

Fall 2017 Healthcare Update: If at First You Don't Succeed, Try, Try Again

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Healthcare Alert

9.21.17

As insurers face a late September deadline to commit to the 2018 health insurance marketplace, renewed healthcare reform efforts are being proposed in Washington. Most notably, Republican leaders in the Senate are making a last ditch effort to pass a bill to repeal and replace the Affordable Care Act (ACA). They have reintroduced an amended version of the "American Health Care Act," a bill that failed to pass in the Senate this July.

The core foundation of this version of the plan, sponsored by Lindsey Graham (R-SC), Bill Cassidy (R-LA), and Dean Heller (R-NV), is converting Medicaid funding to a block grant system. A fixed amount of money would be allocated to each state to spend on their own healthcare programs, while providing significant discretion over the use of the funds. Additionally, the bill would end the expansion of eligibility under the Affordable Care Act, which has provided Medicaid coverage to 13 million people. The bill would also repeal the ACA's individual mandate, allow insurers to charge people with preexisting conditions more, and make significant cuts in Medicaid, while leaving in place many of the ACA's taxes.

Health insurers and trade groups have reacted strongly against the bill, including the Blue Cross Blue Shield Association and America's Health Insurance Plans. Other industry and trade groups opposing the bill include the American Medical Association, the American Hospital Association, and the AARP.

This latest effort faces an end of September deadline to take advantage of the special budget procedure allowing the legislation to pass in the Senate with a simple majority, rather than the 60 votes required for most major legislation. While earlier bills proposed this summer failed to pass, it remains unclear whether the Graham-Cassidy bill can attain the votes required for Senate approval in the remaining days of September. What is clear is that the Republican leadership plans to give this one more shot this month.

Given the quick timeframe, the Congressional Budget Office (CBO) has stated that it will be unable to provide a complete assessment of the bill for "at least several weeks." However, they hope to at least provide a "preliminary assessment" next week. The CBO has indicated that this assessment will not address what effects the bill would have on the number of persons covered, premiums, or the deficit.

This bill joins a host of other bills and proposals from across the political spectrum that have been offered in recent weeks, including 1) a forthcoming bipartisan Healthcare "Stabilization" Senate bill; 2) a proposal by the bipartisan Problem Solvers Caucus of the House Representatives; 3) a Medicare-For-All, single payer system; and 4) a proposal to create a Medicare Buy-in plan and stabilize the ACA.

If you have questions or would like more information, please contact Luke Repici (repici@whiteandwilliams.com; 215.864.7099), Lori Smith (smithl@whiteandwilliams.com; 212.714.3075) or Andrew Ralston (ralstona@whiteandwilliams.com; 610.782.4908).

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