
IN THE HEAT OF THE NIGHT

Obamacare Repeal and Replace

Now You See it, Now You Don't

An HCC White Paper

July 2017

In one of the more dramatic series of events in healthcare reform, attempts by the U.S. Senate to *repeal* and *replace* the 2010 *Patient Protection and Affordable Care Act* (ACA), a/k/a Obamacare, have failed after the most recent Senate bill, a so-called “*skinny repeal*” of the ACA, was rejected at approximately 2:00 a.m. on July 28, 2017, after approximately 20 hours of negotiations and debate on the Senate floor.¹ The bill was voted down 49-51 when every Democratic senator and three (3) Republican senators, John McCain (R-AZ), Susan Collins (R-ME), and Lisa Murkowski (R-AZ), cast “*no*” votes.² Rejection of this version of the bill follows the dismissal of a more comprehensive “*repeal and replace*” version of the bill, as well as a “*repeal only*” version of the bill.³ The failure to pass any one of these versions of a “*repeal and replace*” bill is likely to be a major setback for GOP healthcare reform efforts.⁴ This HCC white paper reviews: the policy proposals included within each version of the Senate bill; the nonpartisan *Congressional Budget Office’s* (CBO) scoring of these proposals; past milestones related to Obamacare “*repeal and replace*” actions in the U.S. House of Representatives; and, the response by lawmakers and industry stakeholders to each version of the Senate bill.

The Better Care Reconciliation Act (BCRA)

Subsequent to the May 4, 2017 passage of the *American Health Care Act* (AHCA) in the House, the Senate introduced a comprehensive “*repeal and replace*” bill, entitled the *Better Care Reconciliation Act* (BCRA), which original version was subsequently revised. Both the original and revised versions of BCRA *repealed* several provisions of the ACA, including:⁵

- (1) Financial penalties associated with the *Individual Mandate*⁶ – The ACA currently requires most Americans to have health insurance coverage, or pay a tax penalty.⁷ Under BCRA, individuals who have not been continuously covered would have needed to wait six months before purchasing a new insurance plan;⁸
- (2) Taxes used to fund the ACA, such as those for medications, medical devices, health insurance, and indoor tanning;⁹ and,
- (3) Cost-sharing subsidies, such as deductible and copays, for individuals between 100% and 400% of the *federal poverty line* (FPL).¹⁰

Additionally, both the original and the revised versions of BCRA *replaced* several provisions of the ACA, including:

- (1) Medicaid, such that the current funding structure under the ACA would have been replaced with *block grant* funding, or a fixed amount of money allocated to each state every year.¹¹ The amount of funding granted each year would increase annually by the percentage increase in the *consumer price index* (inflation rate).¹² This rate was lower than the rate presented in the House bill, meaning there would be a significant reduction in federal Medicaid funding;¹³
- (2) Tax credits for insurance premiums, such that those up to 350% of the FPL would have been eligible for premium subsidies, instead of those up to 400% of the FPL under the ACA;¹⁴
- (3) Changes to the allotted *adjusted community rating* ratio, such that insurers could charge the oldest group of enrollees five (5) times more for insurance premiums than the youngest group of enrollees;¹⁵ Under the ACA, insurers can only charge the oldest group three (3) times more than the youngest group for insurance premiums; and,¹⁶
- (4) *Health savings accounts* (HSA), such that individuals could contribute more than is currently allotted under the ACA.¹⁷

The revised version of BCRA included new amendments, including:

- (1) The allotment of \$45 billion to states to combat the opioid epidemic, which would have been an increase from the \$2 billion amount for one year, in the original version of BCRA,¹⁸ and,
- (2) An amendment introduced by Senators Ted Cruz (R-TX) and Mike Lee (R-UT) would have allowed insurers to offer lower-cost, “*bare-bone*”¹⁹ insurance plans as long as insurers offer at least one plan that qualifies under the ACA.²⁰

In the CBO’s June 26th scoring of the original version of BCRA, it was estimated that 22 million more individuals would become uninsured by 2026 than currently uninsured under the ACA, approximately 2 million fewer than the estimates related to the House bill.²¹ This was largely attributed to Medicaid spending cuts of up to \$772 billion between 2017 and 2026, lower subsidies for coverage in the individual marketplaces, and the revocation of insurance

2 Obamacare Repeal and Replace

mandates and penalties.²² Average premiums in the individual marketplace were to increase by approximately 20% in 2018, but decrease by 30% by 2020.²³ Overall, the original draft of BCRA was expected to reduce the federal deficit by \$321 billion between 2017 and 2026, mainly due to the above-mentioned reduction in Medicaid spending and subsidy allocation for individual marketplace insurance.²⁴

The “Repeal Only” Version of the Senate Bill

In an attempt to keep the Senate bill alive, the *Obamacare Repeal Reconciliation Act* was then introduced to the Senate floor debate, in which the ACA would be repealed, and lawmakers would have a two-year window in which to pass a replacement law.²⁵ Although Majority Leader Mitch McConnell resisted separation of the “repeal” and the “replace” provisions within BCRA, President Donald Trump, as well as many conservative Republican senators, supported this measure, with President Trump affirming, “Republicans should just REPEAL the failing ObamaCare now [and] work on a new Healthcare Plan that will start from a clean slate.”²⁶ According to the CBO’s July 19th scoring of the “repeal only” Senate bill, it was estimated that the federal deficit would be reduced by \$473 billion between 2017 and 2026, which is \$152 billion more than the estimated reductions resulting from the original version of BCRA.²⁷ However, under this “repeal only” bill, 32 million more individuals would become uninsured by 2026 than currently uninsured under the ACA (10 million more than the estimates under BCRA).²⁸

The Senate “Skinny” Bill

The “skinny” version of the Senate bill, formally titled the *Health Care Freedom Act*, which was introduced and subsequently voted down on July 28th, repealed and replaced several provisions of the ACA, including:²⁹

- (1) The repeal of financial penalties associated with the *Individual Mandate* – The ACA currently requires most Americans to have health insurance coverage, or pay a tax penalty.³⁰ Under the “skinny” bill, individuals who were not continuously covered would have not faced any financial penalties for an indefinite amount of time;³¹
- (2) The repeal of the employer mandate, such that employers with 50 or more employees would have not had to provide affordable insurance for at least of eight (8) years;³²
- (3) The repeal of taxes for medical devices, such that taxes for medical device manufacturers would have been suspended for three (3) years;³³
- (4) Revisions to the maximum contribution limits of HSAs, such that contributions to these funds for deductibles and *out-of-pocket* (OOP) expenditures would have increased from \$2,250 to \$4,500 for three (3) years;³⁴
- (5) The revocation of funding for *Planned Parenthood* and similar providers,³⁵ which would have instead been allocated to *community health centers*;³⁶ and,

- (6) The authorization for states to waive certain provisions of the ACA, including *essential health benefits* and annual and lifetime coverage limits.³⁷

In the CBO’s July 26th scoring of the “skinny” bill, it was estimated that the federal deficit would have decreased by about \$142 billion, but increased the number of uninsured individuals to 16 million by 2026.³⁸ Furthermore, the bill would have increased health insurance premiums by 20%.³⁹ These projected increases in uninsured Americans and OOP expenditures raised concerns from several trade associations, including the *Blue Cross Blue Shield Association* (BCBS) and *America’s Health Insurance Plans* (AHIP).⁴⁰ BCBS issued a statement warning against the repeal of the individual mandate, stating, “A system that allows people to purchase coverage only when they need it drives up costs for everyone.”⁴¹ AHIP reiterated this statement by explaining, “Targeted proposals that would eliminate key elements of current law without new stabilizing solutions...will not solve the problems in the individual market and, in fact, will result in higher premiums, fewer choices for consumers and fewer people covered next year.”⁴²

History of GOP Repeal & Replace Efforts in the House

On May 4th, the House passed their version of “repeal and replace,” the AHCA, 217-213.⁴³ Introduced on March 6th, the original draft of the House bill had little support, with all Democrats and many Republican congressmen and women opposing the bill, and was pulled from a scheduled floor vote on March 24th.⁴⁴ While moderate House Republicans voiced concern regarding the extent of coverage losses, conservative Republican members of the *House Freedom Caucus* argued for less regulation than what is currently mandated under the ACA.⁴⁵ To pass the AHCA, Republican House leaders amassed support from more conservative Republicans by strategically revising the bill to cater to their demands, eventually leading to a (slim) majority vote in favor of the revised bill.⁴⁶

Upon AHCA’s original introduction in the House in March 2017, both conservative and moderate Republicans were hostile to the bill, albeit for different reasons.⁴⁷ Conservatives (including, notably, the *House Freedom Caucus*⁴⁸) disliked many of AHCA’s provisions, holding sentiments similar to those of Senator Rand Paul (R-KY), who called the proposed legislation “*Obamacare Lite*.”⁴⁹ To win over House conservatives, Republican leaders made changes to the bill, including the elimination of *essential health benefits*⁵⁰ as mandated by the ACA.⁵¹ On March 13th, the CBO released its scoring of the AHCA, which estimated that 24 million people would lose health insurance coverage if the bill were enacted into law.⁵²

The CBO report contributed to widespread public outcry against the bill.⁵³ The fallout from AHCA’s CBO scoring, along with approximately \$880 million in cuts to the Medicaid program (see below for further discussion), resulted in many moderate Republicans refusing to support

the bill.⁵⁴ Ultimately, Republican leadership in the House could not garner the requisite number of votes to pass the AHCA, and chose to withdraw the bill on March 24th, shortly before the scheduled vote.⁵⁵ Rep. Jim McGovern (D-MA) summarized the Republicans' quandary for future healthcare reform succinctly: "*The bill went down because it was too bad for Republican moderates and not bad enough for the conservatives. I don't know how they reconcile the divides within their own conference, never mind find any Democratic votes.*"⁵⁶

After what some viewed as an embarrassing turn of events, House Republicans regrouped and revised their bill. This time around, the AHCA was amended to: (1) allow states to apply for waivers to: (a) allow them to charge older individuals more than younger individuals and (b) determine which health benefits must be included in an insurance plan; and, (2) add \$8 billion in funding for state high risk pools to cover individuals with pre-existing medical conditions.⁵⁷ These changes to the AHCA resulted in the revised bill receiving the backing of the *House Freedom Caucus*, as well as a sufficient number of moderate Republicans, to pass the revised bill. The CBO's scoring of the revised AHCA noted that it would leave approximately 23 million more individuals without insurance compared to current figures⁵⁸ – slightly less than the original bill, which was estimated to increase the number of uninsured individuals by approximately 24 million.⁵⁹

Some notable provisions of the version of the AHCA that was passed include the following:

- (1) ACA's penalties under the *Individual Mandate*⁶⁰ and *Employer Mandate*⁶¹ would be immediately eliminated, and individuals who are without insurance for 63 days must pay a 30% one-time "*late-enrollment surcharge*" of the monthly premium rate, in addition to the base premium;⁶²
- (2) ACA's *Medicaid expansion* program would be eliminated in 2020, and Medicaid would be converted to a block grant program.⁶³ While the CBO estimated that approximately 23 million individuals would become uninsured (as noted above), the office noted that federal spending on Medicaid would be reduced by \$119 billion;⁶⁴
- (3) Although individuals would have an opportunity to maintain guaranteed issue coverage, states could seek waivers to opt out of certain of ACA's health insurance mandates, allowing health insurers to: (a) offer coverage that does not meet the essential health benefits requirements; and, (b) discriminate (with respect to pricing and coverage decisions and denials) against individuals with pre-existing medical conditions;⁶⁵
- (4) The additional \$8 billion (over a five-year period) added to this version by an amendment to the AHCA offered by Rep. Fred Upton (R-MI) would supplement more substantial funding for high-risk

pools in states that have opted out of ACA's protections for individuals with pre-existing conditions (i.e., a total of \$138 billion is available over ten years that could be used by states for several purposes, including subsidizing insurance premiums and high-risk pools, among others);⁶⁶

- (5) The variance in premiums that insurers are permitted to charge for individuals based on their age would increase from a ratio of 3:1, as mandated by the ACA,⁶⁷ to 5:1 (likely increasing the cost of coverage for older, non-Medicare adults);⁶⁸
- (6) Tax subsidies to individuals to help pay insurance premiums would have been replaced with refundable tax credits that vary with age, as well as income⁶⁹ (likely benefitting younger adults and disadvantaging some low and moderate income families);⁷⁰ and,
- (7) Many of the ACA's taxes (e.g., payroll taxes, medical device taxes, and excise taxes on high-cost employer health insurance) would have been eliminated.⁷¹

The AHCA was opposed or criticized by numerous provider constituencies, such as the *American Medical Association (AMA)*,⁷² the *American Hospital Association*, and *America's Essential Hospitals*;⁷³ by *America's Health Insurance Plans (AHIP)* and certain private insurers such as Blue Shield of California;⁷⁴ as well as, by more consumer-oriented advocacy organizations such as the *American Association of Retired Persons (AARP)*⁷⁵ and the *American Heart Association*.⁷⁶

History of GOP Repeal & Replace Efforts in the Senate

The AHCA then moved to the Senate, where it underwent several significant revisions and faced numerous challenges, including maneuvering around *reconciliation* and Byrd rules.⁷⁷ Under these rules, Senate Republicans could only pass the bill with a simple majority (i.e., 51 votes) if it primarily focused on decreasing the U.S. deficit, potentially interfering with any Republican attempts to make broader health policy changes that would not decrease the deficit.⁷⁸ Furthermore, Senate bills consistently struggled to gain support from at least 50 senators, the requisite threshold to pass the bill.⁷⁹ After BCRA was introduced for the first time, senators from both parties, including conservative and moderate Republicans, voiced discontent, albeit for different reasons. Senate Minority Leader Chuck Schumer (D-NY) harshly criticized the plan, stating, "*The Senate Republican [healthcare] bill is a wolf in sheep's clothing. Only this wolf has sharper teeth than the House bill.*"⁸⁰ On the other side of the aisle, four (4) conservative Republican senators – Rand Paul (R-KY), Ron Johnson (R-WI), Ted Cruz (R-TX), and Mike Lee (R-UT) – released a joint statement explaining their dissatisfaction with BCRA:

"Currently for a variety of reasons, we are not ready to vote for this bill, but we are open to negotiation and obtaining more information before it is brought to the

4 Obamacare Repeal and Replace

floor...There are provisions in this draft that represent an improvement to our current health care system, but it does not appear this draft as written will accomplish the most important promise that we made to Americans: to repeal Obamacare and lower their health care costs.”⁸¹

Moderate Republican senators, such as Senators Collins, Murkowski, Rob Portman (R-OH), and Shelley Moore Capito (R-WV), voiced their misgivings, with Senator Capito articulating, “As drafted, this bill will not ensure access to affordable healthcare in West Virginia, does not do enough to combat the opioid epidemic that is devastating my state, cuts traditional Medicaid too deeply, and harms rural healthcare providers.”⁸² While conservative Republicans advocated for the dismantling of coverage mandates and higher limits on tax exemptions for HSAs, moderate Republicans supported more generous tax credits for the working class and a longer phase-out period for Medicaid spending cuts.⁸³

As a response to these criticisms, two notable supporters of BCRA, Senator McConnell and Seema Verma, Administrator of the *Centers for Medicare and Medicaid Services* (CMS), engaged in backroom negotiations with undecided Republican senators.⁸⁴ Several revisions were made to BCRA, including increased funding for opioid addiction treatment and the addition of an amendment introduced by Senators Cruz and Lee allowing for “bare bone” insurance plans.⁸⁵ After the revisions were made, Cruz announced that he would vote “yes” in a motion to proceed with BCRA; however, several senators were still in opposition of the revised version of BCRA, including Senators Paul and Collins.⁸⁶ Senator Collins was specifically opposed to the deep Medicaid funding cuts, stating:

“We should not be making fundamental changes in a vital safety net program that’s been on the books for 50 years, the Medicaid program, without having a single hearing to evaluate what the consequences are going to be.”⁸⁷

Additionally, Senator Paul expressed concern that the revised version of BCRA retained too many of the ACA’s provisions, stating that the bill, “keeps the insurance mandates that cause the prices to rise, which chase young, healthy people out of the marketplace, and leads to what people call adverse selection, where you have a sicker and sicker insurance pool and the premiums keep rising through

the roof.”⁸⁸ Despite opposition from Republican senators, a procedural vote to continue debate over the healthcare bill was approved on July 25th.⁸⁹ However, shortly after the motion to proceed was approved, the Senate Republican’s most comprehensive “repeal and replace” bill was rejected 43-57.⁹⁰ Furthermore, the “repeal only” version of the bill was rejected 45-55.⁹¹ It was then that a narrow version of the “repeal only” bill, nicknamed the “skinny” bill, was introduced to the debate. On July 26th, five Republican governors and five Democratic governors sent a letter to Senator McConnell, and Senate Minority Leader Chuck Schumer, urging the Senate to vote “no” on the “skinny” bill,⁹² which bill was ultimately rejected late on July 28th, 49-51, when every Democratic senator and three (3) Republican senators, John McCain (R-AZ), Susan Collins (R-ME), and Lisa Murkowski (R-AZ) casted “no” votes, obstructing the latest Republican attempt to dismantle the ACA.⁹³

The next steps related to the Republican Obamacare “repeal and replace” efforts are currently unknown, although President Trump has threatened to revoke (1) cost-sharing reductions to health insurance companies; and, (2) healthcare benefits to “lawmakers,” if Republicans do not continue their efforts to undermine Obamacare.⁹⁴ Despite the President’s threats, as of the time of publication, lawmakers have responded in one of three ways: (1) some lawmakers have signaled their intention to abandon their efforts on healthcare for now; (2) some Senators have suggested that they want to resume their attempts to “repeal and replace” Obamacare, utilizing one of the several other proposals drafted by Republican senators; and, (3) some Senators have proposed working with Democrats to make changes to the ACA.⁹⁵ The public has indicated, in numerous polls, their preference that Congress abandon their efforts. As of July 14th, the *Kaiser Health Tracking Poll* found that 61% of the population “continue to hold unfavorable views of the plan to repeal and replace” the ACA, and over 70% of people would prefer that Republicans and Democrats work together to tweak the ACA.⁹⁶ Failure to pass any sort of healthcare reform in the Senate under reconciliation rules may also foreshadow challenges for the GOP’s future policy initiatives, such as tax reconsideration.

Should you have any questions regarding this white paper, or other questions related to healthcare reform, please do not hesitate to contact **HEALTH CAPITAL CONSULTANTS** at (800) FYI-VALU [394-8258], or via email at solutions@healthcapital.com.

1 “GOP Obamacare repeal bill fails in dramatic late-night vote” By MJ Lee, Ted Barrett, Phil Mattingly, and Ashley Killough, CNN (July 28, 2017), <http://www.cnn.com/2017/07/27/politics/health-care-debate-thursday/index.html?iid=EL> (Accessed 7/28/17).

2 “Senate rejects measure to partly repeal Affordable Care Act, dealing GOP leaders a major setback” By Juliet Eilperin, Sean Sullivan, and Kelsey Snell, The Washington Post (July 28, 2017), https://www.washingtonpost.com/powerpost/senate-gop-leaders-work-to-round-up-votes-for-modest-health-care-overhaul/2017/07/27/ac08fc40-72b7-11e7-8839-ec48ec4cae25_story.html?utm_term=.2d0d16eeafd1&wpsrc=al_alert-national&wpmk=1 (Accessed 7/28/17).

3 “Senate GOP Wins Vote To Debate Health Care, Then Loses Vote On ACA Replacement Bill” By Timothy Jost, Health Affairs (July 26, 2017), <http://healthaffairs.org/blog/2017/07/26/senate-gop-wins-vote-to-debate-health-care-then-loses-vote-on-aca-replacement-bill/> (Accessed 7/27/17); “Senate Votes Down Broad Obamacare Repeal” By Thomas Kaplan and Robert Pear, The New York Times (July 25, 2017), https://www.nytimes.com/2017/07/25/us/politics/senate-health-care.html?_r=1 (Accessed 7/27/17).

4 Lee et al.

5 “How Senate Republicans Plan to Dismantle Obamacare” By Haeyoun Park and Margot Sanger-Katz, The New York Times (June 22, 2017), <https://www.nytimes.com/interactive/2017/06/22/us/senate-health-care-bill.html> (Accessed 7/5/17).

6 “Better Care Reconciliation Act of 2017” H.R. 1628, 115th Cong. § 104. Note that, On January 20, 2017, President Trump issued an Executive Order that directed heads of government agencies responsible for implementing the Patient Protection and Affordable Care Act (ACA), including the *Department of Health and Human Services* (HHS) and the *Internal Revenue Service* (IRS), to lessen the economic and regulatory burdens of the ACA, which may result in reduced regulatory scrutiny of ACA provisions such as the *Individual Mandate*. “Minimizing the Economic Burden of the Patient Protection and Affordable Care Act Pending Repeal” Executive Order: President Donald J. Trump, January 20, 2017, <https://www.whitehouse.gov/the-press-office/2017/01/20/executive-order-minimizing-economic-burden-patient-protection-and> (Accessed 7/24/17).

7 “Patient Protection and Affordable Care Act” Pub. L. No. 111-148 § 1501, 124 Stat. 242 (3/23/10).

8 “Better Care Reconciliation Act of 2017” H.R. 1628, 115th Cong. § 206.

9 *Ibid.*, § 108, 109, 112, 113, 114, 117.

10 *Ibid.*, § 209; Pub. L. No. 111-148 § 1402, 124 Stat. 242 (3/23/10).

11 H.R. 1628, 115th Cong. § 134.

12 *Ibid.*

13 “A side-by-side comparison of Obamacare and the GOP’s replacement plans” By Noam N. Levey and Kyle Kim, Los Angeles Times (July 13, 2017), <http://www.latimes.com/projects/la-na-pol-obamacare-repeal/> (Accessed 7/18/17).

14 H.R. 1628, 115th Cong. § 102.

15 *Ibid.*, § 204.

16 Pub. L. No. 111-148 § 2701, 124 Stat. 155 (3/23/10).

17 H.R. 1628, 115th Cong. § 111.

18 “Better Care Reconciliation Act of 2017- Revised” H.R. 1628, 115th Cong. § 202; H.R. 1628, 115th Cong. § 202.

19 This amendment would allow insurers to provide insurance plans on the individual exchanges that do not meet the requisite standards related to “value and benefits,” so long as the insurer also offers a plan on the exchange that *does* meet those standards. “The Cruz Plan Would Splinter Health Insurance Markets” By Vann R. Newkirk II, The Atlantic (July 14, 2017), <https://www.theatlantic.com/politics/archive/2017/07/how-the-cruz-amendment-would-destroy-health-markets/533691/> (Accessed 7/31/17).

20 H.R. 1628, 115th Cong. § 208.

21 “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 7/24/17), p. 1.

22 “Congressional Budget Office Cost Estimate of H.R. 1628 Better Care Reconciliation Act of 2017” Congressional Budget Office, June 26, 2017, <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/52849-hr1628senate.pdf> (Accessed 7/6/17), p. 4-5.

23 *Ibid.*, p. 7-8.

24 CBO, “Congressional Budget Office Cost Estimate of H.R. 1628 Better Care Reconciliation Act of 2017” June 26, 2017, p. 4-5.

25 “GOP’s Obamacare repeal-only push quickly collapses” By Jacob Pramuk, CNBC (July 18, 2017), <http://www.cnbc.com/2017/07/18/the-gops-obamacare-repeal-only-plan-is-already-on-the-verge-on-stalling.html> (Accessed 7/27/17).

26 “Tweet from Donald J. Trump” By Donald J. Trump, July 17, 2017, <https://twitter.com/realdonaldtrump/status/887134287350439936?lang=en> (Accessed 7/31/17); “McConnell: Senate will try to repeal ObamaCare with delayed replacement” By Jordain Carney, The Hill (July 17, 2017), <http://thehill.com/policy/healthcare/342456-mcconnell-senate-will-try-to-repeal-obamacare-with-delayed-replacement> (Accessed 7/31/17).

27 “Obamacare Repeal Reconciliation Act of 2017” Congressional Budget Office, Cost Estimate, July 19, 2017, <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/52939-hr1628amendment.pdf> (Accessed 7/19/17), p. 1.

28 “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 7/24/17), p. 1.

29 “What was in the failed Senate ‘skinny’ repeal health care bill?” By Tami Luhby, CNN Money (June 28, 2017), <http://money.cnn.com/2017/07/27/news/economy/senate-skinny-repeal-health-care/index.html> (Accessed 7/28/17).

30 “Health Care Freedom Act” H.R. 1628, 115th Cong. § 101; Pub. L. No. 111-148 § 1501, 124 Stat. 242 (3/23/10).

31 H.R. 1628, 115th Cong. § 101.

32 *Ibid.*, § 102.

33 *Ibid.*, § 103.

34 *Ibid.*, § 104.

35 *Ibid.*, § 105.

36 *Ibid.*, § 202.

37 *Ibid.*, § 203.

38 “H.R. 1628, Better Care Reconciliation Act 2017 ERN 17500” Congressional Budget Office, Cost Estimate, July 26, 2017, <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/hr1628selectedprovisions.pdf> (Accessed 7/27/17), p. 2, 3.

39 *Ibid.*

40 “‘Skinny repeal’ of Obamacare would leave 16 million more people uninsured in a decade” By Amy Goldstein, The Washington Post, July 27, 2017, https://www.washingtonpost.com/national/health-science/skinny-repeal-of-obamacare-would-leave-16-million-more-people-uninsured-in-a-decade/2017/07/27/8d0ab412-72dc-11e7-8f39-eeb7d3a2d304_story.html?utm_term=.4f7e18388889 (Accessed 7/28/17).

41 “Senate Soundly Rejects Repeal-Only Health Plan” By Thomas Kaplan, The New York Times (July 26, 2017), https://www.nytimes.com/2017/07/26/us/politics/senate-rejects-repealing-obamacare-without-replacement-trump.html?utm_campaign=KHN%3A%20First%20Edition&utm_source=h_s_email&utm_medium=email&utm_content=54689669&_hsenc=p2ANqtz-9CmKNJLawktcoh7huXqqO3s6aS6KXh6iCICrWReBk9fU8ZGxvvrwa40U66bRoITsxaaZdNc2mPZjnI6PAABxoX3jjEe_Q&_hsmi=54689669 (Accessed 7/27/17).

42 “AHIP Letter to U.S. Senate Leaders McConnell and Schumer” American Health Insurance Plans, Letter to Mitch McConnell and Chuck Schumer, July 27, 2017, <https://www.ahip.org/ahip-letter-to-u-s-senate-leaders-mcconnell-and-schumer/> (Accessed 7/27/17).

43 “House Passes AHCA: How It Happened, What It Would Do, And Its Uncertain Senate Future” By Timothy Jost, Health Affairs (May 4, 2017), <http://healthaffairs.org/blog/2017/05/04/house-passes-ahca-how-it-happened-what-it-would-do-and-its-uncertain-senate-future/> (Accessed 7/10/17).

44 “In Major Defeat for Trump, Push to Repeal Health Law Fails” By Robert Pear, et al., The New York Times, (March 24, 2017), https://www.nytimes.com/2017/03/24/us/politics/health-care-affordable-care-act.html?rref=collection%2Fsectioncollection%2Fhealth&action=click&contentCollection=health®ion=stream&module=stream_unit&version=latest&contentPlacement=16&pgtype=sectionfront (Accessed 3/30/17).

45 “How the House voted to pass the GOP health-care bill” By Kim Soffen, Darla Cameron, and Kevin Uhrmacher, The Washington Post (May 4, 2017), https://www.washingtonpost.com/graphics/politics/ahca-house-vote/?utm_term=.453a578b4cd2 (Accessed 7/10/17).

46 “While house passes GOP health-care bill, Senate prepares to do its own thing” By Sean Sullivan, Paige Winfield Cunningham, and Kelsey Snell,

6 **Obamacare Repeal and Replace**

- The Washington Post (May 4, 2017), https://www.washingtonpost.com/powerpost/if-house-passes-gop-health-care-bill-a-steeper-climb-waits-in-the-senate/2017/05/04/26a901da-30bd-11e7-8674-437ddb6e813e_story.html?utm_term=.0cb45c6a18a4
- 47 “Under GOP draft of Obamacare repeal plan, a lot of people could lose coverage” By Tami Luhby, CNN, February 25, 2017, <http://money.cnn.com/2017/02/25/news/economy/obamacare-repeal-gop/> (Accessed 5/12/17).
- 48 The House Freedom Caucus, established in 2015, is a group comprised of approximately 30 of the most conservative Republican representatives. Membership in the caucus is secret and “invitation-only,” so the exact number and identity of those representatives is unknown. “Freedom Caucus: Do these 29 white men run America?” By Katie Shepherd, BBC News, March 28, 2017, <http://www.bbc.com/news/world-us-canada-39410555> (Accessed 5/12/17).
- 49 “3 reasons Rand Paul calls GOP repeal plan ‘Obamacare Lite’” By Tami Luhby, CNN, (March 4, 2017), <http://www.cnn.com/2017/03/04/politics/obamacare-lite-rand-paul/> (Accessed 5/12/17)
- 50 *Essential Health Benefits* are 10 healthcare items required by all insurance coverages under PPACA, i.e., (1) ambulatory patient services; (2) emergency services; (3) hospitalization; (4) maternity and newborn care; (5) mental health and substance use disorder services including behavioral health treatment; (6) prescription drugs; (7) rehabilitative and habilitative services and devices; (8) laboratory services; (9) preventive and wellness services and chronic disease management; and (10) pediatric services, including oral and vision care. “Information on Essential Health Benefits (EHB) Benchmark Plans,” The Center for Consumer Information & Insurance Oversight, Centers for Medicare & Medicaid Services, <https://www.cms.gov/ccio/resources/data-resources/ehb.html> (Accessed 5/12/17).
- 51 “White House moves to tweak health care bill to win over conservatives” By Josh Dawsey and Jennifer Haberkorn, Politico, March 22, 2017, http://www.politico.com/story/2017/03/white-house-health-care-bill-tweaks-236385?lo=ap_a1 (Accessed 5/12/17).
- 52 “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 5/12/17); “Fewer Americans Would Be Insured With G.O.P Plan Than With Simple Repeal” By Margot Sanger-Katz, The New York Times, March 21, 2017, <https://www.nytimes.com/2017/03/21/upshot/fewer-americans-would-be-insured-with-gop-plan-than-with-simple-repeal.html> (Accessed 5/12/17).
- 53 “Fewer Americans Would Be Insured With G.O.P Plan Than With Simple Repeal” By Margot Sanger-Katz, The New York Times, March 21, 2017, <https://www.nytimes.com/2017/03/21/upshot/fewer-americans-would-be-insured-with-gop-plan-than-with-simple-repeal.html> (Accessed 5/12/17).
- 54 “In Major Defeat for Trump, Push to Repeal Health Law Fails” By Robert Pear, et al., The New York Times, March 24, 2017, https://www.nytimes.com/2017/03/24/us/politics/health-care-affordable-care-act.html?rref=collection%2Fsectioncollection%2Fhealth&action=click&contentCollection=health®ion=stream&module=stream_unit&version=latest&contentPlacement=16&pgtype=sectionfront (Accessed 5/12/17).
- 55 “How the Health Care Vote Fell Apart, Step by Step” By Katie Rogers, The New York Times, (March 24, 2017), <https://www.nytimes.com/2017/03/24/us/politics/guide-to-how-the-health-care-vote-fell-apart.html?action=click&contentCollection=Politics&module=RelatedCoverage®ion=EndOfArticle&pgtype=article> (Accessed 5/12/17).
- 56 “Repeal of Affordable Care Act Is Back on Agenda, Republicans Say” By Robert Pear and Jeremy W. Peters, The New York Times, (March 28, 2017), <https://nyti.ms/2nICECG> (Accessed 5/12/17).
- 57 Report, Committee on Rules, U.S. House of Representatives, 115th Congress, May 3, 2017 (altering “American Health Care Act of 2017” H.R. 1628, 115th Congress, 1st Session [March 20, 2017]).
- 58 “Cost Estimate: H.R. 1628, American Health Care Act of 2017, as Passed by the House of Representatives on May 4, 2017” Congressional Budget Office, May 24, 2017, <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/hr1628aspassed.pdf> (Accessed 5/24/17) p. 4.
- 59 Congressional Budget Office, March 13, 2017, p. 2.
- 60 The *Individual Mandate* represents an ACA provision that required individuals, with certain exceptions, to maintain a baseline level of health insurance coverage, or face a financial penalty levied by the *Internal Revenue Service* (IRS). “Patient Protection and Affordable Care Act” Pub. L. No. 111-148, § 1501, 124 Stat. 119, 242 (March 23, 2010).
- 61 The *Employer Mandate* represents an ACA provision that required large employers (i.e., employers with an average of at least 50 full-time employees over a calendar year), with certain exceptions, to offer health insurance coverage to its employees, or face a financial penalty levied by the IRS. “Patient Protection and Affordable Care Act” Pub. L. No. 111-148, § 1513, 124 Stat. 119, 253 (March 23, 2010).
- 62 115th Congress, (March 20, 2017), §§ 205, 2710A.
- 63 115th Congress, (March 20, 2017), § 112.
- 64 Congressional Budget Office, May 24, 2017, p. 2, 4.
- 65 Report, Committee on Rules, U.S. House of Representatives, 115th Congress, May 3, 2017 (altering “American Health Care Act of 2017” H.R. 1628, 115th Congress, 1st Session [March 20, 2017]). Under 42 U.S.C. § 300gg-3(b)(1), a “preexisting condition exclusion” is a “limitation or exclusion of benefits relating to a condition based on the fact that the condition was present before the date of enrollment for such coverage, whether or not any medical advice, diagnosis, care, or treatment was recommended or received before such date.” 42 U.S.C. § 300gg-3(b)(1) (2015). Further, 45 C.F.R. § 144.103 defines a “condition” and “medical condition” as “any condition, whether physical or mental, including, but not limited to, any condition resulting from illness, injury (whether or not the injury is accidental), pregnancy, or congenital malformation”; however, this definition excludes genetic information. 45 C.F.R. § 144.103 (2016).
- 66 115th Congress, Report, Committee on Rules, U.S. House of Representatives, May 3, 2017.
- 67 “Patient Protection and Affordable Care Act” Pub. L. No. 111-148, § 1201, 124 Stat. 119, 155 (March 23, 2010).
- 68 115th Congress, “American Health Care Act of 2017” March 20, 2017, § 135.
- 69 *Ibid*, § 203.
- 70 “Two Changes Needed to Make Rycare’s Tax Credits Work for Blue Collar Americans” By Avik Roy, Forbes, March 19, 2017, <https://www.forbes.com/sites/theapothecary/2017/03/19/two-changes-needed-to-make-rycares-tax-credits-work-for-blue-collar-americans/#3a0806a72ba1> (Accessed 5/12/17).
- 71 115th Congress, “American Health Care Act of 2017” March 20, 2017, §§ 207, 211.
- 72 Letter from James L. Madara, MD, to The Honorable Kevin Brady, The Honorable Greg Walden, The Honorable Richard Neal, and The Honorable Frank Pallone, March 7, 2017, available at <https://www.ama-assn.org/sites/default/files/media-browser/public/washington/ama-letter-on-ahca.pdf> (Accessed 5/15/17).
- 73 “AMA, AARP oppose latest Obamacare repeal effort” By Tami Luhby, CNN (April 27, 2017), <http://www.cnn.com/2017/04/27/politics/macarthur-amendment-ama-aha-aarp-obamacare/> (Accessed 5/15/17).
- 74 “Blue Shield CEO Says GOP’s ‘Flawed’ Health Bill Would Harm Sicker Consumers” By Chad Terhune, Kaiser Health News, May 3, 2017, <http://khn.org/news/blue-shield-ceo-says-gops-flawed-health-bill-would-harm-sicker-consumers/> (Accessed 5/12/17).
- 75 Letter from Joyce A. Rogers to The Honorable Greg Walden, The Honorable Frank Pallone, The Honorable Kevin Brady, and The Honorable Richard Neal, March 7, 2017, available at <http://www.aarp.org/content/dam/aarp/politics/advocacy/2017/03/aarp-letter-to-congress-on-american-healthcare-act-march-07-2017.pdf> (Accessed 5/15/17); “AMA, AARP oppose latest Obamacare repeal effort” By Tami Luhby, CNN (April 27, 2017), <http://www.cnn.com/2017/04/27/politics/macarthur-amendment-ama-aha-aarp-obamacare/> (Accessed 5/15/17).
- 76 Letter from Nancy A. Brown to The Honorable Paul Ryan and the Honorable Nancy Pelosi, March 23, 2017, available at http://www.heart.org/idc/groups/ahaecc-public/@wcm/@adv/documents/downloadable/ucm_492861.pdf (Accessed 5/15/17).
- 77 “Schumer: House ObamaCare Repeal bill can’t pass Senate” By Jordain Carney, The Hill (May 3, 2017), <http://thehill.com/blogs/floor-action/senate/331730-schumer-house-obamacare-repeal-bill-cant-pass-senate> (Accessed 7/10/17).
- 78 Sullivan et al, May 4, 2017.
- 79 “Senate punts, then 3 new Republicans oppose health care bill” By Pete Grieve, CNN (June 27, 2017), <http://www.cnn.com/2017/06/27/politics/jerry-moran-rob-portman-shelley-moore-capito-opposition/index.html> (Accessed 7/7/17). “The ‘no’ votes in the Senate’s health-care bill are piling up” By Amber Phillips et al., The Washington Post (July 6, 2017), https://www.washingtonpost.com/graphics/2017/politics/ahca-senate-whip-count/?utm_term=.749d06ecb6e6 (Accessed 7/7/17).
- 80 “Chuck Schumer: Senate Obamacare replacement is ‘every bit as bad as the house bill’” By Jacob Pramuk and Christine Wang, June 22, 2017, <https://www.cnbc.com/2017/06/22/chuck-schumer-senate-obamacare-replacement-is-as-bad-as-house-plan.html> (Accessed 7/31/17).
- 81 “Sens. Paul, Cruz, Johnson, and Lee Issue Joint Statement on Senate Health Bill” By Rand Paul, Ted Cruz, Ron Johnson, and Mike Lee, Press Release, June 22, 2017, <https://www.paul.senate.gov/news/press/sens-paul-cruz->

johnson-and-lee-issue-joint-statement-on-senate-health-bill (Accessed 7/7/17).

82 “Portman, Capito, Announce Opposition to Current Senate Health Draft” By Rob Portman and Shelley Moore Capito, Press Release, June 27, 2017, <https://www.portman.senate.gov/public/index.cfm/2017/6/portman-capito-announce-opposition-to-current-senate-health-draft> (Accessed 7/7/17).

83 “McConnell is trying to revise the Senate health-care bill by Friday” By Sean Sullivan, Juliet Eilperin and Kelsey Snell, The Washington Post (June 28, 2017), https://www.washingtonpost.com/powerpost/mcconnell-is-trying-to-revise-the-senate-health-care-bill-by-friday/2017/06/28/63550800-5c18-11e7-9fc6-c7ef4bc58d13_story.html?utm_term=.b73b03923836 (Accessed 7/7/17);

84 “Who is Seema Verma? The behind-the-scenes player helping sway Republicans on health care” By Eric Bradner, CNN (June 29, 2017), <http://www.cnn.com/2017/06/29/politics/seema-verma-senate-health-care-bill/index.html> (Accessed 7/7/17).

85 This amendment would allow insurers to provide insurance plans on the individual exchanges that do not meet the requisite standards related to “value and benefits,” so long as the insurer also offers a plan on the exchange that *does* meet those standards. Levey, July 13, 2017; Newkirk, July 14, 2017.

86 “A Top Republican Vows a Vote on Health Care, but Uncertainty Reigns” By Robert Pear, The New York Times (July 16, 2017), https://www.nytimes.com/2017/07/16/us/politics/health-care-vote-john-mccain.html?utm_campaign=KHN%3A%20First%20Edition&utm_source=hs_email&utm_medium=email&utm_content=54289447&_hsenc=p2ANqtz-_Ryr1PGy2kPMMX1wonV2UOrBxAffQSRTEILVJQgF73Q8WE2KTS8K7g9DU3DPLoXJDM_ZvtSNKJG1oIli_qCDMMkbwLQ&_hsmi=54289447 (Accessed 7/17/17).

87 “State of the Union- Interview with Maine Senator Susan Collins” CNN (July 16, 2017), <http://www.cnn.com/TRANSCRIPTS/1707/16/sotu.01.html> (Accessed 7/19/17).

88 “Sen. Rand Paul on ‘Face the Nation’” CBS News (July 16, 2017), <http://www.cbsnews.com/news/transcript-senator-rand-paul-on-face-the-nation-july-16-2017/> (Accessed 7/19/17).

89 “Republicans Are Voting This Week to Repeal or Replace Obamacare. Here Are Their Proposals.” By Haeyoun Park, Alicia Parlapiano, and Margot Sanger-Katz, The New York Times (July 26, 2017), <https://www.nytimes.com/interactive/2017/07/25/us/which-health-bill-will-the-senate-vote-on.html> (Accessed 7/27/17).

90 “Senate Votes Down Broad Obamacare Repeal” By Thomas Kaplan and Robert Pear, The New York Times (July 25, 2017), https://www.nytimes.com/2017/07/25/us/politics/senate-health-care.html?_r=1 (Accessed 7/27/17).

91 Jost, July 26, 2017.


92 “Letter to Mitch McConnell and Chuck Schumer urging Senate to Reject ‘skinny’ repeal bill” By John Hickenlooper, John Edwards, Steve Bullock, Terence McAuliffe, Brian Sandoval, Charles Baker, Larry Hogan, John Kasich, Tom Wolf, and Phil Scott, Letter to Mitch McConnell and Chuck Schumer, July 26, 2017, <https://twitter.com/mattwhouse/status/890362111301492737> (Accessed 7/27/17), p. 1.



93 Eilperin et al, June 28, 2017.

94 “Donald Trump Threatens to Cancel Some Health-Care Benefits for Lawmakers” By Louise Radnofsky, The Wall Street Journal (July 29, 2017), <https://www.wsj.com/articles/donald-trump-threatens-to-cancel-some-health-care-benefits-for-lawmakers-1501352607> (Accessed 7/31/17).

95 “The future of health care is anyone’s guess” By Lauren Fox and MJ Lee, CNN (July 31, 2017), <http://www.cnn.com/2017/07/31/politics/future-of-health-care/index.html> (Accessed 7/31/17); “Senate Republicans failed to pass Obamacare repeal. Now what?” By Deirdre Shesgreen, USA Today (July 28, 2017), <https://www.usatoday.com/story/news/politics/2017/07/28/senate-republicans-failed-pass-obamacare-repeal-now-what/519381001/> (Accessed 7/31/17); “Ding dong. Repeal and replace is dead. (For now)” Editorial, Los Angeles Times (July 28, 2017), <http://www.latimes.com/opinion/editorials/la-ed-healthcare-skinny-repeal-20170728-story.html> (Accessed 7/31/17).

96 “Kaiser Health Tracking Poll – July 2017: What’s Next for Republican ACA Repeal and Replacement Plan Efforts?” The Henry J. Kaiser Family Foundation, http://www.kff.org/health-reform/poll-finding/kaiser-health-tracking-poll-july-2017-whats-next-for-republican-aca-repeal-and-replacement-plan-efforts/?utm_campaign=KFF-2017-July-Tracking-Poll&utm_source=hs_email&utm_medium=email&utm_content=2&_hsenc=p2ANqtz-_bE4GmEKz9YLyYFDQsqcsa0zA_3bCtYFn1r0S52idIZrIFa8OMN5FACDdOQ5-Wjy6Taq5deDoHPdSqPwUwgCQPNa6jKw (Accessed 7/31/17).




INDUSTRY TITANS

The Financial Consulting Profession's Most Influential

NACVA Recognizes
Robert James Cimasi
 MHA, ASA, FRICS, MCBA, CVA, CM&AA
 Chief Executive Officer - HEALTH CAPITAL CONSULTANTS

as a
Pioneer of the Profession

June 10, 2016