



## BUDGET DIGEST – Week of October 19th

### Reconciliation – Part 2

**Recent action taken by the House on reconciliation.** On October 9<sup>th</sup>, the House Budget Committee voted to favorably report reconciliation legislation to the full House for consideration. The bill, *Restoring Americans' Healthcare Freedom Reconciliation Act of 2015* ([H.R. 3762](#)) repeals major provisions of Obamacare and defunds defined entities, including Planned Parenthood, for one year while redirecting those savings to community health centers. According to CBO, the bill would reduce the deficit by \$128.9 billion over 10-years (see table). The bill reported by the Budget Committee reflects the combined submissions, without substantive changes, of the three authorizing committees: Education & Workforce, Energy & Commerce, Ways & Means, and fulfills the reconciliation directives included in the FY16 Concurrent Resolution on the Budget.

<b>Reconciliation Action in the House (Total Savings = \$129.8 billion)</b>	
<b>Education &amp; Workforce (saves \$7.9 billion)</b>	Repeal automatic enrollment requirement for large employers
<b>Energy &amp; Commerce (saves \$12.5 billion)</b>	Repeal Prevention & Public Health Fund Defund Planned Parenthood for 1 year Redirect savings from Planned Parenthood into community health centers
<b>Ways &amp; Means (saves \$37.1 billion)</b>	Repeal Individual & Employer Mandates Repeal "Cadillac" and Medical Device Taxes Repeal IPAB
<b>Interaction Effects Across Titles (saves additional \$21.4 billion)</b>	
<b>Macro Economic Feedback (saves \$50.9 billion)</b>	

**What are the next steps in the reconciliation process?** The Rules Committee is expected to meet this week to report a rule providing for the consideration of H.R. 3762 and will determine if any amendments will be made in order. The reconciliation bill will then be considered by the full House. After passage, the Senate would then either consider the House-passed reconciliation bill or its own reconciliation bill. If the Senate considers its own reconciliation bill, then a conference would likely be held. Once Congress passes the reconciliation measure, it then sends it to the President for signature.

**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, requires only a simple majority (51 votes) to pass, and is limited to 20 hours of debate. A reconciliation bill is also subject to the Senate's "Byrd Rule", which prohibits extraneous provisions that have no budgetary effect, among other limitations. Reconciliation is important because it is perhaps the only legislative means by which a Republican majority can send a bill to the President that repeals major provisions of Obamacare.