



## Are the CBO's New Cost Projections the Obamacare Win That Wasn't?

By Olivia Nuzzi

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The health-care law will cost the country \$100 billion less than predicted, which sounds like a good thing—but you won't hear Republican detractors say so.

While news that the Affordable Care Act will cost less than was projected just a few months ago is undoubtably good for the country, it does not seem to have punctured the partisan bubble on the right.

In February, the nonpartisan Congressional Budget Office predicted that the cost of Obamacare's coverage provisions would be \$1.4 trillion over 10 years. This week the CBO reduced that prediction by \$100 billion, to \$1.3 trillion.

When the CBO said in February that the law would lead to a decrease in the number of hours Americans work by up to 2 percent over the next decade, Fox News declared the “cost of Obamacare: 2.3 million jobs.”

“The Congressional Budget Office found that Obamacare will cost millions of Americans their jobs,” said Sen. Marco Rubio (R-FL). Rep. Phil Gingrey (R-GA) said the law would create “unprecedented uncertainty for job creators”; Rep. John Kline (R-MN) cried that the law was “destroying full-time jobs”; and Rep. Paul Ryan (R-WI) said it was encouraging citizens “not to get on the ladder of life, to begin working.”

Interestingly, none of those lawmakers today seemed to have any thoughts about the CBO's revision to its health-care cost projections. Can't imagine why not.

The main reason for the CBO's revision is that the average annual premium for the health-care exchanges' Silver plan—the midlevel option the CBO used as a benchmark—is, at \$4,400, 15 percent lower than its estimate from four years ago.

The federal government is providing tax subsidies to make premiums more affordable, but, as Jonathan Cohn at *The New Republic* explained, “the cost of those subsidies depends on the raw, unsubsidized prices that insurers are charging upfront.” If insurers are putting plans with low premiums on the table, the federal government is forced to pay less.

“Each week we hear more good news about the Affordable Care Act,” said Rebecca Chalif, deputy press secretary for the Democratic National Committee, in a statement to *The Daily Beast*. “Last week we learned that over 7.5 million Americans have signed up for quality affordable healthcare through the ACA exchanges, and yesterday's CBO report shows that the healthcare law will cover more people at even lower costs than expected.”

White House press secretary Jay Carney told reporters: “This is historic progress and shows how the Affordable Care Act is working as it was supposed to by helping more Americans get coverage, while making historic progress in slowing health-care cost growth and improving our nation's fiscal outlook by lowering deficits.”

Although the new CBO numbers should be encouraging to anyone who wants every American to have access to affordable health coverage, they are not definitive proof that Obamacare isn't as costly as the law's biggest detractors have warned.

People are reading “way too much into this report,” said Michael Tanner, a senior fellow at the Cato Institute. “What's interesting is when, a couple of months ago, some numbers came out that looked bad [for Obamacare], Republicans loved CBO and the Democrats said, ‘Oh, you can't pay any attention to them,’ and now it's the other way around.”

“If it was [projected to cost] a hundred million more, I know Republicans would be all excited about that and the Democrats would be depressed, but that wouldn't mean anything either.... In the end, [Obamacare] is still going to cost a very big number, and no one knows exactly what that number is, because we're looking 10 years into the future.”

Ed Haislmaier, a senior fellow at the Heritage Foundation, warned that “people on both sides of this, with CBO reports, have to be careful not to over-interpret them.”

For the report to really mean anything, Haislmaier said, “You'd probably have to double that [\$100 million decrease in cost].”

“They initially overestimated the premium costs, basically. Here's why supporters shouldn't get over-enthused.... Premiums are lower than projected because CBO made a mistake in projecting.”