



# H.R. 1628 – The American Health Care Act Implementation Timeline

## 2016

### Repeal of ACA Taxes

- Repeal of insurance mandate for individuals and employers

## 2017

### Repeal of ACA Taxes

- Cadillac tax on high-cost employer plans suspended effective 2017 for tax years 2020 through 2025
- Taxes on health insurers and pharmaceutical manufacturers, excise tax on medical devices
- Chronic care tax
- Tanning tax
- 3.8% tax increase on unearned income for high-income taxpayers

### Repeal of HSA Limits

- Provision excluding costs for over-the-counter drugs from being reimbursed through a HSA account
- Provision increasing tax on HSA distributions that are not used for qualified medical expenses

### Other ACA Repeal

- Annual limits on FSA contributions
- Annual limit on deductions for salary in excess of \$1 million
- Income threshold for medical expense deduction reduced from 10% to 5.8%

### Medicaid

- Enhanced match for expansion population only provided to states that expanded as of March 1, 2017.

## 2018

### Tax Credits

- Modify age rating limit to permit variation of 5:1. States may adopt different ratios beginning in 2020
- Premium subsidies become available for off-exchange plans
- Late enrollment penalty is effective for special enrollment periods

### State Stability Fund/FIRSP

- Funding becomes available for grants to states or for a default reinsurance program
- Federal Invisible Risk Sharing Program funding begins, to run until 2026

### Medicaid

- Safety net funding for non-expansion states
- DSH funding reinstated for non-expansion states

### Prevention and Public Health Fund

- Fund is eliminated; remaining funds are rescinded at the end of fiscal 2018

## 2019

### Tax Credits

- Late enrollment penalty for 2019 plan year
- Modification of premium tax credits to increase amount for younger adults and reduce for older adults, January 1, 2019

### Benefits

- Requirement for plans to be offered at specified actuarial values /metal levels sunset

### Medicaid

- Lowers eligibility for 6-19 year olds from 138% to 100% of FPL

## 2020

### Tax Credits

- Replaces ACA income-based tax credits with a flat credit adjusted for age
- States may begin to adjust 5:1 age rating bands
- Repeal standards for actuarial values
- Repeal premium and cost sharing subsidies

### State Stability Fund/FIRSP

- \$15 billion of funds for maternity, newborn care, mental health and substance use disorders

### Benefits

- States may apply for waivers to re-define essential health benefits

### Medicaid Funding

- Federal Medicaid funding capped using 2016 as a base year; state choice of per capita cap or block grant
- Sunset enhanced FMAP for expansion population as of January 2020 except for beneficiaries enrolled as of December 2019
- Reinstate DSH for expansion states

### Health Reimbursement Arrangements (HRA)

- Taxpayers enrolled in HRAs that apply to non-group coverage will have tax credit reduced by the amount of the HRA benefit

## 2023

### Repeal of ACA Taxes

- Medicare payroll tax (HI) rate increase on high-wage individuals