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## **FOR RELEASE**

Jan. 7, 2010

### **RAND ESTIMATES THE POTENTIAL IMPACT OF HOUSE HEALTH REFORM LEGISLATION**

Health reform as set forth in legislation passed by the U.S. House of Representatives in November would cut the number of uninsured Americans to 24 million by 2019 (a 56 percent decrease) and increase personal spending on health care by about 3.3 percent cumulatively between 2013 and 2019, according to an independent assessment released today by the RAND Corporation.

In addition, the study finds that under the Affordable Health Care for America Act (H.R. 3962) cumulative federal spending to help low-income people buy private insurance would total \$445 billion by 2019 and federal spending on Medicaid would increase by \$559 billion (a 21 percent hike) over the same period.

The findings are based on the results of analyses using a micro-simulation model created as a part of RAND COMPARE, an ongoing, independent effort to provide decisionmakers and the public with objective information about health care reform. The analysis, released today at [www.randcompare.org](http://www.randcompare.org), examines the impact the House bill would have across a variety of alternative design scenarios.

“Our findings show that the policy changes in the House bill would extend health coverage to a substantial number of currently uninsured Americans,” said Elizabeth A. McGlynn, associate director of RAND Health and co-leader of the COMPARE project.

The RAND conclusions generally are consistent with estimates about the impact of the bill provided by the Congressional Budget Office, the nonpartisan legislative office that provides the official analysis of Congressional legislation. Compared to the CBO analysis, the RAND analysis does predict a somewhat slower decrease in the uninsured rate and estimates that about 6 million fewer people will become insured under the House plan.

The scenarios modeled by RAND researchers outline what impact the House plan could have on issues such as individual insurance mandates, the mandate that employers must provide workers health coverage and the expansion of the eligibility definitions for the federal-state Medicaid insurance program.

Additional findings from the analysis include the following:

By 2019, about 12 million more people would be enrolled in employer-sponsored insurance, 10 million more enrolled in Medicaid and 8 million more enrolled in nongroup insurance than if there were no changes made to the health care system.

The individual mandate plays the largest role in increasing insurance coverage; it alone would reduce the number of uninsured by 23 million (43 percent). The employer mandate and Medicaid expansions by themselves would reduce the number of uninsured by 7 million and 10 million, respectively.

If eligibility for Medicaid were set at 133 percent of the federal poverty level rather than 150 percent as it is in the House bill, the number of people on Medicaid would decline by 1.9 million but the number of uninsured would decrease by 500,000.

Premiums in the employer-sponsored insurance market will be 2 percent lower by 2019 than they would be under the status quo. However, some increases will be seen in the rates charged to individuals who purchase health plans in the nongroup (Exchange) market.

People who are without health insurance in 2019 are expected to be younger, healthier and wealthier than would be expected in the absence of the health policy changes contained in the House bill.

The House bill is under consideration as leaders from the House and Senate seek to arrive at a compromise health care reform package that must return to each chamber for a vote. RAND researchers also are working on an analysis of the bill the Senate passed in December. RAND developed COMPARE to provide objective facts and analysis to inform the dialogue about health policy options. Individuals, corporations, corporate foundations, philanthropic foundations, and health system stakeholders have funded COMPARE. The new analysis is presented on the Web site's "What's New" section (see [www.randcompare.org/](http://www.randcompare.org/)).

HYPERLINK "<http://www.rand.org/health/>" RAND Health, a division of the RAND Corporation, is the nation's largest independent health policy research program, with a broad research portfolio that focuses on quality, costs and health services delivery, among other topics.

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