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## United States Senate

COMMITTEE ON THE BUDGET  
WASHINGTON, DC 20510-6100

MARY ANN NAYLOR, MAJORITY STAFF DIRECTOR  
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[www.budget.senate.gov](http://www.budget.senate.gov)

March 14, 2012

The Honorable Jeff Sessions  
The Honorable Ron Johnson  
United States Senate  
Washington, DC 20510

Dear Senator Sessions and Senator Johnson:

Thank you for your letter regarding certain estimates provided by the Administration as part of the President's FY 2013 budget proposal.

I share your view, that as part of our efforts to put the budget on a sustainable path, it is important to have a comprehensive understanding of how major federal programs impact the fiscal position of the nation. I believe the twelve hearings the Budget Committee held from January 2012 through March 2012 accomplished that goal.

Your letter asserts that the costs of the health care law are soaring and specifically references an increase in the Administration's estimates of the cost of premium subsidies. You may be interested to know that on March 13<sup>th</sup>, the Congressional Budget Office (CBO) released updated estimates for the insurance coverage provisions of the Affordable Care Act (ACA). CBO now estimates that these provisions, inclusive of the premium subsidies, will have a net cost of about \$50 billion less than estimated a year ago. The decrease is driven primarily by the impact of legislation enacted over the last year, but also incorporates economic and technical changes. Additionally, when CBO first assessed the budgetary effects of the ACA, it estimated that the law would reduce the deficit. In the second decade, the decrease would be approximately one-half percent of GDP, or roughly \$1.3 trillion.

In your letter, you request that the committee hold a hearing with Secretary Sebelius. You may be interested to know that the premium subsidies you reference in your letter are administered by the Treasury Department. House Ways and Means Chairman Camp is currently corresponding with Treasury Secretary Geithner on this issue. Secretary Geithner appeared before our Committee on February 16, 2012 to discuss the President's FY13 budget.

I hope this information is helpful to you.

Sincerely,



KENT CONRAD  
Chairman  
Senate Budget Committee