



# AMERICA'S ESSENTIAL HOSPITALS

## House Committee on Energy and Commerce ACA Repeal Legislation

### **Section 111 – Repeal of Medicaid Provisions**

Repeals hospitals' presumptive eligibility authority to cover costs of care for uninsured patients who might be eligible for Medicaid, with certain exceptions. Changes Medicaid eligibility for children to 100 percent of the federal poverty level (FPL).

### **Section 112 – Repeal of Medicaid Expansion**

Retains optional Medicaid expansion for states, but the matching rate would revert to the regular federal medical assistance percentage (FMAP) for newly enrolled individuals after January 1, 2020. Further, individuals covered under Medicaid expansion before this date must not experience a break in coverage of more than one month—if they do, the state will no longer receive the enhanced match for their coverage. This provision also repeals the state option to cover adults above 133 percent of FPL after December 31, 2019. It also allows states to reduce Medicaid benefits by repealing the requirement that states must provide “essential health benefits” for Medicaid beneficiaries, as required under private plans in the Affordable Care Act (ACA) marketplace. For states that expanded Medicaid before enactment of the ACA, the federal match would be 80 percent.

### **Section 113 – Elimination of Medicaid Disproportionate Share Hospital (DSH) Cuts**

This section repeals Medicaid DSH cuts for non-expansion states beginning in 2018 and for expansion states in 2020. Expansion states will not absorb cuts for DSH across all states. Rather, the cuts will be divided across states, and expansion states will absorb only their share in 2018 and 2019.

### **Section 114 – Reducing State Medicaid Costs**

Among other purposes, this section would require Medicaid enrollees to provide proof of citizenship or legal residency before obtaining coverage. This provision would also eliminate the three-month look-back period, allowing Medicaid coverage for individuals who were eligible but not covered at the time of a hospital admission.

### **Section 115 – Safety-Net Funding for Non-Expansion States**

This section would provide \$10 billion for safety-net funding from calendar year (CY) 2018 to CY 2022 to non-expansion states, including those that choose to terminate their Medicaid expansion plans. The \$10 billion would be allotted in increments of \$2 billion per year and divided among non-expansion states on a pro-rata basis, depending on the state's share of people under 138 percent of FPL. States can use it to make DSH-like payments to any provider, with 100 percent federal match (95 percent in 2022), up to the provider's uncompensated care costs.

**Section 116 – Providing Incentives for Increased Frequency of Eligibility Redetermination**

Requires states to redetermine eligibility every six months for individuals covered under Medicaid expansion plans. Also, provides states a 5 percent FMAP increase for activities related to exercising this determination for enrollees.

**Section 121 – Per-Capita Allotment for Medical Assistance**

Beginning in FY 2020, the bill would impose a per-capita cap on Medicaid spending. The limits would be based on the state’s spending in FY 2016 and would increase at the Consumer Price Index for urban consumers for medical services (medical CPI-U). DSH payments would be excluded from the per-capita cap calculations. Any state with spending higher than its specified targeted aggregate amount would have its payments reduced in the following year by the amount of the excess payment.

**Section 131 – Repeal of Cost-Sharing Subsidy**

Repeals by 2019 the cost-sharing subsidy the ACA provided to help patients meet out-of-pocket costs.

**Section 132 – Patient and State Stability Fund**

This section would create a \$100 billion fund, available to states from 2018 through 2026, to help individuals who are otherwise ineligible for health care to obtain coverage. Assistance may be provided in multiple ways at the state’s discretion.

**Section 133 – Continuous Health Insurance Coverage Incentive**

Intended to replace the ACA’s individual mandate, this would require insurers to impose a 30 percent penalty on health insurance premiums for individuals who have gone for more than 63 days without coverage during the previous 12-month period. The penalty would last for 12 months. This provision would begin during the 2019 open enrollment period and in benefit year 2018 for special enrollment period applicants.

**Section 134 – Increasing Coverage Options**

Repeals the ACA requirement that health insurers tier their plans (bronze, silver, gold, and platinum) based on actuarial value of the plan’s coverage.

**Section 135 – Change in Permissible Age Variation in Health Insurance Premium Rate**

Changes the 3:1 age rating for private insurance plans under the ACA to 5:1.

**House Committee on Ways and Means ACA Repeal Legislation**

**Section 05 – Individual Mandate**

Repeals the individual mandate under the ACA.

**Section 06 – Employer Mandate**

Repeals the ACA requirement that employers must provide health insurance to their employees.

**Section 15 – Refundable Tax Credit for Health Insurance**

Provides an advanceable, refundable tax credit for individuals to purchase health insurance. The credit ranges from \$2,000 to \$4,000 for an annual plan, based on age, with the lower credit applied to younger enrollees and the maximum credit available to individuals older than 60.