

## House Passes ACA Repeal Legislation

This afternoon the House passed the American Health Care Act as a step in the process of repealing and replacing the Affordable Care Act.

### American Health Care Act (AHCA)

Today, by a [vote](#) of 217 to 213, the House of Representatives passed the American Health Care Act (AHCA). The AHCA passed with no support from the Democrats and with 20 Republicans voting against it. The bill largely follows the original AHCA legislation that the House was to consider on March 24. Due to insufficient votes to pass the legislation, that initial vote was delayed until today. The bill also retains provisions that will enhance Health Savings Accounts (HSAs) starting in 2018. See our [March 8, 2017 FYI Alert](#), which provides a summary of the original provisions.

The final bill moves up the date of the repeal of many Affordable Care Act (ACA) taxes from 2018 to 2017. It also includes several amendments, included to obtain needed support to pass the legislation, that would provide flexibility for state marketplaces. Specifically, the bill would allow states to:

- Starting in 2020 revise the definition of the essential health benefits (EHBs) that must be covered by an individual and small group policy. Limiting the definition of EHBs would help reduce premiums by limiting the covered services. This change could also provide employers with more flexibility in managing health expenses by reducing the benefits subject to the prohibitions on annual and lifetime limits.
- Modify the ACA community rating provisions to allow insurers to base rates on health status. While retaining the requirement for guaranteed issue (which requires an insurer to offer a policy regardless of health status), basing premiums on health status would help reduce premiums for healthy individuals.
- Establish high risk pools for individuals with pre-existing medical conditions. The AHCA also includes funding to help support state high risk pools.
- Increase the age banding above the 5:1 allowed under AHCA. This is intended to reduce premiums for younger individuals to help improve the ACA marketplace risk pools.



## In Closing

This legislation now heads to the Senate where it faces significant challenges due to Senate parliamentary rules and uncertain Republican support. Upcoming issues of *Legislate* will provide additional analysis of the AHCA and track its progress in the Senate.

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