

## INFORMED ON REFORM

# HEALTH CARE REFORM UPDATE



Keeping you up to date on health care reform

**March 30, 2017**

### **AHCA Withdrawn – What’s Next?**

On Friday, March 24, efforts by U.S. House Republicans to utilize the budget reconciliation process to repeal portions of the Affordable Care Act (ACA) experienced a significant setback with the withdrawal of the American Health Care Act (AHCA) before a full vote. As reported in our [recent update](#), the AHCA had been proceeding through the House legislative process and provided a strong indication of the policy direction Congressional Republicans favor on health care reform. The withdrawal of the AHCA marks a crossroads with respect to the future of the ACA.

Here’s what we currently know — and don’t know — about what could be next to help you stay informed.

#### **ACA Remains the Law of the Land**

The ACA remains the law of the land. Ongoing compliance with the law is required unless and until official guidance to the contrary is issued.

#### **What’s Next for ACA Repeal and Replace?**

The withdrawal of the AHCA signals a pause by Congressional Republicans in their repeal and replace effort without bipartisan support, but the debate about the future of the ACA is likely far from over. Now there are significant questions about what type of action, if any, Congress or the Administration will take to continue efforts to dismantle, replace or reform the ACA.

Here are a few possibilities:

- **Regulatory Action for Market Stabilization and Regulatory Relief**

Secretary of Health and Human Services Tom Price has authority to propose changes to current ACA regulations, which could be done to help stabilize the individual marketplace and/or provide regulatory relief “to the maximum extent permitted by law” as directed in the January 20 [Executive Order](#).

- **Regulatory Non-Enforcement**

Similar to directing agencies to offer regulatory relief, it is possible the Administration may adopt policies of non-enforcement of certain regulations, such as potentially directing the Internal Revenue Service (IRS) to not to enforce penalties related to specific ACA provisions.

- **Comprehensive Tax Reform**

The Administration and House Republican Leadership have indicated that their next priority is tax reform. It’s possible that certain ACA taxes or penalties could be repealed or changed as part of Congressional efforts to rewrite the Internal Revenue Code.

- **Targeted Legislation**

While the next steps for a new repeal and replace bill remain unclear, piecemeal legislation could be introduced on specific provisions, such as individual insurance market reforms. Bipartisan support will be required for this legislation to be successful in the Senate.

- **Increased State Autonomy**

As part of the regulatory efforts, the Administration could defer decisions on certain health care reform provisions to the state level. Recently, Secretary Price invited governors to submit State Innovation Waivers (allowed under the ACA beginning in 2017), which would grant states more autonomy in making decisions about their health care structures.

#### **Other Marketplace Issues to Watch**

In addition to any potential changes to the public Marketplaces, there is current litigation about funding for cost-sharing subsidies for individuals covered through a Marketplace. Additionally, insurers will soon submit their plans regarding if and where they will participate in Marketplaces for 2018.

#### **Upcoming ACA Employer Compliance Deadlines and Staying Informed**

With the ACA remaining in place, employers and broker partners can use Your ACA Roadmap to receive a personalized snapshot of the annual responsibilities and applicable deadlines for 2017 and 2018. Visit [www.YourACARoadmap.com](http://www.YourACARoadmap.com) for more information. Additional information can also be found on Cigna's reform website at [www.InformedOnReform.com](http://www.InformedOnReform.com).

Cigna will communicate via updates, news alerts and web meetings as the state of U.S. health care reform continues to evolve.

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