

# CBO ON CO-OPS

Ezra has [posted](#) the [CBO's initial estimates](#) on the costs of MaxTax—some of the assumptions for which seem to pretend that insurance companies will not react in any way to the new rules imposed by MaxTax.

But before I get into what CBO's assumptions, here's what CBO thinks of Baucus' crappy co-op option.

(The proposed co-ops had very little effect on the estimates of total enrollment in the exchanges or federal costs because, as they are described in the specifications, they seem unlikely to establish a significant market presence in many areas of the country or to noticeably affect federal subsidy payments.)

That is, as designed, the co-ops would not be more attractive than the private insurance options, nor would they bring down subsidies (which means they wouldn't bring down costs to us, either).

As designed, the co-ops are totally worthless.