



Better Care Reconciliation Act of 2017 - Summary of Funding Provisions

Updated on July 14, 2017

State Stability and Innovation Program

Comprised of two new funding opportunities to help stabilize the individual market.

#1. Short term Assistance to Address Coverage and Access Disruption in States

Total Funding: \$50 billion (no state match funding required)

Funding Years: 2018-2021

- Appropriates \$15 billion annually in 2018 and 2019
- Appropriates \$10 billion annually from 2020-2021

Purpose: These funds are appropriated to the Centers for Medicare and Medicaid Services (CMS) for the purpose of directly funding health insurance issuers to address disruptions in coverage and access and respond to urgent health care needs within states.

Other: 1% of appropriated funds in each calendar year must be reserved for issuers in states where premiums are at least 75% higher than the national average.

#2. Long-Term State Stability and Innovation Program

Total Funding: \$132 billion (requires state match)

Funding Years: 2019-2026; year-by-year of allotments with state matching requirements below

Year	Amount	Federal Match	State Match
2019	\$ 8 billion	100%	0%
2020	\$ 14 billion	100%	0%
2021	\$ 14 billion	100%	0%
2022	\$ 19.2 billion	93%	7%
2023	\$ 19.2 billion	86%	14%
2024	\$ 19.2 billion	79%	21%
2025	\$ 19.2 billion	72%	28%
2026	\$ 19.2 billion	65%	35%

Purpose: This program will be established under Title XXI (CHIP). CMS will develop a methodology to provide states that submit applications with funding allotments that if unspent will be redistributed to all applicable states. States may use these funds to:

1. Establish a program or mechanism to provide financial assistance to high risk individuals for enrolling in the individual market;
2. Establish a program with health insurance issuers to stabilize market premiums (at least \$5 billion of available funding must go toward this purpose);
3. Provide payments to health care providers;
4. Provide out-of-pocket assistance to individuals with individual market coverage.

**For each of FY 2019 – FY 2021, at least \$5 billion of these funds must be used by states for issuers to stabilize premiums, promote market participation and plan choice in the individual market.

Other: States are only required to submit one application for approval for the duration of the program. 1% of appropriated funds in each calendar year must be reserved for issuers in states where premiums are at least 75% higher than the national average.

Individual Market Fund

#1. Establishing Federal Funding for Individual Market Plans

Total Funding: \$70 billion

Funding Years: 2020-2026

Purpose: To fund individual market plans covering high-risk individuals in specified rating areas. Plans funded through this fund are exempt from specific requirements including Essential Health Benefits, rating limits on age and family size, guaranteed issue, pre-existing condition exclusions, coverage for preventative services, and medical loss rebates. These plans may not be purchased with APTC and issuers must certify that it will make one gold and one silver plan available in the applicable rating areas on the exchange marketplace.

#2. Implementing Fund for Title III

Total Funding: \$2 billion

Funding Years: 2020-

Purpose: To provide allotments to states to help regulate off-exchange plans authorized under this subsection.

Better Care Reconciliation Implementation Fund

Total Funding: \$500 million

Funding Years: N/A

Purpose: Would establish a fund within HHS to fund the administrative activities required to implement the legislation.

Medicaid and CHIP Quality Bonus Payments

Total Funding: \$8 billion

Funding Years: 2023-2026

Purpose: Establishes quality performance bonus payments in Medicaid and CHIP. States that meet certain aggregate medical assistance expenditure targets and submit information on applicable quality measures defined by the HHS Secretary.

Support for State Response to Opioid Crisis

Comprised of two funding opportunities to address the opioid crisis.

#1. Support for Substance Abuse Treatment

Total Funding: \$44,748,000,000 (~\$45 billion)

Funding Years: 2018-2026

Purpose: To provide grants to states to support substance use disorder treatment and recovery support services.

#2. Support for Addiction and Pain Research

Total Funding: \$252 million

Funding Years: 2018-2022

Purpose: To support research on addiction and pain related to the substance abuse crisis.

Community Health Center Fund

Total Funding: \$422 million

Funding Years: 2017

Purpose: Provides additional funds to the Community Health Center Fund for FY 2017

1332 Waiver Grants

Total Funding: \$2 billion

Funding Years: 2017-2019

Purpose: To support state development, implementation of state 1332 waiver initiatives. Waivers must:

- increase access to comprehensive coverage
- reduce average premiums
- increase enrollment
- provide consumers with freedom to purchase the health insurance of their choice
- does not increase the federal deficit
- requires certification from Governor and Insurance department, not legislative authorization

Approvals are up to 8 years with potential 8 year renewals; Secretary may not cancel a waiver before completion.

Cost-Sharing Reductions

Total Funding: Sums as are necessary

Funding Years: 2018-2019

Purpose: Funds individual market cost-sharing subsidies through FY 2019.

Safety-Net Funding for Non-Expansion States

Total Funding: \$10 billion

Funding Years: 2018-2022

Purpose: States that have not expanded Medicaid as of FY 2018, may receive safety-net funding to adjust payment amounts for Medicaid providers. The maximum amount of funding will be \$2 billion a year for a total of \$10 billion from FY18-FY22.

Advanced Premium Tax Credits

Total Funding: Sums as necessary; see explanation below

Funding Years: 2017-

Purpose: Provide premium assistance to individuals purchasing insurance on the individual health insurance marketplace.

Explanation of Funding Calculations: Adjusted based on age, income and by rating area to accommodate geographic variations in 2020.

% of FPL	Up to Age 29		Age 30-39		Age 40-49		Age 50-59		Age 59	
	Initial %	Final %	Initial %	Final %	Initial %	Final %	Initial %	Final %	Initial %	Final %
Up 100	2	2	2	2	2	2	2	2	2	2
100-133	2	2.5	2	2.5	2	2.5	2	2.5	2	2.5
133-150	2.5	4	2.5	4	2.5	4	2.5	4	2.5	4
150-200	4	4.3	4	5.3	4	6.3	4	7.3	4	8.3
200-250	4.3	4.3	5.3	5.9	6.3	8.05	7.3	9	8.3	10
250-300	4.3	4.3	5.9	5.9	8.05	8.35	9	10.5	10	11.5
300-350	4.3	6.4	5.9	8.9	8.35	12.5	10.5	15.8	11.5	16.2

- Consumers pay a range from 2% - 16.2% of their income as contribution for their coverage
 - Those with income up to 150% FPL pay a limit of 2% of their income, regardless of age
 - For those with income 151%+ FPL, older individuals are required to contribute a larger portion of their income than younger individuals