

House Republicans Release Plan to Repeal and Replace the Affordable Care Act

The House Energy and Commerce and Ways and Means Committees posted the American Health Care Act of 2017, legislation to repeal and replace the Affordable Care Act (ACA). The bill sets the stage for a bitter debate over the possible dismantling of the most significant health care law in a half-century. In its place would be a health law that would be far more oriented to the free market and would make far-reaching changes to a vast part of the American economy.

The House Republican bill would eliminate the unpopular requirement that people have health insurance and eliminate tax penalties for those who go without. The requirement for larger employers to offer coverage to their full-time employees would also be eliminated. People who let their insurance coverage lapse, however, would face a significant penalty. Insurers could increase their premiums by 30 percent, and in that sense, Republicans would replace a penalty for not having insurance with a new penalty for allowing insurance to lapse.

Under the House Republican plan, the income-based tax credits provided under the ACA would be replaced with credits that would rise with age as older people generally require more health care. In a late change, the plan reduces the tax credits for individuals with annual incomes over \$75,000 and married couples with incomes over \$150,000.

House Republican leaders said they would keep three popular ACA provisions: the prohibition on denying coverage to people with pre-existing conditions, the ban on lifetime coverage caps and the rule allowing young people to remain on their parents' health plans until age 26.

Medicaid recipients' open-ended entitlement to health care would be replaced by a per-person allotment to the states. And people with pre-existing medical conditions would face new uncertainties in a more deregulated insurance market.

Republicans did not offer any estimate of how much their plan would cost, or how many people would gain or lose insurance. The two House committees plan to vote on the legislation without having estimates of its cost from the Congressional Budget Office.

The Committees' respective sections of the legislation will be marked up in separate, concurrent Full Committee markup sessions on March 8th. The House Budget Committee is charged with combining the Committees' portions into a single reconciliation package, a process that is anticipated next week.