



# Better Care Reconciliation Act of 2017 - Summary of Implementation

## 2016

### Coverage Requirements

- Repeal of insurance mandate for individuals and employers

## 2017

### Taxes

- Tax on health savings accounts reduced from 20% to 10%
- Chronic care tax is reduced from 10% to 7.5%
- Repeal of net investment tax
- Repeal of tanning tax

### Health Savings Accounts

- Reinstates over-the-counter drugs as reimbursable expense
- Repeals increased penalty associated with use of HSA for unqualified expenses

### Insurer Stability Fund

- Issuer applications for short term stability fund due

### Other Funding

- \$422 million to the Community Health Center Fund to support FQHCs for FY 2017
- \$2 billion is to remain available to provide grants to states for the purposes of submitting a 1332 waiver

### Other ACA Repeal

- Repeal of annual limits on FSA contributions
- Reinstates prior law so employer retiree drug benefit costs are tax favored without reduction of federal subsidy

### Medicaid

- State option to re-determine eligibility of expansion enrollees every 6 months. Provides a temporary 5% FMAP for states to comply. Runs until 2019.
- States may begin to implement work requirements. States that implement receive an additional 5% FMAP
- States receive a temporary increase in federal administrative match of 10% to implement per capita cap
- Eliminate 3 month retroactive coverage

## 2018

### Taxes

- Repeal of medical device excise tax
- Repeal of tax on prescription medicines
- Credits may no longer apply to QHP's that includes coverage for abortions, excluding those necessary to save the life of the mother or following rape or incest
- Any individual who is overpaid in APTC must repay entire excess amount regardless of income

### Health Savings Accounts

- Maximum contribution to HSA's increased to amount of marketplace deductible and OOP limitations
- Repeal contribution limit for health FSA's
- Allow both spouses to make catch-up contributions to the same HSA

### Insurer Stability Fund

- State Stability and Innovation Program begins, \$50 billion from 2018-2021

### Other Funding

- \$2 billion is appropriated for state grants to combat opioid crisis a 1332 waiver

### Institutions for Mental Health

- Establishes "Qualified Inpatient Psychiatric Hospital Services" for individuals 21 - 65

### Medicaid

- Medicaid safety net provider funding begins
- Repeal state option to extend coverage to non-elderly adults above 133% of FPL
- FMAP for advance ACA-expansion states ceases phase up
- Increased reporting requirements on medical assistance expenditures and number of enrollees

## 2019

### Age Rating

- Establishes an age rating ratio of 5:1 for adults

### State Stability Fund

- Long-Term State Stability and Innovation Program begins, \$58 billion from 2019-2026

### Other Funding

- Prevention and Public Health Fund is repealed
- Sunset federal Medical Loss Ratio requirements. States may set own.

## 2020

### Taxes

- Repeal of small business tax credit
- Delay of Cadillac tax
- Age and income-based APTC calculation begins
- APTC benchmark plan changed from lowest-cost silver plan (AV of 70%) to mid-cost Bronze plan (AV of 58%)
- APTC income eligibility changed from 100-400% of FPL to up to 350% FPL

### Benefits

- Sunset of essential health benefits (EHB) requirement

### Other ACA Repeal

- Lower Medicaid child income eligibility from 133% FPL to 100% FPL
- Presumptive eligibility for hospitals ends

### Other Funding

- CSR payments end

### Medicaid

- End of ACA Medicaid enhanced match for adult expansion group
- Repeal of 6% enhanced federal match available for community-based attendant services and supports.

- Repeals requirement that Medicaid benchmark plans must provide the essential health benefits.’
- Certain non-expansion states receive an increase in Medicaid DSH allotments
- Per-capita cap financing goes into effect for some eligibility groups
- State option to adopt block grant financing

## 2021

### Medicaid

- FMAP for expansion enrollees phased to 85%
- Phase down Medicaid provider tax threshold to 5.8%

## 2022

### Medicaid

- Medicaid safety net provider payment funding ends
- FMAP for expansion enrollees phased down to 80%
- Phase down Medicaid provider tax threshold to 5.6%

## 2023

### Tax Credits

- Repeal .9% Medicare surtax

### Medicaid

- FMAP for expansion enrollees phased down to 75%
- Medicaid and CHIP quality performance bonus payments begin
- Phase down Medicaid provider tax threshold to 5.4%

## 2024

### Medicaid

- FMAP for expansion enrollees at state’s traditional match rate
- Phase down Medicaid provider tax threshold to 5.2%

## 2025

### Medicaid

- Final phase down Medicaid provider tax threshold to 5%

## 2026

### Tax Credits

- Cadillac tax becomes effective

### Medicaid

- Medicaid and CHIP quality performance bonus payments end