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## CBO Puts House Health Bill Total Cost At \$1.055 Trillion

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WASHINGTON -(Dow Jones)- The Congressional Budget Office said Thursday a U.S. House health-care system re-write would extend health insurance to 96% of the nonelderly U.S. population by 2019, and spend \$1.055 trillion to do so.

Penalties imposed on individuals who did not purchase insurance, and employers who did not offer coverage to their workers, would raise \$161 billion over that time-frame. That brings the net cost of the bill to \$894 billion through 2019, CBO said.

House Democrats have seized on that net cost figure to claim that their bill is below President Barack Obama's upper limit which he set for health-care legislation of \$900 billion.

The \$1.055 trillion estimate also does not include \$245 billion needed to stop Medicare payments to doctors from decreasing, which the House plans to address through separate legislation introduced Thursday.

The costs of the bill are fully offset by cuts to existing spending programs-- including the Medicare Advantage and other programs--saving \$426 billion through 2019, and by tax increases raising \$572 billion over that time, CBO said. In fact, the combined impact of provisions in the bill would be a net deficit reduction of \$104 billion in the next decade, according to CBO.

CBO also said the House bill would not add to the deficit in the first decade beyond 2019--a key condition for support from fiscally conservative House Democrats.

CBO Director Doug Elmendorf, in a Thursday letter to House Democratic Chairmen, cautioned that his estimates are preliminary and "subject to substantial uncertainty."

House leaders capped weeks of internal negotiations among Democrats today by unveiling the sweeping legislation. They aim to bring the bill to a vote by the full House by the end of next week.

The bill would create exchanges where people who do not have access to health insurance from their employer could buy coverage. It would create a government-sponsored plan to compete with private plans.

The bill would reduce the number of uninsured in the U.S. by 36 million by 2019. By that time, 30 million people would be covered through the insurance exchanges, of which 6 million would be covered by the public option.

An expansion in eligibility rules for the Medicaid program would bring an additional 15 million enrollees to Medicaid by 2019, CBO said.

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