

Health Care in Motion

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Reconciliation Redux: What's Cost Got to Do With It?

[The Center for Health Law and Policy Innovation \(CHLPI\) continues to analyze the Build Back Better Act, its potential to usher in significant health reforms, and the hurdles still ahead.](#)

Late last week, the nonpartisan Congressional Budget Office (CBO) released [cost estimates](#) for each title of the Build Back Better Act, in advance of a successful vote in the House. The CBO's projections were a key consideration for a number of House Democrats. These cost projections will continue to play an important role as the bill is taken up and deliberated in the Senate.

The CBO estimates that Build Back Better, in full, would create **\$1.636 trillion in direct spending** over the next decade while generating **\$1.476 trillion in revenue**; leading to a **net increase to the deficit of \$160 billion** by 2031. The White House, on the other hand, estimates that the bill is cost neutral, and may even create cost savings over time. A key source of this discrepancy is the tax enforcement provisions of the bill, which the White House estimates will lead to upwards of \$400 billion in revenue, compared to an estimate of only \$207 billion in revenue according to the CBO.

Although the bill has passed the House, challenges remain ahead in the Senate, particularly considering the projected deficit from the CBO. CHLPI will be closely watching how this may impact key health care provisions. [Health care highlights](#) within the CBO's analysis include:

- \$166 billion in direct spending on Medicaid, including:
 - \$146 billion in improvements to Home and Community-Based Services
 - \$7 billion to encourage continued access after the end of the COVID-19 public health emergency, and
 - \$2.2 billion to extend continuous Medicaid coverage for pregnant and postpartum individuals.
- \$120 billion to extend expanded Affordable Care Act (ACA) premium tax credits and make the credits available to those in the Medicaid coverage gap through 2025.
- \$36 billion for coverage of hearing under Medicare.
- \$26 billion in direct spending for public health measures, including:
 - \$3 billion for pandemic preparedness efforts, and
 - \$1.1 billion for maternal mortality efforts.

The Build Back Better Act's investments in health care would start to address some of the most pressing challenges facing people with lower income and who are living with chronic illness or disabilities. Recent CBO analysis will play an important role in upcoming deliberations in the Senate, which CHLPI will continue to track. Stay tuned!

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