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Timeframe Announced for Introducing ACA Replacement

It appears more and more likely that the Affordable Care Act (ACA) could be repealed or revised by the Republican-controlled 115th Congress. Recent announcements from President Trump and House Speaker Paul Ryan claim progress on plans to repeal and replace the ACA. “We’re doing Obamacare, we’re in the final stages,” Trump told a news conference. “So we will be submitting sometime in early March, mid-March.” On February 16, Ryan told reporters that House Republicans would introduce legislation to repeal and replace the ACA after the House returns from the President’s Day break on February 27. Repeal of the ACA is also supported by newly-installed U.S. Health and Human Services (HHS) Secretary Tom Price who told Republican lawmakers that on repeal of ACA, “The president is all in on this.”

Republicans, who control the White House and Congress, have long vowed to repeal the ACA, but have had difficulty agreeing on a detailed plan to do so. A recently released policy brief, [Obamacare Repeal and Replace: Policy Brief and Resources](#), provides some suggested plans for how Republicans hope to get this done. The plan suggests that the ACA penalty taxes for the individual mandate and the employer mandate should be repealed immediately. And to provide relief during a transition period, Americans eligible for the current ACA subsidy should be able to use an advanceable and refundable tax credit to assist with the purchase of health insurance on the individual insurance market. If an employer does not subsidize COBRA coverage, an individual might also use the credit to help pay unsubsidized COBRA premiums while between jobs. And if the individual does not use the full value of the credit, he or she could deposit the excess amount into a health savings account (HSA). The policy paper also suggests an expansion of the number of individuals who can use HSAs, and an expansion of how individuals and their families can use HSAs.

What remains clear is that the Republicans' plans for healthcare are still very much a work in progress. And in the meantime, the individual and employer mandate and penalty provisions are still in place and are currently being enforced. The IRS has announced on its [ACA Information Center for Tax Professionals](#) webpage that it won't reject a taxpayer's 2016 personal income tax return if the taxpayer doesn't answer the health coverage question. The IRS, however, is still reserving the right to follow up with the taxpayer, at a future date, regarding compliance with the individual mandate, if the person's tax return doesn't provide the health coverage information. The announcement also confirms that employers are still required to file their ACA reporting forms and those forms will be rejected if they don't contain the requisite information. The IRS extended the due date for providing 2016 health coverage information forms to individuals. Insurers, self-insuring employers, other coverage providers, and applicable large employers have until March 2,

2017 to provide Forms 1095-B or 1095-C to individuals, which is a 30-day extension from the original due date of January 31. The due dates for filing 2016 information returns with the IRS remain unchanged for 2017. The 2017 due dates are February 28 for paper filers and March 31 for electronic filers.

Legislative provisions of the ACA law are still in force until changed by Congress. In the meantime, while Congress considers options to repeal and replace the ACA, taxpayers and employers should be prepared to continue to comply with the law through at least 2018. We will continue to watch decisions over the coming weeks, and 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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