

**AMERICAN HEALTH CARE ACT
KEY HOUSE RECONCILIATION PROVISIONS**



<u>Key Energy & Commerce Provisions</u>	<u>Key Ways & Means Provisions</u>
<ul style="list-style-type: none"> • Repeals the state option to extend Medicaid coverage to adults <i>above</i> 133% of federal poverty level by December 31, 2019. • Continues state option to extend Medicaid coverage to adults <i>below</i> 133% of the federal poverty level. • Repeals the enhanced Medicaid matching rate (FMAP) for newly eligible beneficiaries on December 31, 2019, but continues enhanced FMAP indefinitely for existing expansion enrollees who maintain continuous coverage (allows for break in coverage no greater than one month). Newly eligible expansion enrollees covered at regular FMAP starting in 2020. • Provides \$10 billion over five years for safety net funding to states that did not expand Medicaid. • Reforms federal Medicaid financing by creating a per capita cap budget model starting in FY 2020. States' per capita budgets are developed using 2016 as the base year and the budgets are increased each year by the medical component of the consumer price index (CPI). Current FMAP payments to states continue but are reconciled each fiscal year against the per capita budgets. CMS recoups any excess payments through withhold from quarterly FMAP payments in the following year. • Beginning with Open Enrollment for 2019, imposes a 30 percent late-enrollment surcharge on applicants who go longer than 63 days without continuous coverage in the 12-month lookback period. This surcharge would be the same for all applicants, regardless of health status, and would be discontinued after 12 months. • Repeals the ACA's cost sharing reduction (CSR) subsidy beginning in 2020. • Establishes a new Patient and State Stability Fund – with federal funding set at \$15 billion annually in 2018 and 2019 and \$10 billion annually from 2020-2026. States could use these funds for a wide range of initiatives to lower patient costs and stabilize insurance markets. <ul style="list-style-type: none"> ○ For states that choose not to submit an application to use the funding, the legislation provides for a “Default Federal Safeguard” that would allow CMS to use the funding to establish a reinsurance program with appropriate entities (e.g., issuers). 	<ul style="list-style-type: none"> • Repeals the ACA health insurance tax beginning after January 1, 2017. • Allows ACA advanced premium tax credits (APTCs) to be used to purchase catastrophic-only qualified health plans and certain qualified plans offered off of an Exchange. This excludes grandfathered and grandmothered coverage. The bill makes temporary changes to the existing APTC by adding an age component to make coverage more affordable for younger adults (see table on page 8 of W&M legislative language). The APTCs would be repealed December 31, 2019. • Provides an advanceable, refundable tax credit for the purchase of state-approved, major medical health insurance and unsubsidized COBRA coverage beginning in 2020. Eligibility would be limited generally to individuals who do not have access to government health insurance programs or employer-sponsored coverage. Adjusts credits by age: <ul style="list-style-type: none"> ○ Under age 30: \$2,000 ○ Between 30 and 39: \$2,500 ○ Between 40 and 49: \$3,000 ○ Between 50 and 59: \$3,500 ○ Over age 60: \$4,000 • Reduces to zero the penalties for individual and employer mandates, retroactively, for months beginning after December 31, 2015. • Repeals ACA taxes on medical device manufacturers and pharmaceutical manufacturers beginning after January 1, 2017. • Delays the ACA's excise tax on high cost employer-sponsored health coverage until taking effect in January 2025. • Allows over-the-counter medications to count as qualified medical expenses for purposes of HSA disbursements. • Repeals the ACA's \$2,500 restriction on contributions to a Health FSA. • Increases the limit on HSA contributions to \$6,550 in the case of self-only coverage and \$13,100 in the case of family coverage beginning in 2018. • Repeals the ACA small business tax credit beginning in 2020.

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| <ul style="list-style-type: none">• Repeals the actuarial value (AV) standards for the ACA's metal tier plans.• Sets age rating bands at 5:1 with option for states to set their own age bands.• Imposes a one-year freeze on funding to family planning providers (e.g. Planned Parenthood) that received over \$350 million in federal and state Medicaid dollars in 2014. | |
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