

Summary of American Health Care Act, As Passed by the House

(Incorporates all House amendments as of May 4, 2017)

Medicaid

- Limits the Medicaid expansion in 2018 by prohibiting enrollment of further expansion population; Limits reimbursement and ends in 2020
- Moves Medicaid to a per-capita cap
 - Per-capita cap based on enrollee categories: elderly, blind and disabled, children, non-expansion adults, and expansion adults
 - Per-capita cap funding starts in FY2020, with FY2016 spending used to set base target spending in FY2019. Cap adjusted annually by consumer price index.
- Allows work requirements in Medicaid
- Gives states option of block grant

Exchanges

- Includes \$115 billion over 10 years for Patient and State Stability Fund
- Creates Federal Invisible Risk Sharing Program (FIRSP) with \$15 billion through 2026
- Allows states to submit a waiver application to HHS, which is approved within 60 days unless HHS provides a reason for denial.
 - Waivers allows states to:
 - Increase the age rating ratio above the underlying bill's 5:1 ratio beginning 2018;
 - Specify their own essential health benefits beginning 2020; and,
 - Replace the underlying bill's continuous coverage incentive's late-enrollment penalty with health status rating beginning 2019, conditional upon the state operating a risk mitigation program or participating in a Federal Invisible Risk Sharing Program (FIRSP).
 - (Health status rating may not be waived for individuals who maintain continuous coverage.)
 - States must explain how their waiver will provide one or more of the following:
 - Reducing average premiums for health insurance coverage in the state;
 - Increasing enrollment in health insurance coverage in the state;
 - Stabilizing the market for health insurance coverage in the state;
 - Stabilizing premiums for individuals with pre-existing conditions; or
 - Increasing the choice of health plans in the state.
 - Approved waivers may be in effect for up to 10 years as long as the state maintains its risk-sharing program. Health insurance issuers are prohibited from discriminating on rates for health insurance by gender or by limiting access to health coverage for individuals with preexisting conditions.
 - For states granted a waiver on community rating, an additional \$8 billion is available from the Patient and State Stability Fund in 2018 to 2023 to provide assistance in reducing premiums or other out-of-pocket costs for individuals who may face higher

monthly premiums because they have a pre-existing condition and have not maintained continuous coverage.

Taxes

- Exchange Tax Credits: Changes tax credits for purchasing insurance through exchanges to fixed credits based on age and income, not affordability. Allows credits to be used on a wider range of insurance plans. This provision takes effect in 2020.
- Repeals other ACA Tax Provisions in 2017, including:
 - Individual Mandate
 - Employer Mandate
 - Medical Device Tax
 - Health Insurance Tax
- Delays Repeal of Additional Medicare Tax Increase to 2023

This version of the American Health Care Act has not received a CBO score.