



Budget Digest - Week of December 7th

Reconciliation - Part 3

Senate action taken on reconciliation. On December 3, the Senate passed a substitute amendment to the House-passed Restoring Americans' Healthcare Reconciliation Act of 2015 (H.R. 3762). The Senate amendment expanded the scope of the House-passed reconciliation bill. The legislation repeals the Obamacare coverage subsidies, credits, and the Medicaid expansion in 2018, and repeals the majority of the taxes in 2016. The measure defends life and promotes access to care by ending for one year taxpayer funding to abortion providers, such as Planned Parenthood, and investing in access to care through community health centers.

What are the budgetary effects of the Senate Amendment? According to CBO, repealing major provisions of Obamacare in the Senate amendment to H.R. 3762 would reduce the deficit by \$296 billion over the 2016-2025 period (see table). The estimate does not include macroeconomic feedback. If those effects were included, it is likely that the savings from the bill would be much larger over the next ten years.

CBO Estimate of Senate Amendment to H.R. 3762 (without macroeconomic feedback)

Repeal of Obamacare coverage subsidies, credits, Medicaid expansion, etc.	\$1,493 billion savings
Repeal of Obamacare taxes and penalties	\$1,197 billion cost
Total Deficit Reduction	\$296 billion

What are the next steps in the reconciliation process? The House plans to consider the Senate-passed amendment to H.R. 3762 later this week and send the measure to the President upon passage.

What is reconciliation and why is it important? It's an expedited legislative procedure triggered by a conferenced budget resolution that is used to bring revenue and automatic spending levels in line with budget resolution targets. In the Senate, such a bill is filibuster-proof, requiring only a simple majority (51 votes) to pass. Reconciliation is important because it is the only legislative means by which a Republican majority can send a bill to the President that repeals Obamacare. Once the Senate amendment to H.R. 3762 is passed by the House, it will mark the first time the Congress has succeeded in repealing the major components of Obamacare.