A Comparison of the Affordable Care Act, American Health Care Act, the Better Care Reconciliation Act, Obamacare Repeal Reconciliation Act, and the Graham-Cassidy-Heller-Johnson Proposal

Senate Republican leaders are considering a proposal to repeal and replace parts of the **Affordable Care Act** (ACA) sponsored by Sens. Graham (R-SC), Cassidy (R-LA), Heller (R-NV) and Johnson (R-WI). Below is a summary of how the major provisions in this new proposal, known as the **Graham-Cassidy-Heller-Johnson Proposal** (GCHJ), compare to the ACA, the House-passed **American Health Care Act** (AHCA), the Senate's **Better Care Reconciliation Act** (BCRA), and the Senate's "skinny" repeal bill **Obamacare Repeal Reconciliation Act** (ORRA).

ACA	AHCA	BCRA	ORRA	GCHJ
Medicaid				
Expanded Medicaid eligibility to 138% of federal poverty level (FPL), with enhanced federal match for newly eligible populations. Enhanced match started at 100% in 2014 and phases down to 90% for FY 2020 and thereafter.	Ends enhanced federal match for expansion population in CY 2020 except for "grandfathered" individuals who have not experienced any disruption in Medicaid coverage.	Phases down enhanced federal funding by reducing the match rate 5% each year over a three-year period (CYs 2021-2023), reverts to the state's regular federal match for CY 2024 and beyond.	Repeals Medicaid expansion as of Jan. 1, 2020	Repeals **Medicaid expansion** as of Jan. 1, 2020. Rolls a portion of the federal Medicaid funds for expansion populations into the new state block grant program called the Market-Based Health Care Grant program (see section on grant program below).
Cuts **Medicaid disproportionate share hospital (DSH)** payments through FY 2025.	Repeals Medicaid DSH cuts beginning in FY 2018 for non-expansion states, and beginning in FY 2020 for expansion states.	Retains Medicaid DSH cuts for expansion states through FY 2025. Repeals DSH cuts for non-expansion states beginning FY 2018 and provides a bump in the DSH allotment for certain non-expansion states with DSH allotments lower than national average (determined by evaluating a state's DSH FY 2016 allotment to the number of uninsured in the state in 2016) from FY 2020 through the first quarter of FY 2024. Allows current expansion states	Repeals Medicaid DSH cuts.	**DSH** cuts would be implemented for most states beginning in FY 2018 through FY 2025. Certain states with low allotments for the Market-Based Health Care grant program could get relief from all or some of their ACA related DSH cuts. These same states could also qualify for a one time DSH increase for FY 2026.

ACA	AHCA	BCRA	ORRA	GCHJ
		to qualify as non-expansion states for purposes of ending ACA DSH cuts if the state ends its Medicaid expansion by January 1, 2021.		
Not addressed in the ACA.	Converts Medicaid financing to a **per capita cap funding model** beginning in 2020; allotments are assessed by eligibility group and are updated each year by the medical component of the Consumer Price Index (CPI-Medical). States get CPI-Medical plus one percentage point for the elderly and disabled.	Converts Medicaid to a **per capita cap funding model**; the trend rate is CPI-Medical (CPI-Medical plus one percentage point for the aged and disabled population) through 2024, and changes to CPI-Urban for all populations in 2025, which is substantially lower than CPI-Medical. HHS may exclude from the cap spending associated with declared public health emergencies between January 1, 2020 and December 31, 2024.	Not addressed in ORRA.	Similar to BCRA except that the **per capita cap** trend rate beginning in 2025 would be set at CPI-Medical for the aged and disabled population and CPI-Urban for all other populations.
Not addressed in the ACA.	Provides states with the option to receive a **block grant** with increased flexibility instead of the per capita cap funding model.	Allows states the option of a block grants for adult populations including non-disabled and expansion. Maintenance of effort and additional requirements apply.	Not addressed in ORRA.	Same as BCRA

A Comparison of the Affordable Care Act, American Health Care Act, the Better Care Reconciliation Act, Obamacare Repeal Reconciliation Act, and the Graham-Cassidy-Heller-Johnson Proposal

ACA	AHCA	BCRA	ORRA	GCHJ
Not addressed in the ACA.	Allows states to implement a **work requirement**, with some exceptions.	Same as AHCA.	Not addressed in ORRA.	Same as BCRA
Not addressed in the ACA.	Repeals the ACA requirement for Medicaid expansion population to receive **essential health benefits.**	Same as AHCA.	Not addressed in ORRA.	Sunsets the ACA EHB requirement for Medicaid expansion populations as of Jan. 2020.
Not addressed in the ACA.	Provides $10 billion **safety-net fund** for non-expansion states. Funds to be distributed based on state population under 138% FPL.	Same as AHCA.	Not addressed in ORRA.	Not addressed in GCHJ.
Not addressed in the ACA.	Not addressed in the AHCA.	Establishes a new four-year demonstration project for **Home and Community-based Services** for the purpose of continuing and/or improving such non-institutional services for the aged, blind and disabled populations.	Not addressed in ORRA.	Same as BCRA.
Not addressed in the ACA.	Not addressed in the AHCA.	Provides 100% federal match for services provided to **eligible members of Indian tribes** by any provider.	Not addressed in ORRA.	Same as BCRA.
Not addressed in the ACA.	Not addressed in the AHCA.	Provide states the choice to cover **institute for mental**	Not addressed in ORRA.	Same as BCRA

ACA	AHCA	BCRA	ORRA	GCHJ
		disease (IMD) services for adults ages 21-65.		
Not addressed in the ACA.	Not addressed in the AHCA.	Decreases the amount of allowable **provider taxes** from 6% to 5% over a three-year period	Not addressed in ORRA.	Decreases the amount of allowable **provider taxes** from 6% to 4% over a five-year period, beginning in FY 2021.
Insurance Market Reforms / Health Insurance Marketplaces / Market-Based Health Care Grant Program				
Not addressed in the ACA.	Not addressed in the AHCA.	Not addressed in the BCRA.	Not addressed in the ORRA.	Replaces all the ACA coverage programs (Medicaid expansion, Marketplace subsidies, and the Basic Health Program) with a $1.175 trillion state grant program called the **Market-Based Health Care Grant (MBHG) program**. States apply for MBHG program funding, which would last for seven years (2020-2026). All federal funding to states through this program ends after 2026. States could use **MBHG** funds for: contracting with insurers to provide coverage, contracting with providers to deliver care, implementing high-risk pools or a reinsurance program, and reducing consumer premiums and cost-sharing, among other uses. In 2020, **MBHG** allotment grants would be based on historic spending in the state on Medicaid

ACA	AHCA	BCRA	ORRA	GCHJ
				expansion, the marketplace subsidies and the Basic Health Program, trended forward. Over time, the **MBHG** allocation formula would distribute federal funds based on each state's share of low-income populations (defined as between 45 percent and 133 percent of FPL) adjusted for the risk profile of the state's low-income population, actuarial value of coverage funded by MBHG dollars and discretionary adjustments made by the HHS Secretary.
Individual mandate plus penalty for lack of coverage.	Repeals individual mandate penalties; 30% premium penalty (or medical underwriting based on state waiver) for individuals with a gap in coverage.	Repeals individual mandate and associated penalties. No penalty for lack of coverage; Individuals who experience a gap in creditable coverage are subject to a six-month lock-out period prior to enrollment in coverage.	Repeals individual mandate penalties.	Repeals individual mandate penalties.
Employer mandate to provide coverage plus financial penalty for noncompliance.	No penalty for not providing coverage.	No penalty for not providing coverage.	Repeals employer mandate penalties.	Repeals employer mandate penalties.
Coverage of **adult children under age 26** through parents' insurance.	Same as ACA.	Same as ACA.	Same as ACA.	Same as ACA.

A Comparison of the Affordable Care Act, American Health Care Act, the Better Care Reconciliation Act, Obamacare Repeal Reconciliation Act, and the Graham-Cassidy-Heller-Johnson Proposal

ACA	AHCA	BCRA	ORRA	GCHJ
Advanced premium tax credits (APTC) for individuals between 100% and 400% of poverty based on a sliding scale of income and the cost of coverage. Limits the use of tax credits to qualified health plans that qualify as a "bronze" level of coverage (60% actuarial value) or above.	Age-based tax credits for individuals up to a certain income.	Retains ACA's APTC but changes the eligibility to individuals between 0% and 350% of poverty and introduces age-bands, which decreases the value of the tax credit for older individuals. Allows tax credits to be used with catastrophic health plans.	Repeals tax credits as of Jan. 1, 2020.	Repeals **APTC** beginning in CY 2020 and rolls a portion of the funds into MBHG.
Cost-sharing reductions for individuals between 100-250% of poverty.	Repeals cost-sharing reductions.	Temporarily funds cost-sharing reductions, then repeals them in 2020.	Same as BCRA.	Does not fund **cost-sharing reductions** in the short-term (2018-2019). Repeals cost-sharing reductions in 2020 and provides a separate $25 billion short-term, assistance fund to help stabilize the insurance markets in 2019 and 2020 (not in 2018).
Implements **community rating** with variation in plan pricing only allowed based on geography, age (3:1 ratio limit), level of coverage, and tobacco use.	Allows states to waive age rating rules and health status component of community rating for certain individuals.	Allows age variation up to a 5:1 ratio at state discretion.	Not addressed in ORRA.	States could get waivers from some components of the ACA **community rating** requirements.

A Comparison of the Affordable Care Act, American Health Care Act, the Better Care Reconciliation Act, Obamacare Repeal Reconciliation Act, and the Graham-Cassidy-Heller-Johnson Proposal

ACA	AHCA	BCRA	ORRA	GCHJ
Coverage of 10 "**essential health benefits**" (EHBs).	Allows state waivers of EHB standards; repeals requirements on how much of the cost for health benefits is the responsibility of the insurer (actuarial value).	Allows states to use 1332 waivers to modify or eliminate EHB standards. Allows for the sale of plans that do not comply with full EHB standards.	Not addressed in ORRA.	States could get waivers from the ACA **EHB** requirements.
Prohibition on **annual and lifetime limits** for EHB services.	Same as ACA, unless a state modifies the EHB standards via a waiver.	Same as AHCA except that it also allows for the sale of plans that do not comply with the prohibition on annual and lifetime limits.	Not addressed in ORRA.	Same as ACA, unless a state modifies the EHB standards via a waiver.
Cost-sharing limits for EHB services.	Same as ACA, unless a state modifies the EHB standards via a waiver.	Same as AHCA except that it also allows for the sale of plans that do not comply with the prohibition on annual and lifetime limits.	Not addressed in ORRA.	Same as ACA, unless a state modifies the EHB standards via a waiver.
Creates minimum **medical loss ratios (**MLR) for individual and group market plans.	Same as ACA.	Repeals federal MLR standards; states set MLR standards as of 2020.	Not addressed in ORRA.	States could get waivers from the ACA **medical loss ratio** minimum/premium rebate requirements.
State flexibility via 1332 waivers to provide alternative approach to coverage; requires comparability in coverage and cost-sharing protections,	Creates new waivers to enable states to modify age rating bands, waive EHB requirements, and allow plans to modify pricing	Removes coverage and cost comparability requirements from 1332 authority; includes streamlined/fast-track review and approval process.	Not addressed in ORRA.	Modifies ACA **Sec. 1332 waiver** authority by expediting the approval process and extending the duration of the waivers. Retains current ACA safeguards that require comparable coverage and affordability.

ACA	AHCA	BCRA	ORRA	GCHJ
among other requirements.	based on an individual's health (medical underwriting).			
Not addressed in the ACA.	Incentivizes use of **health savings accounts**.	Allows HSA dollars to be used to pay premiums of certain plans, among other incentives for the use of HSAs.	Not addressed in ORRA.	Beginning in 2018, modifies how **health saving account** funds can be used to include: 1. medical expenses for children up to age 27; and 2. High-deductible health plan premiums.
Not addressed in the ACA.	$138 billion **Patient & State Stability Fund** to stabilize insurance markets; improve access to coverage and make coverage more affordable.	Short- and long-term "**State Stability and Innovation Fund**" with $50 billion directed toward insurers and $132 billion directed at states to achieve similar goals to AHCA's fund. $20 billion of the $132 billion fund must come from states through a state contribution requirement; $70 billion is directed to a reinsurance program for states that allow for the sale of non-compliant plans. Also provides $45 billion to help states with **opioid crisis**.	Not addressed in ORRA.	Not addressed in GCHJ.
Not addressed in the ACA.	Not addressed in the AHCA.	Permits states to **allow the sale of non-compliant health plans** so long as the insurer also sells a minimum number and type of compliant plans on the marketplace. Plans would not need to comply with a number	Not addressed in ORRA.	Not addressed in GCHJ.

A Comparison of the Affordable Care Act, American Health Care Act, the Better Care Reconciliation Act, Obamacare Repeal Reconciliation Act, and the Graham-Cassidy-Heller-Johnson Proposal

ACA	AHCA	BCRA	ORRA	GCHJ
		of consumer protections, including non-discrimination based on health status, coverage of pre-existing conditions, community rating, actuarial value standards, cost-sharing limits and the prohibition on annual and lifetime limits. Such plans would not be considered creditable coverage.		
Financing				
Combination of **taxes** on high-income individuals, insurers, pharmaceutical and device manufacturers, tanning salons, and high-value health plans (the "Cadillac Tax"), as well as **provider fee cuts** under the Medicare and Medicaid programs.	Repeals most of the ACA taxes except the Cadillac Tax, which it delays until 2026; retains provider fee cuts, except the Medicaid DSH cuts.	Repeals most of the ACA taxes except maintains the Medicare payroll tax for high earners, the tax on net investment income, and the remuneration tax on executive compensation for certain health insurance executives. Delays the Cadillac Tax through 2025; retains provider fee cuts, except the Medicaid DSH cuts for non-expansion states.	Repeals most of the ACA taxes, except the Cadillac Tax, which it delays it until 2026; retains provider fee cuts, except the Medicaid DSH cuts.	Retains most of the **ACA tax** provisions, including the fee on insurers, prescription drugs and indoor tanning services, as well as the 0.9 percent Medicare surtax and the tax on certain net investment income on high-income earners. Repeals the medical device excise tax, health savings accounts and over-the-counter medications.