



# Better Care Reconciliation Act of 2017 - Summary of Funding Provisions

## 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 to respond to urgent health care needs within states.

### #2. Long-Term State Stability and Innovation Program

**Total Funding:** \$62 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	\$ 6 billion	93%	7%
2023	\$ 6 billion	86%	14%
2024	\$ 5 billion	79%	21%
2025	\$ 5 billion	72%	28%
2026	\$ 4 billion	65%	35%

**Purpose:** This program will be established under The Children's Health Insurance Program. 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 – FY2021, 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.

## 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

**Total Funding:** \$2 billion

**Funding Years:** 2018

**Purpose:** Fund state grants that support substance use disorder treatment and recovery support for individuals with mental or substance abuse disorders.

## 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.

## 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