

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES HOUSE OF REPRESENTATIVES,)
)
 Plaintiff,)
)
 v.) Case No. 1:14-cv-01967-RMC
)
SYLVIA MATHEWS BURWELL, in her official)
 capacity as Secretary of Health and Human Services, *et al.*,)
)
 Defendants.)
)
 _____)

EXHIBIT 22

*CBO, Estimate of Direct Spending and Revenue Effects of H.R. 3762, the
Americans' Healthcare Freedom Reconciliation Act, as Passed by the Senate on
December 3, 2015, and Following Enactment of the Consolidated Appropriations
Act, 2016 (Jan. 4, 2016)*

ESTIMATE OF DIRECT SPENDING AND REVENUE EFFECTS OF H.R. 3762, THE RESTORING AMERICANS' HEALTHCARE FREEDOM RECONCILIATION ACT, AS PASSED BY THE SENATE ON DECEMBER 3, 2015, AND FOLLOWING ENACTMENT OF THE CONSOLIDATED APPROPRIATIONS ACT, 2016

(Billions of Dollars, by Fiscal Year)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016- 2020	2016- 2025
ESTIMATED CHANGES WITHOUT MACROECONOMIC FEEDBACK												
Changes in Direct Spending ^a												
Coverage Provisions in Titles I and II ^b												
Estimated Budget Authority	-22.1	-26.2	-111.1	-147.9	-156.7	-165.3	-174.4	-182.5	-190.6	-197.7	-464.1	-1,374.6
Estimated Outlays	-22.1	-26.2	-111.1	-147.9	-156.7	-165.3	-174.4	-182.5	-190.6	-197.7	-464.1	-1,374.6
On-Budget	-22.1	-26.2	-110.5	-147.0	-155.8	-164.3	-173.4	-181.5	-189.6	-196.6	-461.6	-1,366.9
Off-Budget	0	0	-0.6	-0.9	-0.9	-1.0	-1.0	-1.0	-1.1	-1.1	-2.5	-7.7
Title I—Health, Education, Labor and Pensions												
Sec 101 - Prevention and Public Health Fund												
Estimated Budget Authority	-1.0	-1.0	-1.3	-1.3	-1.5	-1.5	-2.0	-2.0	-2.0	-2.0	-6.0	-15.5
Estimated Outlays	-0.2	-0.5	-0.9	-1.1	-1.3	-1.4	-1.6	-1.8	-1.9	-2.0	-4.1	-12.7
Sec 102 - Community Health Center Program												
Estimated Budget Authority	0.2	0.2	0	0	0	0	0	0	0	0	0.5	0.5
Estimated Outlays	0.1	0.2	0.1	*	0	0	0	0	0	0	0.5	0.5
Sec 103 - Territories												
Estimated Budget Authority	0	0	-0.1	-0.1	0	0	0	0	0	0	-0.2	-0.2
Estimated Outlays	0	0	-0.1	-0.1	0	0	0	0	0	0	-0.2	-0.2
Sec 104 - Reinsurance, Risk Corridor, and Risk Adjustment Programs												
Estimated Budget Authority	<i>included in coverage estimate</i>											
Estimated Outlays	<i>included in coverage estimate</i>											
Sec 105 - Support for State Response to Substance Abuse Public Health Crisis												
Estimated Budget Authority	0.8	0.8	0	0	0	0	0	0	0	0	1.5	1.5
Estimated Outlays	0.1	0.4	0.5	0.3	0.1	*	0	0	0	0	1.4	1.5
Title II—Finance												
Sec 201 - Recapture Excess Advance Payments of Premium Tax Credits												
Estimated Budget Authority	-1.8	-3.3	-1.1	0	0	0	0	0	0	0	-6.1	-6.1
Estimated Outlays	-1.8	-3.3	-1.1	0	0	0	0	0	0	0	-6.1	-6.1
Sec 202 - Premium Tax Credit and Cost Sharing Reductions												
Estimated Budget Authority	<i>included in coverage estimate</i>											
Estimated Outlays	<i>included in coverage estimate</i>											
Sec 203 - Small Business Tax Credit												
Estimated Budget Authority	<i>included in coverage estimate</i>											
Estimated Outlays	<i>included in coverage estimate</i>											
Sec 204 - Individual Mandate												
Estimated Budget Authority	<i>included in coverage estimate</i>											
Estimated Outlays	<i>included in coverage estimate</i>											
Sec 205 - Employer Mandate												
Estimated Budget Authority	<i>included in coverage estimate</i>											
Estimated Outlays	<i>included in coverage estimate</i>											

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(Billions of Dollars, by Fiscal Year)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016- 2020	2016- 2025
Sec 206 - Federal Payment to States												
Estimated Budget Authority	-0.2	*	*	*	*	*	*	*	*	0	-0.2	-0.2
Estimated Outlays	-0.2	*	*	*	*	*	*	*	*	0	-0.2	-0.2
Sec 207 - Medicaid (Coverage)												
Estimated Budget Authority	<i>included in coverage estimate</i>											
Estimated Outlays	<i>included in coverage estimate</i>											
Sec 207 - Medicaid (Non-Coverage)												
Estimated Budget Authority	0	0	-1.6	-2.3	-1.6	-1.7	-1.8	-1.9	-2.0	-2.1	-5.5	-15.0
Estimated Outlays	0	0	-1.6	-2.3	-1.6	-1.7	-1.8	-1.9	-2.0	-2.1	-5.5	-15.0
Sec 208 - Repeal of DSH Allotment Reductions												
Estimated Budget Authority	0	0	1.5	2.4	3.4	4.3	5.3	6.2	7.2	7.2	7.2	37.5
Estimated Outlays	0	0	1.5	2.4	3.4	4.3	5.3	6.2	7.2	7.2	7.2	37.5
Sec 209 - Repeal of the Tax on Certain Employee Health Insurance Premiums and Health Plan Benefits ^b												
Estimated Budget Authority	<i>included in coverage estimate</i>											
Estimated Outlays	<i>included in coverage estimate</i>											
Sec 223 - Budgetary Savings for Extending Medicare Solvency												
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	0	0	0	0	0	0	0	0	0	0	0	0
Total Changes in Direct Spending												
Estimated Budget Authority	-24.2	-29.5	-113.7	-149.2	-156.5	-164.2	-172.9	-180.2	-187.4	-194.6	-473.0	-1,372.3
Estimated Outlays	-24.3	-29.3	-112.7	-148.7	-156.1	-164.0	-172.5	-179.9	-187.4	-194.6	-471.2	-1,369.6
<i>On-Budget</i>	-24.3	-29.3	-112.1	-147.8	-155.2	-163.1	-171.5	-178.9	-186.3	-193.4	-468.7	-1,361.9
<i>Off-budget</i>	0	0	-0.6	-0.9	-0.9	-1.0	-1.0	-1.0	-1.1	-1.1	-2.5	-7.7
Changes in Revenues^c												
Coverage Provisions in Titles I and II^b												
Estimated Revenues	-18.0	-14.4	-26.6	-35.1	-39.4	-49.7	-55.5	-61.3	-67.6	-74.0	-133.4	-441.5
<i>On-Budget</i>	-19.2	-18.0	-21.9	-26.8	-30.2	-39.1	-43.6	-48.3	-53.3	-57.7	-116.1	-358.0
<i>Off-Budget</i>	1.2	3.5	-4.6	-8.3	-9.1	-10.6	-11.9	-13.1	-14.3	-16.3	-17.3	-83.5
Title II—Finance												
Sec 201 - Recapture Excess Advance Payments of Premium Tax Credits	0.2	1.2	1.1	0	0	0	0	0	0	0	2.6	2.6
Sec 202 - Premium Tax Credit and Cost Sharing Reductions	<i>included in coverage estimate</i>											
Sec 203 - Small Business Tax Credit	<i>included in coverage estimate</i>											
Sec 204 - Individual Mandate	<i>included in coverage estimate</i>											
Sec 205 - Employer Mandate	<i>included in coverage estimate</i>											
Sec 209 - Repeal of the Tax on Certain Employee Health Insurance Premiums and Health Plan Benefits ^b	<i>included in coverage estimate</i>											
Sec 210 - Repeal of Tax on Over-the-Counter Medications	-0.3	-0.5	-0.6	-0.6	-0.6	-0.7	-0.7	-0.8	-0.9	-0.9	-2.7	-6.7
Sec 211 - Repeal of Tax on Health Savings Accounts	*	*	*	*	*	*	*	*	*	*	*	-0.1
Sec 212 - Repeal of Limitations on Contributions to Flexible Spending Accounts	-1.4	-2.4	-2.7	-2.9	-3.1	-3.4	-3.6	-3.9	-4.4	-4.4	-12.6	-32.0

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(Billions of Dollars, by Fiscal Year)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-2020	2016-2025
Sec 213 - Repeal of Tax on Prescription Medications	-2.9	-3.9	-4.0	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7	-2.7	-16.1	-29.6
Sec 214 - Repeal of Medical Device Excise Tax ^d	0	0	-1.5	-2.2	-2.3	-2.5	-2.6	-2.8	-2.9	-3.1	-6.1	-20.0
Sec 215 - Repeal of Health Insurance Tax ^e	-9.9	-1.0	-11.3	-13.1	-13.8	-14.6	-15.5	-16.4	-17.0	-17.5	-49.0	-130.0
Sec 216 - Repeal of Elimination of Deduction for Expenses Allocable to Medicare Part D Subsidy	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.8	-1.8
Sec 217 - Repeal of Chronic Care Tax	-0.6	-2.0	-3.4	-3.7	-4.1	-4.5	-4.9	-5.3	-5.7	-6.1	-13.7	-40.0
Sec 218 - Repeal of Medicare Tax Increase	-6.4	-8.9	-10.1	-10.9	-11.7	-12.7	-13.8	-14.9	-16.1	-17.6	-48.0	-123.0
Sec 219 - Repeal of Tanning Tax	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.4	-0.8
Sec 220 - Repeal of Net Investment Tax	-15.1	-7.7	-20.8	-21.8	-22.9	-24.1	-25.5	-26.8	-28.2	-29.7	-88.4	-222.8
Sec 221 - Remuneration	*	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.3	-0.6
Sec 222 - Economic Substance Doctrine	-0.3	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-2.5	-5.8
Total Changes in Revenues	-54.8	-40.6	-80.7	-93.9	-101.5	-115.8	-125.8	-136.0	-146.5	-157.0	-371.5	-1,052.1
<i>On-Budget</i>	<i>-55.6</i>	<i>-43.2</i>	<i>-75.0</i>	<i>-84.6</i>	<i>-91.2</i>	<i>-104.1</i>	<i>-112.5</i>	<i>-121.5</i>	<i>-130.7</i>	<i>-139.3</i>	<i>-349.4</i>	<i>-956.8</i>
<i>Off-Budget</i>	<i>0.8</i>	<i>2.6</i>	<i>-5.8</i>	<i>-9.4</i>	<i>-10.3</i>	<i>-11.8</i>	<i>-13.2</i>	<i>-14.5</i>	<i>-15.8</i>	<i>-17.8</i>	<i>-22.1</i>	<i>-95.3</i>
Net Increase or Decrease (-) in the Deficit	30.5	11.3	-32.0	-54.8	-54.6	-48.2	-46.7	-43.9	-40.8	-37.5	-99.7	-317.5
<i>On-Budget</i>	<i>31.3</i>	<i>13.9</i>	<i>-37.2</i>	<i>-63.2</i>	<i>-64.0</i>	<i>-59.0</i>	<i>-58.9</i>	<i>-57.4</i>	<i>-55.6</i>	<i>-54.2</i>	<i>-119.3</i>	<i>-405.1</i>
<i>Off-Budget</i>	<i>-0.8</i>	<i>-2.6</i>	<i>5.1</i>	<i>8.5</i>	<i>9.4</i>	<i>10.8</i>	<i>12.2</i>	<i>13.4</i>	<i>14.7</i>	<i>16.6</i>	<i>19.6</i>	<i>87.7</i>
ESTIMATED BUDGETARY IMPACT OF MACROECONOMIC FEEDBACK												
Effects on Outlays ^a	*	0.3	0.2	-0.2	0.8	2.3	3.4	4.2	4.6	4.8	1.0	20.3
Effects on Revenues ^c	3.1	5.5	6.6	13.2	22.8	28.0	30.4	33.0	36.5	39.8	51.2	218.9
Net Decrease (-) in the Deficit	-3.1	-5.2	-6.4	-13.4	-22.1	-25.7	-27.0	-28.8	-31.9	-35.0	-50.2	-198.6
<i>On-Budget</i>	<i>-2.9</i>	<i>-4.7</i>	<i>-5.1</i>	<i>-9.9</i>	<i>-16.0</i>	<i>-18.4</i>	<i>-19.2</i>	<i>-20.2</i>	<i>-22.3</i>	<i>-24.4</i>	<i>-38.5</i>	<i>-143.1</i>
<i>Off-Budget</i>	<i>-0.2</i>	<i>-0.6</i>	<i>-1.3</i>	<i>-3.4</i>	<i>-6.1</i>	<i>-7.3</i>	<i>-7.8</i>	<i>-8.6</i>	<i>-9.6</i>	<i>-10.6</i>	<i>-11.7</i>	<i>-55.5</i>
TOTAL ESTIMATED CHANGES, INCLUDING MACROECONOMIC FEEDBACK												
Effects on Outlays ^a	-24.3	-29.1	-112.6	-148.9	-155.4	-161.8	-169.1	-175.8	-182.7	-189.7	-470.2	-1,349.3
Effects on Revenues ^c	-51.7	-35.2	-74.1	-80.7	-78.7	-87.8	-95.3	-103.0	-110.1	-117.2	-320.3	-833.2
Net Increase or Decrease (-) in the Deficit	27.4	6.1	-38.4	-68.1	-76.7	-73.9	-73.7	-72.8	-72.7	-72.5	-149.9	-516.0
<i>On-Budget</i>	<i>28.4</i>	<i>9.3</i>	<i>-42.2</i>	<i>-73.1</i>	<i>-80.0</i>	<i>-77.5</i>	<i>-78.2</i>	<i>-77.6</i>	<i>-77.8</i>	<i>-78.6</i>	<i>-157.9</i>	<i>-548.2</i>
<i>Off-Budget</i>	<i>-1.0</i>	<i>-3.2</i>	<i>3.8</i>	<i>5.0</i>	<i>3.3</i>	<i>3.5</i>	<i>4.4</i>	<i>4.8</i>	<i>5.2</i>	<i>6.1</i>	<i>8.0</i>	<i>32.2</i>

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation

Notes: Numbers may not add up to totals because of rounding; DSH = Disproportionate Share Hospital; * = an increase or decrease between zero and \$50 million

CBO and the staff of the Joint Committee on Taxation (JCT) have updated their estimate of the budgetary effects of H R 3762, the Restoring Americans' Healthcare Freedom Reconciliation Act, as passed by the Senate on December 3, 2015. Since that estimate was completed, the Consolidated Appropriations Act, 2016 was enacted on December 18, 2015. It contained several provisions—including a delay of the medical device tax, a one-year moratorium on the health insurance tax, and a delay of the tax on certain employee health insurance premiums and health plan benefits along with changes to the deductibility of that excise tax—that affected CBO and JCT's estimate for H R 3762. Over the 2016-2025 period, estimated savings are \$36 billion larger, without macroeconomic feedback, and \$42 billion larger, with macroeconomic feedback, relative to CBO and JCT's prior estimate for H R 3762. The change in the estimate of macroeconomic feedback also reflects some technical revisions to the previous estimate. For additional information on the estimated effects of H R 3762, see <https://www.cbo.gov/publication/51090>

- a For outlays, a positive number indicates an increase (adding to the deficit) and a negative number indicates a decrease (reducing the deficit)
- b Differs from CBO and JCT's prior estimate because of provisions included in the Consolidated Appropriations Act, 2016 that delayed the tax on certain employee health insurance premiums and health plan benefits for two years and made changes to the deductibility of that excise tax
- c For revenues, a positive number indicates an increase (reducing the deficit) and a negative number indicates a decrease (adding to the deficit)
- d Differs from CBO and JCT's prior estimate because of a two-year moratorium on the medical device tax that was enacted as part of the Consolidated Appropriations Act, 2016
- e Differs from CBO and JCT's prior estimate because of a one-year moratorium on the health insurance tax for 2017 that was enacted as part of the Consolidated Appropriations Act, 2016