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ACA Repeal-and-Replace Bill Withdrawn

The Republican leaders in the U.S. House of Representatives have withdrawn the proposed Affordable Care Act (ACA) repeal and replace bill from consideration and indefinitely postponed a vote on the bill. According to Speaker Ryan, certain factions of the Republican party refused to sign or to support the proposed bill and are still looking for further changes. It is now completely unclear what will happen next.

The American Health Care Act (AHCA) bill did not include capping or changing the employer tax exclusion for employer provided benefit plans, but did include elimination of the ACA's employer and individual mandate penalties and expansion of the rules for health savings accounts (HSAs). The bill would have also maintained the Cadillac Tax on high cost health plans, but delayed its implementation until 2026. However, based on the Congressional Budget Office estimates, the AHCA would have also resulted in 24 million more Americans uninsured in 2026 than under the ACA.

The AHCA bill would have ultimately needed approval first by the full House and then the Senate before going to President Trump for his signature. It is not clear how close the bill came to passing the House, but it likely would have lost by a wide margin, and was also likely even if it passed the House that it would have died in the Senate. The Trump Administration strategy now seems to be to let the ACA continue in place for a while in the hope that doing nothing will hasten its collapse. President Trump said he will now let the ACA "explode" before tackling healthcare again. "ObamaCare will explode and we will all get together and piece together a great healthcare plan for the people." President Trump and House Speaker Paul Ryan have also said their next priority will be tax reform, and it is possible that elements of ACA repeal and replace could be incorporated as part of a comprehensive tax reform effort. Any tax reform effort will be very complex and trying to undo the ACA within tax reform would be even more controversial and difficult.

Whatever happens next, it is clear for now that taxpayers and employers should be prepared to continue to comply with the ACA through at least 2018. In the meantime, the situation is clearly fluid and we are monitoring all developments closely and will provide details on new and revised employer obligations as they take shape over time. Should you have questions about any aspect of federal health insurance reform, please contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, visit our online [Resource Center](#).



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