SENATE GOP "BETTER CARE RECONCILIATION ACT" – SUMMARY OF MAJOR PROVISIONS

TAXES	MEDICAID	MARKET REFORMS & STABILIZATION	MISCELLANEOUS
• Changes Premium Tax Credit eligibility to 0-350% of FPL from 100-400% of FPL; replaces plan eligible for credit with benchmark plan (58% AV and premium equal to median QHP in market) – effective 2020 • Permits tax credits to be used for catastrophic plans – effective 2020 • Premium contributions (and associated tax credits/subsidies) would be age and income adjusted – effective 2020 • Small Business Health Insurance Tax Credit would be eliminated – effective 2020 • Individual and employer mandate penalties would be eliminated – effective 2016 • Delays implementation of Cadillac Tax until 2026; repeals all other taxes except net investment income tax and additional Medicare tax • Permits OTC drugs to be treated as qualified expense for HSAs – effective 2017 • Increases HSA contribution to match OOP limits for HSA-qualified HDHPs- effective 2018 • Allows both spouses to make catch-up contributions to same HSA account • Permits retroactive application of HSA funds	• Repeals Medicaid expansion option – effective 2018 • Maintains FMAP for expansion population through 2020; phases down to 85 % in 2021, 80% in 2022 and 75% in 2023 • Would change financing model for Medicaid into per capita allotment beginning FY 2020 • Would allow states to adopt flexible grant model financing for non-elderly, non-disabled individuals – effective FY 2020 • Allows states to continue in perpetuity managed care waivers – effective 2017 • Would amend IMD exclusion for Inpatient Psychiatric Services – effective FY 2019 • Ends EHB requirement for Medicaid plans • Ends presumptive eligibility by hospitals for expansion populations – effective 2020 • Terminates enhanced FMAP for Community First Choice Option-effective 2020 • Exempts non-expansion states from DSH payment reductions; gives funding boost in 2020 • Limits effective date for retroactive coverage to the month in which Medicaid application is made; would not apply to dual eligible, blind and disabled • Creates safety net funding for non-expansion states for FY 2018-2022	• Creates State Stability and Innovation Program appropriating $15B for 2018, 2019 and $10B for 2020 and 2021 to CMS to assist in purchase of health benefits coverage • Creates Long-term State Stability and Innovation Program for 2019-through 2026 with $8B in 2019 (100% federal) to $19B in 2026 (65% federal) • Permits use of HSA funds to pay premiums on HDHP for which no deduction is allowed, is not an employer-sponsored – effective 2018 • Establishes Small Business Health Plans under ERISA effective one year after enactment • Changes age ratio from 3:1 to 5:1 with a state election to change – effective 2019 • Allows states to determine Medical Loss Ratio – effective 2019 • Imposes a 6 month waiting period on individuals with a gap in creditable coverage of 63 days within a 12 mo period • Would require HHS to approve 1332 waivers unless application is incomplete or the state's plan would increase the federal deficit; would include stability and innovation funding in pass-through amounts • Would permit purchase of catastrophic plans in the individual market and permit use of tax credits • Funds cost-sharing subsidies through plan year 2019 and available until end	• Repeals Prevention and Public Health Fund • Appropriates $4.9B for FY 2018-2026 to support substance abuse disorder treatment and $50.4M for FY 2018 to FY 2022 for research on addiction • Provides $422 M for FY 2017 for Community Health Center Fund

	totaling $10B; funding determined by portion of people below 138% FPL • Medicaid eligibility would be determined every six months with 5% increased match to fund – effective Oct. 1, 2017 • States may require non-disabled, non-dual eligible, non-pregnant Medicaid recipients to engage in work or skills training activities; provides enhanced 5 % match to fund • Phases down provider tax threshold from 6 % to 5.8% in FY 2021, 5.6% in 2022, 5.4% in 2023, 5.2% in 2024, 5% in 2025 • Requires 4 year demonstration for HCBS with $8B in funding	of 2020; Repeals cost sharing program in 2020 • Would permit sale of non-QHP plans in rating areas in which an insurer also offered QHPs (Cruz amendment)	