



ACA Repeal and Replacement: Proposals and Action

The Replacements (See detailed analysis [here](#))

Full Replacements

House Republicans' "A Better Way" proposal would:

- Allow young adults to stay on parents' plans until age 26
- Prohibit pre-existing condition exclusions with continuous coverage
- Provide age adjusted refundable tax credits to purchase individual market coverage
- Expand health savings accounts
- Provide \$25 billion over 10 years to states to establish high-risk pools
- Shift Medicaid to a block grant or per-capita allotment

Rep. Tom Price's "Empowering Patients First Act" would:

- Eliminate young adults' ability to stay on parents' plans until age 26
- Prohibit pre-existing condition exclusions with continuous coverage
- Provide age adjusted refundable tax credits to purchase individual market coverage
- Expand health savings accounts
- Provide \$3 billion over 3 years to states to establish high-risk pools
- Eliminate the expansion of Medicaid

The Burr-Hatch-Upton "Patient Choice, Affordability, Responsibility, and Empowerment Act" would:

- Allow young adults to stay on parents' plans until age 26
- Prohibit pre-existing condition exclusions with continuous coverage
- Provide age and income adjusted refundable tax credits to purchase individual and small group coverage
- Expand health savings accounts
- Authorize states to establish high-risk pools with federal funding support (amount unspecified)
- Shift Medicaid to a per-capita allotment

Partial Replacement

The Cassidy-Collins "Patient Freedom Act" would:

Allow states to pursue one of the following:

1. Keep the ACA's insurance reforms and affordability provisions with 95% of the current funding received for premium tax credits and cost-sharing reductions.
2. Implement a new market-based insurance system including auto-enrollment of uninsured residents in a basic catastrophic plan and federal funding of health savings accounts for individuals to purchase coverage and pay for cost-sharing. Funding would be 95% of current state funding for premium tax credits and cost-sharing reductions. Medicaid expansion states would receive the current federal match amount for Medicaid expansion; non-expansion states would get 95% of the federal match they would have received under expansion.
3. Decline the ACA's insurance and affordability provisions and the federal funding offered in Option 2, effectively providing no coverage expansion to residents.

Suggested Citation: Foster Friedman, Megan; Udow-Phillips, Marianne. *ACA Repeal and Replacement: Proposals and Action*. (Ann Arbor, MI: Center for Healthcare Research & Transformation, 2017)

The Center for Healthcare Research & Transformation (CHRT) at the University of Michigan is an independent 501(c)(3) impact organization with a mission to advance evidence-based care delivery, improve population health and expand access to care.

Visit CHRT on the Web at: www.chrt.org

The Process

President Trump's Jan. 20 Executive Order

Gives policy direction to federal agencies to:

- "Waive, defer, grant exemptions from, or delay the implementation" of any provision of the ACA that imposes a financial or regulatory burden on states, consumers, providers, and insurers
- Provide states flexibility to implement health care programs
- Encourage the sale of health insurance across state lines

Does not preempt or change existing laws or regulations.

2017 Congressional Action

Jan. 3

The Senate Budget Committee budget resolution to provide framework for partial ACA repeal using budget reconciliation

Jan. 12

Full Senate approval

Jan. 13

Full House approval

Steps Remaining and Tentative Timeline:

Jan. 27

House and Senate committees draft actual reconciliation legislation **DELAYED**

April 15

Prescribed deadline under current rules for House and Senate to adopt annual budget resolutions (generally not enforced)

June 15

Prescribed deadline under current rules for House and Senate to enact any reconciliation legislation (generally not enforced)

Replacement Process

No formal timeline has yet been set for a replacement bill. A replacement bill is likely to need 60 votes in the Senate to avoid a filibuster.