



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 23, 2018

H.R. 6314 **Health Savings Act of 2018**

As reported by the House Committee on Ways and Means on July 19, 2018

H.R. 6314 would amend the Internal Revenue Code to broaden the definition of high deductible health plans to include bronze and catastrophic plans in connection with Health Savings Accounts (HSAs).

An individual covered by a high deductible health plan is eligible to contribute to an HSA if they are not covered by another health care plan, except for certain types of coverage specifically disregarded by law. Under current law, catastrophic plans and bronze plans are not treated as high deductible health plans. H.R. 6314 would allow bronze and catastrophic plans to be treated as high deductible plans, but certain rules that would normally apply – special rules for network plans and the safe harbor for absence of a preventive care deductible – would not be applicable to bronze and catastrophic plans.

The staff of the Joint Committee on Taxation (JCT) estimates that enacting H.R. 6314 would reduce revenues by \$137 million over the 2019-2028 period. CBO estimates that enacting H.R. 6314 would not affect direct spending.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting revenues or direct spending. The net changes in revenues and direct spending that are subject to those pay-as-you-go procedures are shown in the following table. Only on-budget changes to revenues and direct spending are subject to pay-as-you-go procedures.

CBO and JCT estimate that enacting H.R. 6314 would not increase on-budget deficits by more than \$5 billion in any of the four 10-year periods beginning in 2029. CBO estimates that enacting the bill would not increase net direct spending in any of the four consecutive 10-year periods beginning in 2029.

JCT has determined that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Cecilia Pastrone. The estimate was reviewed by John McClelland, Assistant Director, Tax Analysis Division.

CBO Estimate of Pay-As-You-Go Effects for bill H.R. 6314, as reported by the House Committee on Ways and Means on July 19, 2018.

	By Fiscal Year, in Millions of Dollars												
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019- 2023	2019- 2028
NET INCREASE IN THE ON-BUDGET DEFICIT													
Statutory Pay-As-You-Go Effects	0	2	15	15	15	15	15	14	14	16	16	61	137

Source: Staff of the Joint Committee on Taxation.

Note: Components do not add to totals due to rounding.
