2017 SCAHU Legislative Update
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State Legislative Concerns:

• Senate Bills to Watch
  • S.8 – Healthcare Sharing Ministries
  • S.9 – Repeal of Drug and Alcohol Abuse Exclusion
  • S.14 – Any Willing Provider
  • S.235 – Any Willing Provider
  • S.276 (H.3546) – Direct Primary Care Agreements
  • S.306 – Autism Spectrum Disorder Definition Update
  • S.397 – Autism Mandate Expansion / Ryan’s Law
  • S.400 – Right to Shop for Healthcare
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State Legislative Concerns:

• House Bills to Watch
  • H.3546 – Direct Primary Care Agreements
  • H.3747 – Autism Mandate Expansion / Ryan’s Law
  • H.3809 – 12 Month Contraception Mandate
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Republican HealthCare Principles

- Cap on the employer exclusion
- Create Advanced Refundable Tax Credits
- Re-instate state high-risk pools
- Implement 5:1 Age Rating Bands
- Cap Medicaid reimbursements at a per beneficiary level
- Promoting use of Health Savings Accounts
- Implement Medical Malpractice “Tort” Reform
- Establish health plans for small business collectives
Federal Legislative Outlook

• Ways to Repeal/Replace the ACA:

  • **Complete Repeal and Replace** – requires use of “regular order” and would require 60 votes in Senate. Need 8 Democrats.

  • **Amend the Current Law** – Would require Republicans and Democrats to work together under rules of regular order. Would require 60 votes in Senate. Need 8 Democrats.

  • **Partial Repeal through Reconciliation** – Republicans pass a budget document instructing Congress to pass legislation repealing parts of the law that are budget relevant. Need 218 votes in House, and 51 votes in Senate. Would retain many existing elements of ACA.
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What could be accomplished through Reconciliation?
American Health Care Act

- Premium tax credits and cost sharing credits
- Small Business tax credits
- Individual Mandate Penalty
- Employer Mandate Penalty
- Medicaid Expansion (federal dollars)
- Tax on OTC Meds
- Tax on HSAs
- Limitations on Contributions to FSAs
- Medical Device Tax
- Health Insurance Tax
- Elimination of Deduction for Medicare Part D subsidy
- Medicare Payroll Tax Increase
- Cap on Deductibility above $500k for Insurance
- Medical Loss Ratio Requirement
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What could be done now through Regulation?

- Limit special enrollment Periods and require documentation
- Reduce 90-day grace period for individuals with subsidy to 30 days
- Immediate restoration of HIPAA Certificates of Credible Coverage
- Allow “grandmothered” policies beyond the 2018 expiration
- **Redefine MLR Formula to exclude broker commissions**
- Allow composite rating in fully insured plans
- Review and Simply Employer Reporting Requirements
- Remove limitations on keeping grandfathered plans
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Recent Federal Legislative Actions

- **1/3/17** – Reconciliation budget was introduced by Se. Mike Enzi (R-WY)
- **1/12/17** – Senate votes 51-48 to approve budget resolution instructing House and Senate to develop legislation to repeal ACA
- **1/13/17** – House votes 227-198 to approve budget resolution
- **2/1/17** – Several committees begin holding hearings on market stability and replacement plans
- **2/24/17** – Early draft of reconciliation bill is leaked. Includes cap of employer exclusion
- **3/7/17** – American Health Care Act (AHCA) is introduced
- **3/9/17** – House Ways and Means votes 23-16 to pass their portions
- **3/9/17** – House Energy and Commerce Committee votes 31-23 to pass their portions
- **3/16/17** – House Budget Committee votes 19-17 to pass their portions
- **3/24/17** – House Rules Committee votes 9-3 to advance bill with amendments
- **3/24/17** – House cancels floor vote on AHCA
- **4/6/17** – House Rules Committee votes 9-2 to approve amendment to AHCA
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Pending Federal Legislation

Senate Bills:

S.106 ObamaCare Repeal Act
S.191 Patient Freedom Act
S.222 ObamaCare Replacement Act

S.40 Middle Class Health Benefits Tax Repeal Act

S.147 Obamacare Taxpayer Bailout Prevention Act
S.568 Improving Access to Medicare Coverage Act 2017

S.92 Safe and Affordable Drugs from Canada Act 2017
S.124 Preserve Access to Affordable Generics Act
S.297 Increasing Competition in Pharmaceuticals Act
S.496 Affordable and Safe Prescription Drug Importation Act
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Pending Federal Legislation

**House Bills:**

HR175 ObamaCare Repeal Act
HR1072 ObamaCare Replacement Act
HR1275 World’s Greatest Healthcare Plan 2017
HR1314 Health Care Choice Act of 2017

HR246 Health Insurance Tax Repeal
HR521 Protection from Insurance Exchange Monopolies Act
HR551 Care for All Act

HR706 SEP Verification
HR708 State Age Rating Flexibility Act of 2017

HR1245 Affordable and Safe Drug Importation Act
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NAHU Priorities – Market Stability

Employer Based Market:

- Preserve the Employer Exclusion
- Repeal the Excise / Cadillac Tax
- Repeal the Health Insurance Tax (HIT)

Individual Market:

- Allow tax credits outside the Marketplace
- Allow states to get funding for new hybrid high risk pools
- Allow purchase of catastrophic coverage regardless of age or income
- Stabilize the market