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Health Law's Repeal Could Raise Costs and Number of Uninsured, New Report Says

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WASHINGTON — Repealing major provisions of the Affordable Care Act, while leaving other parts in place, would cost 18 million people their insurance in the first year, a report by the nonpartisan [Congressional Budget Office](#) said on Tuesday. A repeal could increase the number of uninsured Americans by 32 million in 10 years, the report said, while causing individual insurance premiums to double over that time.

The budget office analyzed the probable effects of a Republican bill repealing the law like the one approved in Congress, but vetoed early last year by President Obama.

The [C.B.O. report](#), released [after a weekend of protests against repeal](#), will only add to the headaches that President-elect Donald J. Trump and congressional Republicans face in their rush to gut President Obama's signature domestic achievement as they try to replace it with a [health insurance](#) law more to their liking.

Republicans cautioned that the report painted only part of the picture — the impact of a fast repeal without the Republican replacement. They said the numbers in the report represented a one-sided hypothetical scenario.

"Today's report shows only part of the equation — a repeal of Obamacare without any transitional policies or reforms to address costs and empower patients," said the chairman of the Senate Finance Committee, Orrin G. Hatch, Republican of Utah. "Republicans support repealing Obamacare and implementing step-by-step reforms so that Americans have access to affordable health care."

But that replacement bill has yet to be produced, and existing Republican plans, such as one drafted by Representative Tom Price of Georgia, now selected to be Mr. Trump's secretary of Health and Human Services, have yet to be scrutinized by the budget office, the official scorekeeper of legislation.

The bill that the budget office analyzed would have eliminated tax penalties for people who go without insurance. It would also have eliminated spending for the expansion of [Medicaid](#) and subsidies that help lower-income people

buy private insurance. But the bill preserved requirements for insurers to provide coverage, at standard rates, to any applicant, regardless of pre-existing medical conditions.

“Eliminating the mandate penalties and the subsidies while retaining the market reforms would destabilize the nongroup market, and the effect would worsen over time,” the budget office said.

The office said the estimated increase of 32 million people without coverage in 2026 resulted from three changes: about 23 million fewer people would have coverage in the individual insurance market, roughly 19 million fewer people would have Medicaid coverage, and there would be an increase in the number of people with employment-based insurance that would partially offset those losses.

The estimates by the budget office are generally consistent with projections by the Obama administration and by insurance companies.

In its report, the budget office said that repealing selected parts of the [health care law](#) — as specified in the earlier Republican bill — would have adverse effect on insurance markets.

In the first full year after enactment of such a bill, it said, premiums would be 20 to 25 percent higher than under current law.

Repealing the penalties that enforce the “individual mandate” would “both reduce the number of people purchasing health insurance and change the mix of people with insurance,” as younger and healthier people with low health costs would be more likely to go without insurance, the budget office said.

The Republican bill would have eliminated the expansion of Medicaid eligibility and the subsidies for insurance purchased through Affordable Care Act marketplaces, after a transition period of about two years.

Those changes could have immediately increased the number of uninsured by 27 million, a number that would gradually increase to 32 million in 2026, the budget office said.

Without subsidies, the budget office said, enrollment in health plans would shrink, and the people who remained in the individual insurance market would be sicker, with higher average health costs. These trends, it said, would accelerate the exodus of insurers from the individual market and from the public marketplaces.

As a result, it said, about half of the nation's population would be living in areas that had no insurer participating in the individual market in the first year after the repeal of marketplace subsidies took effect. And by 2026, it estimated, about three-quarters of the population would be living in such areas.

Republicans have complained bitterly about the reduction in health plan choices for consumers under the Affordable Care Act. But the effects projected by the budget office would be much more severe.

While writing the Affordable Care Act in 2009 and 2010, lawmakers continually consulted the Congressional Budget Office to understand the possible effects on spending, revenue and insurance coverage. The current director of the budget office, Keith Hall, who signed the report issued on Tuesday, was selected and appointed by Republican leaders of Congress in 2015.

Chris Jacobs, a conservative health policy analyst who once worked for Republicans on Capitol Hill, said the Trump administration could, by regulation, mitigate some of the effects on insurance markets and premiums described by the budget office.