

OVERVIEW OF THE SENATE REPUBLICAN HEALTH-CARE DISCUSSION DRAFT

Overview of the Senate Republican Health-Care Discussion Draft

- Help stabilize collapsing insurance markets that have left millions of Americans with no options.
 - o Short-Term Stabilization Fund: To help balance premium costs and promote more choice in insurance markets throughout the country, this stabilization fund would help address coverage and access disruption – providing \$15 billion per year in 2018 and 2019; \$10 billion per year in 2020 and 2021.
 - o Cost-Sharing Reductions: Continues federal assistance – through 2019 – to help lower health care costs for low-income Americans in the individual market.
- Free the American people from the onerous Obamacare mandates that require them to purchase insurance they don't want or can't afford.
 - o Repeals the individual and employer mandates.
- Improve the affordability of health insurance, which keeps getting more expensive under Obamacare.
 - o Long-Term State Innovation Fund: Dedicates \$62 billion, over 8 years, to encourage states to assist high-cost and low-income individuals to purchase health insurance by making it more affordable.
 - o Tax Credits: Targeted tax credits will help defray the cost of purchasing insurance; these advanceable and refundable credits - adjusted for income, age and geography - will help ensure those who truly need financial assistance can afford a health plan.
 - o Health Savings Accounts: Expanded tax-free Health Savings Accounts to give Americans greater flexibility and control over medical costs; increased contribution limits to help pay for out-of-pocket health costs and to help pay for over-the-counter medications.
 - o Repeals Obamacare Taxes: Repeal costly Obamacare taxes that contribute to premium increases and hurt life-saving health care innovation, like the taxes on health insurance, prescription drugs, medical devices, and “high-cost” employer sponsored plans.
 - o Empowers states through state innovation waivers (Obamacare 1332 Waiver): Provide states additional flexibility to use waivers that exist in current law to decide the rules of insurance and ultimately better allow customers to buy the health insurance they want. Allow the Department of Health and Human Services (HHS) to fast-track applications from states experiencing an Obamacare emergency.

- Preserve access to care for Americans with pre-existing conditions, and allow children to stay on their parents' health insurance through age 26. (There are no changes to current law as it applies to Veterans, Medicare, or Social Security benefits.)
- Strengthen Medicaid for those who need it most by giving states more flexibility while ensuring that those who rely on this program won't have the rug pulled out from under them.
 - o Targets Medicaid to Those Most in Need: In 2021, begins gradual reductions in the amount of federal Obamacare funds provided to expand Medicaid, restoring levels of federal support to preexisting law by 2024 while providing fairness for non-expansion states.
 - o New Protection for the Most Vulnerable: Guarantees children with medically complex disabilities will continue to be covered.
 - o Provides additional state flexibility to address the substance abuse and mental health crisis.
 - o Flexibilities for Governors: Allows states to choose between block grant and per-capita support for their Medicaid population beginning in 2020, with a flexibility in the calculation of the base year. Allows states to impose a work requirement on non-pregnant, non-disabled, non-elderly individuals receiving Medicaid.
 - o New Protections for Taxpayers: Curbs Medicaid funding gimmicks that drive up federal costs.