



## Bill Passes House to Repeal the Affordable Care Act; 5/4/2017

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On May 4<sup>th</sup>, 2017, the House passed a bill through to Senate seeking to repeal and replace portions of the Affordable Care Act (ACA), otherwise known as Obamacare.

The American Health Care Act (AHCA) proposes significant changes to the healthcare plans offered under the current ACA. Although many facets of the ACA will remain in place, if the bill passes, the next three years could prompt several vital changes for America's healthcare consumers.

Here is the skinny of what is proposed to change:

- **Tax Credit Changes:** The new bill will offer flat tax credits per individual, focused on age. A possible tax credit range of \$2k-\$14k will be based on age not income, and will be capped.
- **Medicaid Funding:** Rolls back ACA Medicaid expansion and Medicaid financing would be changed to a per capita cap rather than a matching program.
- **Pre-Existing Conditions:** Allows states to apply for exemption waivers from essential health benefits possibly driving higher premiums for those with certain pre-existing conditions.
- **Healthcare Mandate:** The new bill imposes a 30% penalty for one year to the premium if coverage has lapsed beyond 60 days
- **Pay to Play:** The AHCA nullifies the ACA mandate that employers of 50 or more full time employees must offer affordable coverage to its employees by eliminating potential penalties effective January 1, 2016
- **HSAs, FSAs, and HRAs:** Increase on limits to HSAs, limits on contributions FSAs are eliminated, and HRAs will continue to integrate those plans with their major-medical plans.

Stay tuned, since as it currently stands, it is not likely that the proposed AHCA plan will be approved and will require modifications as it moves through the legislative process. Continue to check out [www.mccloskeypartners.com](http://www.mccloskeypartners.com) for updates.

*When you have Human Resource questions, contact McCloskey Partners and we will assist you or direct you our industry expert.*

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