

Comparison of House-Passed *American Health Care Act* and Senate *Better Care Reconciliation Act*

Provision	<i>American Health Care Act (H.R. 1628)</i>	<i>Better Care Reconciliation Act (Senate)</i>
Repeal of Mandates	Effectively repeals the ACA’s employer and individual mandates - effective 2016. Thirty percent surcharge imposed by insurers on those in the individual market who have a break coverage in coverage of 63 days.	Effectively repeals ACA’s employer and individual mandates effective 2016. Subsequent draft of BRCA includes a continuous coverage provision, effective in 2019, which would impose a six-month waiting period before new insurance goes into effect for anyone who had a break in coverage of 63 days.

Taxes

Premium Tax Credits	Replaces ACA premium tax credits with new tax credits based on age. These new tax credits would be phased out based on income and would be available for coverage obtained through the Health Insurance Marketplaces or outside the Marketplaces. These credits would only be available to those who do not have coverage from another source, e.g. an employer.	Replaces ACA premium tax credits with new tax credits that are based on age, income, and geography. These new tax credits would be available to those with incomes ranging from 0 – 350 percent FPL and the amount of the credit is to be based on a plans that have an actuarial value of 58 percent. As currently written, these tax credits are available for those who obtain coverage through the Health Insurance Marketplace. These credits would only be available to those who do not have coverage from another source, e.g. an employer.
Taxes	<p>Repeals ACA taxes:</p> <ul style="list-style-type: none"> • Medical device excise tax (effective 2017) • Branded prescription drug fee (effective 2017) • Health insurer provider fee (current moratorium on 2017, repeal effective 2018) • Tanning tax (services after June 30, 2017) • Net investment income tax (effective 2017) • Additional Medicare tax (.9 percent) (effective 2023) <ul style="list-style-type: none"> • Delays “Cadillac” tax (until 2026) • Repeals small business tax credit (effective 2020) • Reduces ACA-imposed penalties for the use of Health Savings Accounts (HSAs) (20 percent to 10 percent) and Archer 	<p>Same as House bill, with a few differences in bold:</p> <ul style="list-style-type: none"> • Medical device excise tax (effective 2018) • Branded prescription drug fee (effective 2018) • Health insurer provider fee (current moratorium on 2017, repeal effective 2018) • Tanning tax (services after Sept. 30, 2017) • Net Investment income tax (effective 2017) • Additional Medicare tax (.9 percent) (effective 2023) <ul style="list-style-type: none"> • Delays “Cadillac” tax (until 2026) • Repeals small business tax credit (effective 2020) • Reduces ACA-imposed penalties for the use of Health Savings Accounts (HSAs) (20 percent to 10 percent) and Archer Medical

	<p>Medical Savings Accounts (MSAs) (20 percent to 15 percent) for non-medical purposes (effective 2017)</p> <ul style="list-style-type: none"> • Lowers the threshold for deducting medical expenses from 10 to 5.8 percent (effective 2017) 	<p>Savings Accounts (MSAs) (20 percent to 15 percent) for non-medical purposes (effective 2017)</p> <ul style="list-style-type: none"> • Lowers the threshold for deducting medical expenses from 10 to 7.5 percent (effective 2017)
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Medicaid

Medicaid Expansion	<ul style="list-style-type: none"> • Phases out enhanced match (2020). Regular federal matching amount (FMAP) available for childless, non-disabled, non-elderly, non-pregnant adults. 	<p>Phases out enhanced match over three years as a political compromise. Regular federal matching amount (FMAP) available for childless, non-disabled, non-elderly, non-pregnant adults after 2023. Enhanced phases out <i>over three years</i> as follows: 90% (2020), 85% (2021), 80% (2022), and 75% (2023).</p>
	<ul style="list-style-type: none"> • Eliminates mandatory ACA requirement that states expand Medicaid to 133 percent of federal poverty level (FPL); • Sunsets ability of states to cover above 133 percent of FPL as of Dec. 31, 2017; • Grandfathers expansion enrollees enrolled prior to December 31, 2019 at the 90 percent match rate for as long as they remain enrolled. 	
Medicaid Reform	<ul style="list-style-type: none"> • Implements in 2020 a per capita allotment funding approach across five beneficiary categories (children, blind & disabled, elderly, adults, and expansion adults); • Allows a state in 2020 the option to implement a block grant for specific populations (children and non-elderly, non-disabled, non-expansion adults); • Under both options, federal match would grow by either CPI-medical or CPI-medical + 1 percentage point. 	<ul style="list-style-type: none"> • Implements in 2020 a per capita allotment funding approach across five beneficiary categories (children, blind & disabled, elderly, adults, and expansion adults). <i>Disabled children (under SSI) are exempted from per capita allotment;</i> • Allows a state in 2020 the option to implement a block grant for specific populations (non-elderly, non-disabled, non-expansion adults). <i>Does not affect EPSDT coverage of children. Children exempted from block grant;</i> • <i>Starting in 2025, per capital allotment would grow at standard inflation, significantly lower than CPI-medical;</i> • <i>The Secretary must also balance out base support rates for states by increasing low-contribution states by between 0.5 and 2 percent and penalize states that spend 25 percent or more above average spending;</i> • Introduces Medicaid and CHIP quality performance bonus payments of \$8 billion over FYs 2023 – 2026.
	<ul style="list-style-type: none"> • Repeals the ACA requirement that state Medicaid plans cover the entire EHBs packages, effective December 31, 2019; 	<ul style="list-style-type: none"> • Repeals DSH cuts for non-expansion states; • Increases DSH allotment amounts for non-expansion states in FY 2020 if the state’s per capita Medicaid DSH allotment in FY 2016 is below the national average;

	<ul style="list-style-type: none"> Retains the repeal of hospital disproportionate share cuts for non-expansion states effective Fiscal Year (FY) 2018 and for expansion states effective FY 2020; Added a state option for a work requirement for non-disabled, non-elderly, non-pregnant adults, subject to certain requirements, effective FY 2017. 	<ul style="list-style-type: none"> Expansion states are subject to proportional share of ACA DSH cuts starting Oct. 1, 2017.
Safety-Net and Other Funding Streams	<ul style="list-style-type: none"> Funding for a Patient and State Stability Fund (PSSF) that provides \$100 billion in flexible funding to states to stabilize high-risk pools (\$15B in 2018 and 2019; \$10B in 2020 – 2026). 	<ul style="list-style-type: none"> Funding for a short-term stabilization fund that provides \$50 billion in funding to states to stabilize markets (\$15B in 2018 and 2019; \$10B in 2020 and 2021).
	<ul style="list-style-type: none"> Eliminates individual insurance cost-sharing reductions (\$670 billion over 10 years) phase out by 2020. 	Same as House bill.
	<ul style="list-style-type: none"> Beginning in 2018, provides \$10 billion in basic safety-net funding over five years to Medicaid non-expansion states. Increased match rate of 100 percent for 2018 – 2021 and 95 percent for 2022. 	Same as House bill.
	<ul style="list-style-type: none"> Funding for a Federal Invisible Risk Sharing Program (\$15 billion) that will be used to provide a subsidy to insurers for high-cost patients without placing them in a high-risk pool; Funding provided to states granted an approved health underwriting waiver between 2018 – 2023 (\$8 billion). 	<ul style="list-style-type: none"> Provides \$62 billion over eight years for high-cost low-income individuals to purchase health insurance.
	<ul style="list-style-type: none"> Funding for maternity, newborn, and mental health (\$15 billion) in 2020. 	<ul style="list-style-type: none"> No funding included specifically for maternity, newborn, and mental health, except that covered in opioid funding (see below).
Insurance Provisions	<ul style="list-style-type: none"> Does not alter ACA commercial insurance regulations related to preventive services without cost-sharing, allowing dependent to remain on parent’s policy up to age 26, no lifetime limits, and medical loss ratio requirements; Changes the ACA limitation on age-based variations in premiums from 3:1 to 5:1. States may waive this change and institute a different age-related premium variation that is higher. There is no limit to the number of age-rating bands a state could implement; Allows states to apply for a waiver to develop its own definition of essential health benefits (EHBs) after Jan. 1, 2020; 	<ul style="list-style-type: none"> Provides \$2 billion in funding through FY 2019 for states to apply for Section 1332 waivers. Waivers can be used to change EHBs, maximum out-of-pocket limits, actuarial values, and exchange functions. <i>Unlike House bill, these waivers cannot be used for altering health status underwriting/community rating rules, though the waiver does allow for direct changes to EHBs.</i>

	<ul style="list-style-type: none"> • Allows states to apply for a waiver to perform health status underwriting, adjusting premiums based on medical condition. A state electing to apply for this waiver must use the PSSF to fund high-risk persons or to implement premium stabilization; • Waivers apply to individuals who did not maintain continuous coverage (63 day gap within a year). 	
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Other Provisions

Opioid Treatment	<ul style="list-style-type: none"> • Does not include new funding to combat the opioid epidemic. 	<ul style="list-style-type: none"> • Includes \$2 billion for FY 2018 to combat the opioid epidemic.
“Pro Life Provisions”	<ul style="list-style-type: none"> • Cuts off Medicaid funding to Planned Parenthood for one year; • Does not allow the tax credit for purchasing insurance to be used on plans that cover abortions. 	Same as House bill. Currently being considered by Senate parliamentarian concerning applicability to the Byrd Rule.
Prevention and Public Health Fund	Phases out fund in 2019	Phases out fund in 2018