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SIDE-BY-SIDE COMPARISON OF THE HOUSE-PASSED AHCA AND SENATE GOP BCRA

PROVISION	HOUSE-PASSED AHCA	SENATE GOP BCRA
Premium Tax Credits	**Age-Based Tax Credits:** • Starting in 2020, refundable premium tax credits in the individual market: – Capped at $2,000 – $4,000 per year based on age, indexed to CPI+1 percent. – Phased out for income exceeding $75,000 per year. – Cannot be used toward any insurance that covers abortion, with exceptions.	**Income-Based Tax Credits:** • Starting in 2020, refundable premium tax credits in the individual market: – Available to individuals 350 percent of FPL and below. – Based on a new benchmark plan (median-premium 58 percent AV plan). – Individuals' premium contributions tied to income and age, with older ages required to contribute more than younger ages. – Similar abortion restrictions as House-passed AHCA. – Limits based on immigration status.
Cost-Sharing Reductions (CSRs)	Provides authorization for CSRs through 2019, and eliminates them beginning in 2020.	Provides authorization and appropriations for CSRs through 2019, and eliminates them beginning in 2020.
Individual and Employer Mandates	Eliminates penalties for the individual and employer mandates, effective retroactively starting in 2016.	Same as House-passed AHCA.
Continuous Coverage Surcharge	Requires insurers to apply a 30 percent surcharge on premiums for new enrollees if they have been uninsured for more than 63 days within the past year.	No similar provision included.
ACA Market Rules (Guaranteed Issue, EHBs, Section 1332 Waivers)	**Direct State Waivers for EHBs/Preexisting Conditions:** • Starting in 2018, allows states to waive requirements for Essential Health Benefits (EHBs) and community rating on premiums. • Provides $8 billion for states that obtain waivers from community ratings rules to use for reducing premiums for those with preexisting conditions for 2018 – 2023. **Repeals Certain ACA Market Rules:** • Starting in 2018, replaces the ACA's 3:1 age-rating rule with a default 5:1 age-rating ratio and allows states the option of setting their own age-rating ratio. • Repeals ACA's metal tier and AV plan requirements, including the minimum 60 percent covered benefits. • Requirements on insurers to offer plans with an AV of 70 percent and 80 percent to participate on the exchanges would no longer apply.	**Broader ACA Section 1332 Waivers:** • Appropriates $2 billion for FY 2017 – 2019 to help states apply and implement Section 1332 waivers. • Significantly amends the ACA's Section 1332 waivers by removing existing conditions for coverage, affordability, comprehensiveness, and federal-deficit neutrality, and instead only require that the state's plan would not increase the federal deficit. • States would be able to waive numerous ACA requirements under Section 1332 waivers, including the requirements for Essential Health Benefits (EHBs). **Repeals Certain ACA Market Rules:** • Age-rating change same as House, but starts in 2019. • Starting in 2019, requires states to determine the Medical-Loss Ratio (MLR) for insurers.
Market Stability Funding	**Funding Via States: $115 Billion** • Establishes a "Patient and State Stability Fund" providing $100 billion in grants to the states for 2018-2026 to support individual market risk pool stabilization. • Provides $15 billion each year for 2018-2019, followed by $10 billion each year for 2020-2026. • Requires states to begin matching federal contributions at a gradually increasing rate for 2020-2026. • Provides an additional $15 billion for a Federal Invisible Risk Sharing Program for 2018-2026.	**Funding Via Insurers and States: $112 Billion** • Provides $112 billion to support individual market risk pool stabilization across two programs, as outlined below. • Short-Term Assistance to Address Coverage and Access Disruption ($50 billion): Provides $15 billion per year for 2018-2019 and $10 billion per year for 2020 – 2021 to CMS to fund arrangements with health insurance issuers to address coverage and access disruption and respond to urgent health care needs within the states.

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Market Stability Funding (continued)		• Long-Term State Stability and Innovation Program ($62 billion): Provides $8 billion for 2019, $14 billion per year for 2020-2021, $6 billion per year for 2022 – 2023, $5 billion per year for 2024-2025, and $4 billion for 2026 to the states for premium stabilization and incentives for individual market participation. • States would be required to begin matching federal contributions at a gradually increasing rate for 2022 – 2026.
ACA Taxes and Fees	• Repeals most ACA taxes and fees, effective retroactively starting January 1, 2017, except those specifically listed below on different effective dates. • Delays the tax on high-cost employee health plans ("Cadillac" tax) until 2026. • Repeals the Additional Medicare Tax starting in 2023.	Repeals the same ACA taxes and fees as the House-passed AHCA, but across varying effective dates (see table in the body of the related Alert).
Medicaid Expansion	**Sharp Expansion Freeze:** • Retroactively prevents additional states from expanding Medicaid and limits the federal match for newly eligible enrollees to current expansion states only, as of March 1, 2017. • After 2020, continues to maintain the enhanced federal match for "grandfathered" Medicaid expansion enrollees only, defined as expansion eligible beneficiaries enrolled as of December 31, 2019, who remain enrolled without a one-month break in coverage.	**Gradual Expansion Reduction:** • Retroactively limits the federal match for newly eligible enrollees to current expansion states only, as of March 1, 2017. • States would still be allowed to expand Medicaid through 2019 at the regular federal match rate. • For states that implemented the Medicaid expansion as of March 1, 2017, the bill would maintain the current federal match for newly eligible enrollees (90 percent) through 2020. The federal match to these states for Medicaid expansion funding would phase down to 85 percent in 2021, 80 percent in 2022, 75 percent in 2023, and then drop to the state's regular federal match by 2024.
Medicaid Per Capita Caps	**CPI-U Medical Growth Rate** • Starting in FY 2020, converts federal Medicaid financing from an open-ended federal and state entitlement program to a per capita allotment. • Creates per-enrollee caps for five enrollment groups: 1) elderly, 2) blind and disabled, 3) children, 4) expansion adults, and 5) other adults. • Growth in federal Medicaid spending for each enrollment group per state would be limited using FY 2016 per-enrollee spending as a baseline, adjusted forward tied to the medical care component of the CPI-U for children, expansion adults, and other adults, and the medical care component of CPI-U+1 percent percent for the elderly and blind/disabled groups.	**CPI-U Medical Growth Rate Through 2025, Then CPI-U Only for 2026+** • Same timeline and enrollment groups as House-passed AHCA. • Per-enrollee spending for a state selected period of eight consecutive fiscal quarters between Q1 FY 2014 and Q3 FY 2017 used as baseline instead of FY 2016. • Same growth rates as House-passed AHCA for respective enrollment groups until 2025. • In subsequent years, growth for all enrollment groups adjusted using CPI-U only.
Medicaid Block Grant Option	• States may choose a block grant option for children and non-expansion adults for a period of 10 FYs, beginning in FY 2020. If states do not extend the block grant option at the end of the 10-year period, they would revert to the per capita cap financing system. • The total block grant amount for the initial FY would match the baseline per capita allotment, increased in subsequent FYs by CPI-U. • States can roll over unused block grant funds into the next FY as long as they continue with the block grant option.	• Similar general structure as the House-passed AHCA, with certain modifications. • States may choose a block grant option for non-elderly, nondisabled, non-expansion adults for a period of 5 FYs, beginning in FY 2020. • As part of the "targeted benefit package" states must provide mental health services and substance use disorder services. • States may impose cost sharing, not to exceed 5 percent of the family's annual income. • If prescription drugs are included in the block grant benefits option, they must be subject to the Medicaid rebate program.

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Medicaid DSH Allotments	**Increases DSH Allotments for All States** • Repeals the Medicaid DSH payment cuts for all states enacted under the ACA for FY 2020 – 2025. • Non-expansion states would be exempted from DSH payment cuts for an additional two years, for FY 2018 – 2019, as well.	**Increases DSH Allotments for Non-Expansion States Only** • For non-expansion states, repeals the ACA's Medicaid DSH payment reductions, which were set to go into effect between FY 2017 – 2024 • In addition, increases the DSH allotment for FY 2020 for certain non-expansion states with FY 2016 per capita Medicaid DSH allotments below the national average FY 2016 per capita Medicaid DSH allotments. • Starting Q2 2024, DSH allotments shall be determined as if there had been no increase in FY 2020. • No change for expansion states in the ACA's Medicaid DSH payment reductions for FY 2017 – 2024.
Other Medicaid Changes	• Beginning October 1, 2017, allows states to impose work requirements on non-elderly, non-disabled, non-pregnant Medicaid beneficiaries without children under age 6. • Grants states broad flexibility to design work requirements and provides a 5 percent administrative federal match increase to states that choose to implement a work requirement.	• Work requirements provision same as House-passed AHCA. • Establishes new Medicaid and CHIP Quality Performance Bonus Payments for FYs 2023 – 2026. States can qualify for an additional percentage to their Federal Matching Assistance Percentage (FMAP) by spending less than expected in medical expenditures while also satisfying certain quality measures.
Planned Parenthood	Prohibits federal funding for one year from bill's enactment.	Same as House-passed AHCA.
Misc. Provisions	• Repeals Prevention and Public Health Fund starting in 2019. • Starting in 2020, provides $15 billion for maternity coverage, newborn care, and mental health and substance use disorders.	• Repeals Prevention and Public Health Fund starting in 2018. • Appropriates $2 billion for FY 2018 to provide grants to states to support substance use disorder treatment and recovery support services for individuals with mental and substance use disorders. • Appropriates $500 million for HHS to implement the law.

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