

Further Efforts to Repeal and Replace

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On June 19, the Health Policy Consensus Group, which is a group led by former Sen. Rick Santorum (R-PA) and composed of several conservative think tanks, released a [white paper proposal to repeal and replace](#) the Affordable Care Act (ACA).

The proposal is a high-level review of policy options and is not legislative text. However, it does outline the following:

- “Obamacare spending” including Medicaid expansion, cost sharing reductions, and advanced premium tax credits spending would be turned into a block grant for states. States would then use that money to stabilize the marketplace or provide coverage support to low-income individuals.
- Specifically the white paper proposes that 50% of the block grant funding go toward purchasing individuals’ private insurance, and 50% of the block grant funding also needs to support low-income individuals (with both categories overlapping).
- It also suggests that block grants be used toward high-risk pools, and that individuals under the block grant, CHIP, or Medicaid can use the value of their assistance to purchase private insurance.
- No block grant funding can be used toward funding abortions.

The proposal also focuses on Health Savings Accounts (HSA). The proposal doubles HSA contribution limits. Additionally, it proposes to change HSA plan requirements so that any plan with an actuarial value less than a specified level (e.g., 70%, 80%) could be HSA-compatible.

The proposal does not specify any changes to Medicaid’s funding structure (there is no discussion of per capita caps or a block grants). Additionally, although this proposal has been dubbed “Graham-Cassidy 2.0” and has similar features of Graham-Cassidy, it has yet to be endorsed or discussed by either Senator (as of this writing).

Separately, on June 19, House Republicans released a fiscal year 2019 budget plan that includes the option of taking another stab at repealing the ACA requiring only a simple majority vote. However, in order for this to proceed, they need to pass the budget in the House and then the same verbatim in the Senate. They would then need to draft repeal and replace legislative language and then have it scored by CBO. That repeal and replace bill would then need to go through the full House and Senate with the same text. Many steps to go, and we will continue to monitor these efforts.

Authors