



IMPORTANT NOTICE REGARDING HEALTHCARE REFORM Update #70 July, 2017

Senate Releases Changes to the Health Care Bill

Better Care Reconciliation Act (BCRA) Proposed Changes

REVISIONS TO THE BETTER CARE RECONCILIATION ACT

After extensive consultations across the Senate Republican Conference, below are the primary revisions to the Better Care Reconciliation Act (BCRA) discussion draft:

MORE HELP TO COVER OUT-OF-POCKET COSTS:

An additional \$70 billion is dedicated to encouraging state-based reforms, which could include help with driving down premiums through cost-sharing, Health Savings Accounts (HSA), and other innovative ideas to help pay for health care costs. This is in addition to the \$112 billion in funding already in the original bill.

HEALTH SAVINGS ACCOUNTS TO PAY FOR PREMIUMS:

In order to ensure that more people have financial support to pay for health care costs, a provision has been included in the bill that would, for the first time, allow people to use their HSAs to pay for their premiums. This is a policy that both the Joint Committee on Taxation (JCT) and the Congressional Budget Office (CBO) say will increase health care coverage.

ADDITIONAL RESOURCES TO COMBAT THE OPIOID EPIDEMIC:

With the opioid crisis hitting Americans in every state, an additional \$45 billion is dedicated for substance abuse treatment and recovery.

MORE OPTIONS FOR AMERICANS TO BUY LOWER-PREMIUM PLANS:

Individuals who enroll in catastrophic plans would be eligible for the tax credit so long as they meet other tax credit eligibility requirements. The ACA prohibited individuals enrolled in catastrophic plans from receiving a tax credit even if they met all other eligibility requirements.

Anyone in the individual market would be allowed to purchase a lower-premium health insurance plan, including Americans with their federal tax credit assistance. These plans are higher deductible plans that cover three primary care visits a year and have federal protections that limit an individual's out-of-pocket costs.

TAX REVISIONS:

The new draft bill will not include any changes from current law to the net investment income tax, the additional Medicare Health Insurance (HI) Tax, or the remuneration tax on executive compensation for certain health insurance executives.



Health Care Reform Update



IMPORTANT NOTICE REGARDING HEALTHCARE REFORM Update #70 July, 2017

Senate Releases Changes to the Health Care Bill

MEDICAID REVISIONS:

To allow for more accurate Disproportionate Share Hospital (DSH) related decisions and maximum benefit to states to assist in providing uncompensated care, the new discussion draft changes the DSH calculation from per Medicaid enrollee to per uninsured.

To improve management of vulnerable populations, states may apply for a waiver for the purpose of continuing and/or improving home and community-based services for aged, blind, and disabled populations.

If a public health emergency is declared, state medical assistance expenditures in a particular part of the state will not be counted toward the per capita caps or block grant allocations for the declared period of the emergency.

Expanded block grant option to allow states to also add expansion population under the block grant if they opt to do so.

Enhanced Focus On Higher Risk Individuals:

Creates a fund for the purpose of making payments to specified health insurance issuers for the associated costs of covering high risk individuals enrolled in the qualified health plans on the Affordable Care Act's Individual Exchange. In order to qualify for such funds, an issuer must offer sufficient minimum coverage on the Exchange that remains subject to Title 1 mandates. Offering such coverage would enable the issuer to also offer coverage off the Exchange that would be exempt from certain Title 1 mandates.

View the **July 13, 2017** draft of the Better Care Reconciliation Act (BCRA) [here](#).

View the **June 26, 2017** draft of the Better Care Reconciliation Act (BCRA) [here](#).

View the **UPDATED** section by section summaries [here](#).

Bernie Lowe & Associates, Inc. is not providing any legal advice with regard to compliance with the requirements of the Affordable Care Act ("ACA"). Bernie Lowe & Associates, Inc. makes no representation as to the impact of plan changes on a plan's grandfathered status or interpretation or implementation of any other provisions of ACA. Bernie Lowe & Associates, Inc. will not determine whether coverage is discriminatory or otherwise in violation of Internal Revenue Code Section 105(h).