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## **Compliance Announcements**

### **The American HealthCare Act of 2017 Passes the House**

On May 4, the House of Representatives passed the American Health Care Act by a vote of 217 to 213, without any support from any Democrats. This bill will have a long bumpy road ahead. A number of key Senate Republicans are saying they will set aside the House health care bill and write their own instead. Some are seeking a rewrite to ensure more people get covered. The House bill's cut to Medicaid goes too far for some in the Senate, especially for those from states that expanded Medicaid under the ACA. Below are some of the key provisions:



**Individual and Employer Mandate** - The individual mandate and employer mandate penalties are zeroed out starting from 2016. No employer reporting relief initially.

**The Cadillac tax** is delayed until 2026.

A **new health care credit** for state-approved major medical health insurance replaces the ACA premium subsidies in 2020. To be eligible, generally, an individual must not have access to government health insurance programs or an offer from any employer. The credits are adjusted by age, ranging from \$2,000 to \$4,000.

**Expansion of HSAs** - Some favorable HSA provisions, such as allowing both spouses to make catch-up contributions beginning in 2018, and increasing the maximum contribution limits.

**Penalty for no coverage in individual market** - 12-month penalty of 30% in the individual market for persons who have a coverage gap of at least 63 days.

The House bills move to let insurers charge people ages 50- 64 five times what they charge young people would significantly increase premiums for seniors. Tax credits are created for these individuals to help offset the premium increases.

**State waivers** - states can obtain waivers from certain ACA insurance regulations. If a state gets a waiver, insurers could be freed from a regulation mandating that they cover 10 particular types of health services, among them maternity care, prescription drugs, mental health treatment and hospitalization.

**FSAs** - The ACA limits the amount an employer or individual may contribute to a health FSA to \$2,500, indexed for cost-of-living adjustments. This bill repeals the limitation on health FSA contributions for taxable

years beginning after December 31, 2016.

### **House Passes GOP Health Care Bill, so what's next?**

Now that the U.S. House of Representatives has passed the GOP's revised American Health Care Act (AHCA), so what's next? It's now up to the U.S. Senate, where it potentially faces a drastic makeover.

Stay tuned for further information!

(This information is no way intended to be legal advice. Please seek an ERISA attorney for legal advice on your self-funded program.)

(Source: SPBA)

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