

GOP Senators Already Working On AHCA

Republican senators are already working on amendments to the House-passed American Health Care Act (AHCA), including measures to boost funding for rural hospitals that lose Affordable Care Act (ACA) subsidies, redirect tax credits to poorer consumers and make changes to the so-called invisible risk pools.

The updated version of AHCA (H.R. 1628) narrowly cleared the House last week by a vote of 217-213. Among the key provisions of the House-passed bill:

- Eliminates the taxes and tax increases imposed by the ACA;
- Phases out enhanced funding for the Medicaid expansions and imposes either a block grant or per capita caps on Medicaid;
- Removes the individual and employer mandate penalties;
- Increases age rating ratios from 1 to 3 to 1 to 5 in the individual and small group market and allows states to go higher by waiver;
- Permits states to waive the ACA's essential health benefit requirements;
- Imposes a penalty on individuals who do not maintain continuous coverage;
- Alternatively allows states to obtain a waiver to allow insurers to health status underwrite individuals who do not maintain continuous coverage;

- Creates funds of \$138 billion to assist states in dealing with high-cost consumers and for other purposes;
- Ends the ACA's means tested subsidies as of 2020 and substitutes for them age-adjusted fixed-dollar tax credits.

Senate leaders have already signaled the Senate version could be very different from the House bill. In the Senate, where Republicans could only afford to lose votes from two GOP senators while passing the bill, a challenging prospect given the range of concerns expressed from both moderates and conservatives in the upper chamber. It is likely to be substantially changed because of policy and reconciliation considerations, a process likely to take months.

Some of the House bill's provisions will likely not pass muster with the so-called Byrd Rule, which does not allow measures to be included in budget resolutions if they don't have a significant budgetary impact. Any amendment that violates the Byrd Rule requires 60 votes for passage instead of the simple majority of 51 votes under the reconciliation process. The House provisions on preexisting conditions and essential health benefits may be difficult to get past Senate rules. Furthermore, a Congressional Budget Office (CBO) score is a prerequisite to Senate consideration and could further inform debate.