



House Votes to Repeal Obamacare

On May 4, 2017, the U.S. House of Representatives voted 216 to 211 (largely along party lines) to pass a bill to repeal and replace the *Patient Protection and Affordable Care Act* (ACA), a/k/a Obamacare. Entitled the *American Health Care Act* (AHCA)¹, the bill received the backing of the House Freedom Caucus on April 26th, which opposed the previous version of this bill that was unceremoniously pulled from a scheduled vote on March 24th.² Although the *Congressional Budget Office* (CBO) has not separately scored this version of the bill, it has stated that the bill would leave the same number of individuals without insurance as the original bill – 24 million individuals.³

Notable provisions of the latest version of the bill include the following:

- (1) The ACA's *Individual Mandate* is eliminated;
- (2) The ACA's *Medicaid expansion* is rescinded, and replaces the program with block grants;
- (3) The prohibition against denying insurance to those with pre-existing conditions is removed, allowing states to apply for a waiver from the prohibition;
- (4) \$8 billion over five years is allocated to fund high-risk pools to cover individuals with pre-existing conditions;

- (5) The amount that insurers may charge an individual based on their age has been changed, from a ratio of 3:1 to 5:1;
- (6) *Tax subsidies* to individuals to help pay insurance premiums have been replaced with *tax credits*, the amount of which credits is dependent on age; and,
- (7) Taxes, e.g., payroll taxes, medical device taxes, excise taxes, are eliminated for insurance companies, drug companies, medical device manufacturers, and high-income individuals.⁴

This House version of the AHCA will now move to the U.S. Senate for consideration, and ultimately, a vote. Although the bill in its present form is not projected many commentators to have the requisite number of votes to pass the Senate, and numerous organizations, including the American Medical Association, the American Heart Association, and the American Association of Retired Persons oppose the bill, the White House continues to express confidence that the bill will advance to President Trump's desk for signage.

Upcoming issues of *Health Capital Topics* will feature ongoing coverage of major milestones and policy changes affecting healthcare reform, including negotiations surrounding the AHCA and other ACA repeal and replace efforts.

1 "American Health Care Act of 2017" H.R. 1628, 115th Congress, 1st Session, March 20, 2017.

2 "All Actions H.R. 1628 – 115th Congress (2017-2018)" Congress.gov, <https://www.congress.gov/bill/115th-congress/house-bill/1628/all-actions?overview=closed#tabs> (Accessed 5/4/17).

3 "American Health Care Act: Budget Reconciliation Recommendations of the House Committees on Ways and

Means and Energy and Commerce, March 9, 2017"

Congressional Budget Office Cost Estimate, March 13, 2017, <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/americanhealthcareact.pdf> (Accessed 5/4/17), p. 2.

4 "American Health Care Act of 2017" H.R. 1628, 115th Congress, 1st Session, March 20, 2017.



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