

CBO: Deficits to drift lower on lower health costs

April 14 2014, by Andrew Taylor

A congressional report predicts slightly smaller deficits both this year and over the coming decade, with lower spending on federal health care spending being the main reason.

A Congressional Budget Office report Monday said this year's deficit will now be \$492 billion, \$23 billion less than previously estimated.

The CBO estimated that over the coming 10 years the deficit will total \$7.6 trillion, \$286 billion less than projected in February.

The biggest factor is \$165 billion less in spending on health insurance subsidies for policies sold through exchanges created under Obamacare. Those policies so far are proving to be less costly than the CBO originally thought, mostly because of tighter management of treatment options.

Medicare spending will also dip slightly, mostly because of lower-than-expected prescription drug costs.

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Citation: CBO: Deficits to drift lower on lower health costs (2014, April 14) retrieved 6 May 2024 from <https://medicalxpress.com/news/2014-04-cbo-deficits-drift-health.html>

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