

## HEALTH ISSUES

Alert No. 2020-H-6

June 30, 2020

### U.S. House of Representatives Passes ACA Enhancement Bill

The U.S. House of Representatives passed [legislation](#) with a vote of 234-179 on June 29, 2020, that would enhance and strengthen the Affordable Care Act (ACA) through provisions designed to lower health care costs and expand the number of people who are eligible for subsidized health care. H.R. 1425, also known as *the Patient Protection and Affordable Care Enhancement Act*, also includes several provisions that would reverse certain regulatory measures that either curtail or have introduced exceptions from or flexibility around certain aspects of the ACA.

Specifically, the bill would:

- Increase premium subsidies and provide full subsidies for households with incomes up to 150% of the Federal poverty line;
- Extend premium tax credits to households with incomes above 400% of the Federal poverty line;
- “Fix” the “family glitch” by calculating affordability for employer-sponsored minimum essential coverage based on the required contribution for family coverage rather than self-only coverage;
- Establish and allocate \$10 billion to an “Improve Health Insurance Availability Fund” to help states establish reinsurance programs or provide financial assistance to enrollees in the individual market;
- Allocate \$200 million for states to establish insurance exchanges if they don’t currently operate one. Currently, 12 states and the District of Columbia operate their own exchanges while the remaining states utilize HealthCare.gov;
- Allocate \$100 million to the Department of Health and Human Services (HHS) for education and outreach to promote enrollment;
- Encourage Medicaid expansion among non-expansion states by federally funding 100% of expansions for the first three years beginning in 2022, and reduce the Federal Medical Assistance Percentage (FMAP) by 0.5 percentage points each quarter for non-expansion states;
- Require Medicaid and the Children’s Health Insurance Program (CHIP) to provide continuous coverage to all beneficiaries for a 12-month period, as well as provide benefits for pregnant and postpartum women for a year rather than 60 days;
- Establish a fair drug pricing negotiation program, which would allow HHS to negotiate and enter into price agreements with drug manufacturers;
- Provide modifications to primary care payments under Medicaid through September 30, 2024;
- Require health plans offered through federal and state exchanges to meet network adequacy standards;
- Revoke guidance from the Trump administration on ACA section 1332 state innovation waivers, which can allow states flexibility on certain ACA rules; and
- Rescind short-term limited duration regulations that expanded their availability.

A vote on this legislation comes ahead of the Supreme Court's consideration of a case ([\*State of California, et. al. vs. State of Texas et. al.\*](#)) (pertaining to another case, [\*Texas v. Azar\*](#)) later this year in which the Court will consider the constitutionality of the ACA. On June 26, 2020, the Trump administration filed an [amicus brief](#) asking the Supreme Court to dismantle and strike down the ACA. The Supreme Court is expected to hear oral arguments on the case in its next term beginning October 2020. A decision on the case is not expected until 2021.

H.R. 1425 now moves to the U.S. Senate; however, it is unlikely the Senate will hold consideration on the legislation. The president has said he would veto the bill if it were to come to his desk.

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If you have any questions regarding this *Academy Alert*, please contact Devin Boerm, deputy director of public policy (boerm@actuary.org; 202-785-6929).

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