



Affordable Care Act – Destination Unknown

Marc S. Wise, Esq.

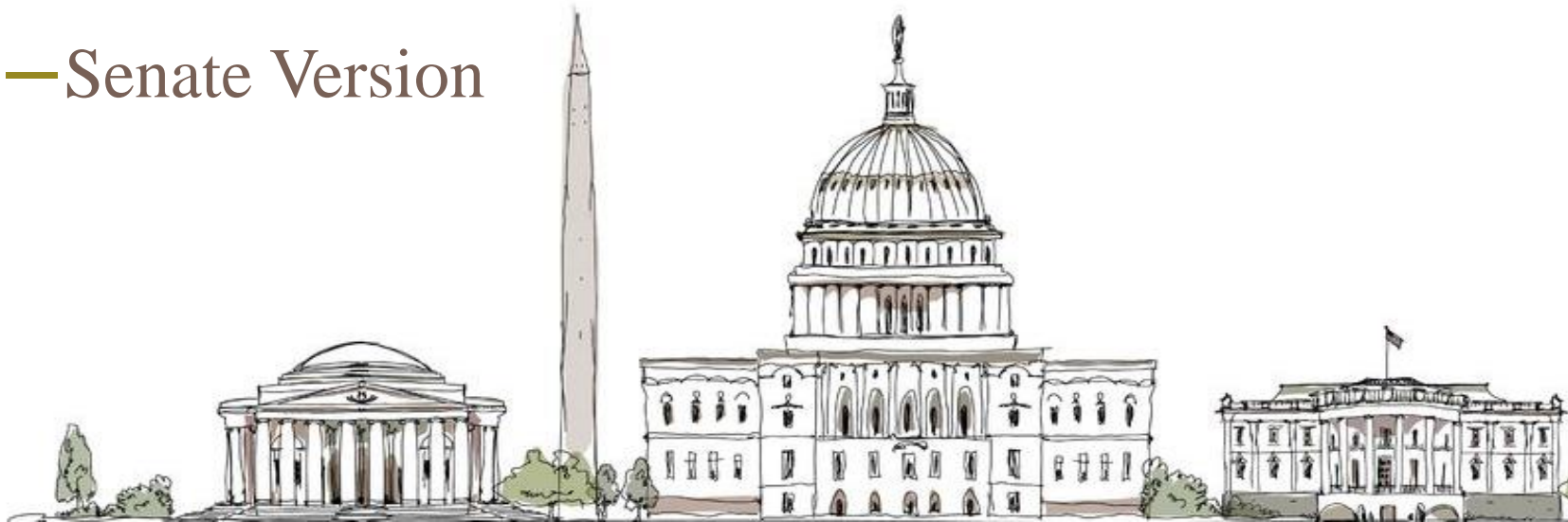
Affordable Care Act – Destination Unknown

➤ Current Status of the Affordable Care Act

Affordable Care Act – Destination Unknown

➤ Summary of Washington Health Care Ideas

- House Version
- Senate Version



Affordable Care Act – Destination Unknown

➤ **American Health Care Act of 2017**

- Passed by the House of Representatives on May 4, 2017
- Not a full repeal of the ACA

Affordable Care Act – Destination Unknown

➤ American Health Care Act of 2017

—Starting in 2020:

- Tax Credits – Individuals are not eligible for tax credits if they are eligible for employer sponsored health coverage

Affordable Care Act – Destination Unknown

- Affordability and minimum value would not be a factor.
 - No employer Pay or Play penalty for failing to offer health coverage.
- Cadillac tax postponed from 2020 to 2026

Affordable Care Act – Destination Unknown

➤ ACA Tax Credits versus AHCA Tax Credit

	ACA	AHCA
Eligibility for Tax Credits	Not eligible for a MV GHP Not eligible for Medicare or Medicaid Income at or below 400% of FPL	Not eligible for a GHP Not eligible for Medicare or Medicaid Tax credit phased out for MAGI over \$75,000
Amount of Tax Credits	Tax credit is the difference between individual contribution and the premium Individual contribution capped at a max of 9.69% of MAGI	Tax credit ranges from \$2,000 (under age 30) to \$4,000 (age 60-65)

Affordable Care Act – Destination Unknown

➤ American Health Care Act of 2017

- Pay or Play penalties would be zeroed out retroactive to January 1, 2016
- No outright repeal of IRC 4980H due to the Senate reconciliation rules
- Form 1095-C rules still apply until new reporting begins

Affordable Care Act – Destination Unknown

➤ American Health Care Act of 2017

- Employees applying for advance payment of tax credits
- New employer W-2 reporting
- Tax Credits and COBRA

Affordable Care Act – Destination Unknown

➤ American Health Care Act of 2017

— Individual Market Reforms

- No liability for not having insurance retroactive to January 1, 2016
- 12 month 30% surcharge
- Increase age rating from 3-1 to 5-1

Affordable Care Act – Destination Unknown

➤ American Health Care Act of 2017

- January 1, 2020 – States may request a waiver of the 10 essential health benefits (EHB) in the ACA
- States pick their own EHBs
- Self-insured plan may be able to pick a waiver state for purposes of EHBs

Affordable Care Act – Destination Unknown

➤ American Health Care Act of 2017

- Repeal the \$2,600 FSA contribution cap
- Permit FSAs, HRAs and HSAs to reimburse for OTC drugs
- Reduce penalty for non-medical HSA distribution from 20% to 10%

Affordable Care Act – Destination Unknown

- Increase HSA contributions up to the in-network OOP limit
- Spouses would be permitted to make catch-up contributions to one HSA beginning in 2018
- Permits medical expenses incurred before HSA qualified coverage begins to be reimbursed during prior 60 days

Affordable Care Act – Destination Unknown

- Senate Discussions
on Health Care Reform



Affordable Care Act – Destination Unknown

- Projected ACA repeal process and timeline.
- What should employees be doing?
- What should employers be doing?

Affordable Care Act – Destination Unknown

➤ American Health Care Act of 2017

- AHCA will not remove all ACA requirements
- ACA Section 1557: Non-discrimination requirements

Affordable Care Act – Destination Unknown

➤ Other ERISA Issues

- DOL Claims and Appeal procedures
- January 1, 2018
- Self-insured or fully insured