



# House Republicans Announce Updates to Strengthen *American Health Care Act*

*In Advance of House Vote, Chairmen Brady and Walden Incorporate Member Ideas into Obamacare Repeal and Replace Legislation*

This week the House is expected to vote on the *American Health Care Act* (AHCA)—legislation to repeal Obamacare and lay the foundation for a 21st century health care system based on what Americans want and need, not what Washington thinks is best.

This bill is the product of months of work, dozens of hours of debate, and action in three House Committees—Ways & Means, Energy & Commerce, and Budget. After working on policies to further improve AHCA and ensure more Americans have access to quality, affordable health care, Ways & Means Committee Chairman Kevin Brady (R-TX) and Energy & Commerce Committee Chairman Greg Walden (R-OR) introduced technical and policy amendments to the legislation.

Upon introducing the amendments, the Chairmen said:

***“We’re taking additional action tonight to strengthen the American Health Care Act to better serve the millions of Americans who have been hurt by Obamacare. Our legislation includes ideas from Republican members who are committed to improving health care for patients and families across the country. We’re confident these changes will set AHCA up for success in the House. We look forward to working with our Senate colleagues to get this bill over the finish line and send it to the President as quickly as possible.***

***“President Trump deserves tremendous credit for rolling up his sleeves and working tirelessly to deliver on his health care promise to the American people.”***

## **UNDER THE WAYS & MEANS COMMITTEE'S JURISDICTION, THE AMENDMENT WOULD:**

### **Deliver more immediate relief from Obamacare's taxes.**

AHCA dismantles Obamacare's crushing taxes and mandate penalties that have hurt patients, families, job creators, and health care providers. The legislation eliminates the individual and employer mandate penalties and delivers nearly \$900 billion in tax relief.

To provide more immediate help, the amendment accelerates repealing the Obamacare taxes to 2017, rather than 2018. This change will help ensure millions of individuals, families, and businesses who paid Obamacare's penalties or taxes this year can reclaim their hard-earned dollars from the IRS. Additionally, the bill provides the maximum relief possible from the Cadillac tax, given the rules of the Senate.

### **Ensure Americans have the help they need to access the care that's right for them.**

AHCA helps low- and middle-income individuals and families who do not receive health insurance through work or a government program access insurance by providing an advanceable, refundable tax credit. It also establishes a Patient and State Stability Fund, providing states \$100 billion to design programs that meet the needs of their unique patient populations.

To further ensure older Americans have the help they need to access the care that's right for them, the amendment to AHCA would provide the financing for additional support for those with high health care costs before the bill goes to the Senate. Under current law, Americans can deduct from their taxes the cost of medical expenses that exceed 10 percent of their income. Our proposed amendment reduces this threshold to 5.8 percent of income.

This change provides the Senate flexibility to potentially enhance the tax credit for those ages 50 to 64 who may need additional assistance. Combined with the current age-based tax credit and the Patient and State Stability Fund, which provides \$100 billion to states to help targeted populations, our amendment to AHCA will provide meaningful support for the individuals and families who need it most.

### **Protect life by prohibiting taxpayer dollars from being used for abortion services.**

AHCA prohibits taxpayer dollars, both through new tax credits and State Stability Funds, from being used for abortions and abortion coverage. The amendment specifically will help ensure individuals and families can only use the federally funded tax credit to help purchase insurance plans that do not cover abortions or abortion services.

## **UNDER THE ENERGY AND COMMERCE COMMITTEE'S JURISDICTION, THE AMENDMENT WOULD:**

### **Give states additional flexibility for their Medicaid programs.**

In order to better care for their unique populations, states and governors have asked for additional flexibility in the way they administer their Medicaid program. This amendment would allow states to opt out of the per capita allotment baseline and instead receive federal funds through a block grant. The grant would only apply to traditional adult and children Medicaid populations, with funding for elderly and disabled populations calculated through a per capita allotment. After ten years, states that selected the block grant option could revisit whether or not to continue receiving block granted funds or return to a per capita allotment for their full Medicaid population.

### **Give states the ability to implement optional work requirements for their Medicaid programs.**

To ensure Medicaid funds are focused on our most vulnerable populations and encourage healthy adults to transition into full-time employment, the amendment would allow states the flexibility to implement reasonable work requirements for able-bodied adults without dependents. Modeled after work requirements in the Temporary Assistance for Needy Families (TANF) program, the requirement could be satisfied through employment, vocational or skills training, education in pursuit of employment, and community service among others.

### **Freeze and Unwind Obamacare's Medicaid expansion.**

As a first step, the amendment would prevent new states from opting in to Obamacare's Medicaid expansion. Next, the underlying bill allows that beneficiaries who enroll in the expansion prior to December 31, 2019 to be "grandfathered" into the program, ensuring that states will continue to receive the enhanced funding levels, as long as those individuals remain in the program. As enrollees see their life circumstances and incomes change, they will naturally cycle off the program, allowing for a responsible unwinding of the expansion.

### **Provide a more generous reimbursement for elderly and disabled Medicaid enrollees.**

Recognizing the unique needs of the elderly and the disabled, the amendment increases the annual inflation rate for the elderly and disabled Medicaid populations. This ensures that Medicaid spending on our most vulnerable more accurately reflects shifting demographics due to the aging of the Baby Boomers and the practical challenges of high-fixed costs for this vulnerable population.