP calculations from CBO data

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House Bill Would Lead to Coverage Losses Among Both Low- and Middle-Income People

The majority of those who would lose coverage under the House bill have low incomes, not surprising given the bill's large cuts to Medicaid and to tax credits for lower-income people. Some 14.7 million adults with incomes below 200 percent of the poverty level (about \$50,000 for a family of four) would lose coverage, doubling the uninsured rate for this group. But another 5.1 million adults with incomes above 200 percent of the poverty level would also become uninsured. That would increase the uninsured rate for this group by about 70 percent, from just over 1 in 20 middle-income adults to about 1 in 10. (See Table 1.)

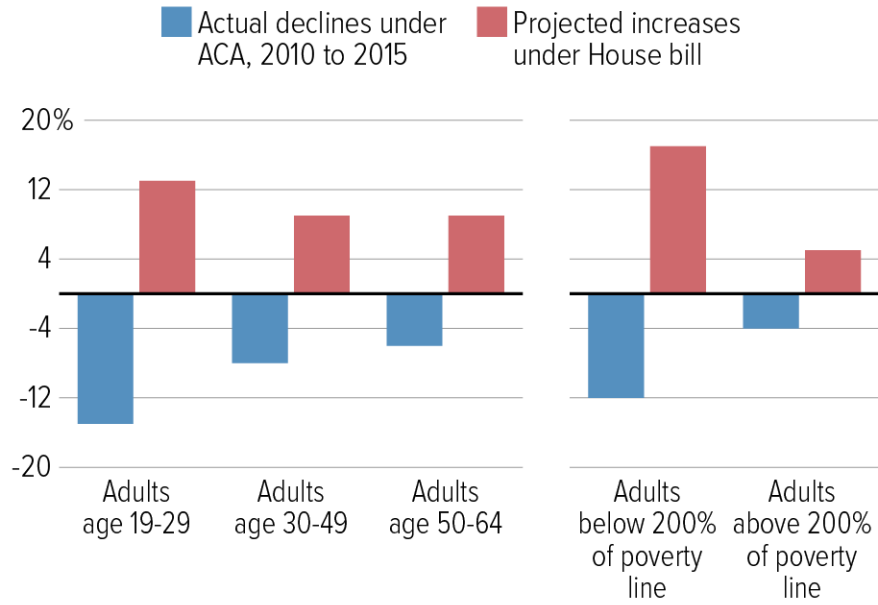
The broad coverage losses under the House bill are the mirror image of the ACA's widely shared coverage gains. Between 2010 and 2015, every age and income group saw uninsured rates drop by at least a third.⁷ As Figure 3 shows, the AHCA would almost or fully reverse the ACA's reductions in uninsured rates for all age and income groups, while more than reversing the ACA's coverage gains for both lower- and middle-income older adults.

⁷ Kelsey Avery, Kenneth Finegold, and Amelia Whitman, "Affordable Care Act Has Led to Historic, Widespread Increase in Health Insurance Coverage," Department of Health and Human Services, September 29, 2016, <https://aspe.hhs.gov/system/files/pdf/207946/ACAHistoricIncreaseCoverage.pdf>.

FIGURE 3

House Health Bill Would Undo Most or All ACA Coverage Gains for All Groups

Percentage point change in uninsured rates



Note: 200% of the poverty line is about \$50,000 for a family of four. ACA = Affordable Care Act
Source: CBPP calculations from Congressional Budget Office and National Health Interview Survey data

TABLE 1

Uninsured Rates Under Current Law and American Health Care Act by Age and Income

	Age Groups	Uninsured Rate, 2026				Number Losing Coverage (millions)
		Current Law	House bill	Percentage Point Increase	Percent Increase	
Children (age 18 and below)*		8%	12%	4%	53%	3.3
Adults age 19-29		14%	27%	13%	89%	6.4
Adults age 30-49		11%	20%	9%	84%	8.2
Adults age 50-64		8%	17%	9%	104%	5.1
Adults below 200% of the poverty line		17%	34%	17%	99%	14.7
Adults above 200% of the poverty line		6%	11%	5%	71%	5.1
Income <200% of the poverty level	Ages 19-29	18%	34%	16%	93%	5.1
	Ages 30-49	20%	37%	17%	86%	5.9
	Ages 50-64	12%	29%	18%	150%	3.7
Income >200% of the poverty level	Ages 19-29	9%	16%	7%	78%	1.3
	Ages 30-49	5%	10%	4%	79%	2.3
	Ages 50-64	7%	10%	4%	58%	1.4

* CBO provided detailed backup data only on its coverage estimates for adults, so we derived the estimate for children by subtraction. The estimates shown assume CBO's coverage loss estimate for the AHCA in 2026 is 23.0 million. Due to rounding, however, CBO's estimate for the total number of people losing coverage could range from 22.5 million to 23.4 million, implying that coverage losses for children could range from 2.8 million to 3.7 million.

Source: CBPP calculations based on CBO data