American Health Care Act

SUMMARY

REPEALS OBAMACARE

Obamacare is hurting more people than it's helping. The law's mandates, tax hikes, and regulations have led to skyrocketing premiums, fewer choices, and less access to quality care. This top-down, bureaucratic mess cannot be cleaned up. It must be repealed.

The American Health Care Act (AHCA) dismantles Obamacare's taxes and mandate penalties, unwinds the law's one-size-fits-all programs, and helps transfers control of health care back to states and the American people. By repealing Obamacare, AHCA clears the deck for a 21st century health care system based on what patients want and need—not what Washington thinks is best.

PROTECTS THE MOST VULNERABLE

Protects Patients and Consumers

- Protects Americans by ensuring no one can be denied coverage or benefits based on pre-existing conditions.
- Prohibits lifetime limits on coverage and prohibits insurance companies turning away patients when they renew their plan simply because they may be sick.
- Allows dependents up to age 26 to stay on their parents' plan.
- Creates a new continuous coverage protection to promote and reward individual responsibility. This new safeguard prohibits medical underwriting for anyone who maintains continuous coverage, whether they are switching from job-based care to the individual market, or within the individual market.

Enhances the Safety Net

- Restores $79 billion to hospitals who provide a high proportion of care to the most vulnerable patients, including certain Medicaid and Medicare recipients.

Establishes a Patient and State Stability Fund, Fosters High Risk Pools

- Provides states with $100 billion to design programs that meet the unique needs of their patient populations and help low-income Americans access affordable health care.
- Includes an additional $15 billion for maternity coverage and newborn care, and mental health and substance use disorders.
- Includes an additional $15 billion in funding for a new federal Invisible Risk Sharing Program to further stabilize markets and lower premiums.

- Includes an additional $8 billion to support those who see changes in premiums as the result of a state's decision to pursue a waiver amending community rating for those who do not maintain continuous coverage.

Protects Life and Conscience Rights

- Ensures Hyde protections by prohibiting taxpayers' dollars, both through new tax credits and State Stability Funds, from being used for abortions and abortion coverage.

Empowers States by Reforming Medicaid Financing

- Modernizes Medicaid financing by adopting a per capita allotment that prioritizes the most vulnerable, protects States during economic downturns, adjusts for population changes, achieves meaningful federal savings, and reduces State abuse of various financing schemes.
- Makes commonsense reforms to Medicaid, such as removing lottery winners from the program. In addition, States will have the option of both a block grant and work requirement for certain populations. These reforms will give States needed flexibility to manage their programs, which in turn, will allow States to target dollars to those who need them most.

INCREASES CHOICES, REDUCES COSTS, PROVIDES GREATER FLEXIBILITY

Expands Consumer Choices

- Strengthens the individual insurance marketplaces by eliminating one-size-fits-all mandates, restoring state control through a new waiver process, and promoting innovation and competition.

Strengthens Consumer-Directed Health Care Accounts

- Empowers patients by expanding access to health savings accounts (HSAs) including the following reforms:
    - Nearly doubling the maximum HSA contribution at the deductible and out-of-pocket levels. In 2017, those levels would be $6,550 for individuals and $13,100 for families.
    - Helping older couples by allowing spousal catch-up contributions.
    - Including a special rule for certain medical expenses incurred before establishment of HSA.

Ensures Access to Affordable, Portable Health Coverage

- Preserves job-based health insurance, provides relief from the current law's Cadillac tax, and improves fairness and flexibility for those purchasing insurance in the employer marketplaces.

- Provides an advanceable, refundable tax credit for low- and middle-income individuals and families who do not receive an offer of job-based health insurance or have access to a program like Medicare or Medicaid.
    - This portable, monthly payment gives consumers the ability to choose a major medical health plan that fits their needs, rather than force them to buy a plan Washington mandates.
    - This monthly tax credit—between $2,000 and $14,000 a year— would grow over time by CPI+1 and would be adjusted for age, ensuring older Americans receive more support.
    - The credits are available in full to those making $75,000 per year ($150,000 joint filers). The credit phases out by $100 for every $1,000 in income higher than those thresholds.
    - As under current law, individuals who are in this country unlawfully would be ineligible for this new portable payment.
- Further reduces the eligibility threshold for the medical expense deduction in order to create $90 billion in new resources to provide the fiscal space to further assist older Americans who purchase insurance in the individual market.
- Breaks the healthcare.gov monopoly, giving states the flexibility to design insurance marketplaces that meet the needs of their populations, and giving individuals and families autonomy over their tax credit—rather than sending it to a government-run website.

REDUCES FEDERAL SPENDING, LOWERS PREMIUMS, NET TAX CUT

- Reduces the federal deficit and provides nearly $1 trillion in tax relief, including for middle-income Americans and small business owners.
- Makes major entitlement reform by capping Medicaid spending for the first time—empowering the states and saving taxpayers nearly $840 billion.