

HEALTH CARE REFORM: ACA REPEAL AND REPLACE HITS ROADBLOCK

Earlier this month, Republicans in the U.S. House of Representatives introduced the American Health Care Act (AHCA) as their proposal for repealing and replacing parts of the Affordable Care Act (ACA). The House was originally scheduled to vote on the AHCA on March 23, 2017 but it was delayed when it became apparent there were not enough votes to pass the legislation. In response to the delay, President Trump issued an ultimatum and demanded a vote which was rescheduled for March 24, 2017; however, after debate on the House floor, Speaker Paul Ryan withdrew the bill from consideration as it was clear he did not have the votes.

WHAT'S NEXT FOR THE ACA?

The Republican strategy to repeal and replace the ACA involved a three step process:

1. Repeal and replace parts of the ACA through the budget reconciliation process.
2. Make regulatory and sub-regulatory changes through the executive branch agencies.
3. Pass additional legislation outside of the budget reconciliation process.

Passing the AHCA through the budget reconciliation process was to be the first step but it hit a roadblock as it did not garner the support needed to pass the House. At this point, it appears the plan is to move onto other legislative items rather than work on amending the legislation. As Speaker Ryan said after withdrawing the bill, "We're going to be living with ObamaCare for the foreseeable future."

We may still see tweaks to the ACA if Republicans decide to proceed with the remaining steps. For example, the Department of Health and Human Services (HHS) issued a proposed Exchange market stabilization rule last month to tighten up enrollment requirements. HHS Secretary Tom Price is also expected to review existing rules and possibly propose changes to those rules. Of course, this would be subject to a formal rulemaking process that would take time. We may also see legislation targeting specific issues rather than attempting to repeal and replace the ACA. However, any such legislation would require 60 votes in the Senate. Republicans currently only hold 52 seats and would need to get Democrat support to actually pass legislation.

WHAT DOES THIS MEAN FOR EMPLOYERS?

All of the statutory and regulatory provisions of the ACA remain in full force. This means the Employer Mandate and the associated reporting, the Individual Mandate plus the premium tax credits and cost-sharing subsidies are still in full effect. Employers should continue to administer their plans in full compliance with existing law.

Please contact your Keenan HealthCare Account Manager for questions regarding this Briefing or if you require any additional information regarding the Affordable Care Act.

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