



The American Health Care Reform Act

A BETTER WAY



THE REPUBLICAN STUDY COMMITTEE

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#ABetterWay

Bill Summary

Title I – Repeal of Obamacare

This legislation fully repeals the Patient Protection and Affordable Care Act and health care-related provisions in the Health Care and Education Reconciliation Act of 2010.

Title II – Increasing Access to Portable, Affordable Health Insurance

This legislation will level the playing field between those who receive insurance from an employer and those purchasing it in the individual market. It does so by replacing 1) the current uncapped tax benefit for employer-sponsored health insurance and 2) the self-employed tax deduction with an above-the-line standard deduction for health insurance (SDHI). Those with a qualifying health plan will receive an SDHI of \$7,500 (individuals) or \$20,000 (families) which will apply to income *and* payroll taxes, and will increase at CPI-U. The SDHI eliminates the current incentive to choose increasingly expensive plans by providing the full value of the deduction regardless of how expensive the plan is. For example, a family with a \$15,000 plan would receive an additional \$5,000 tax deduction. Based upon Kaiser Family Foundation data, the vast majority of Americans will receive a tax cut under this plan.

This tax benefit will be portable, will provide payroll tax relief to the working poor, and will give families the flexibility to choose a plan that best fits their needs.

In addition, this bill will expand access to and allowable expenses for health savings accounts (HSAs), increase the maximum allowable contribution into HSAs, and allow employers to offer a larger benefit for successful completion of a wellness program than is currently permitted.

Title III – Improving Access to Insurance for Vulnerable Americans

This legislation will expand federal support for state high risk pools to \$25 billion over 10 years, providing a federalist solution to address a segment of the population that has been unable to obtain affordable insurance. Premiums in these state high risk pools will be capped at 200% of the average premium in the state.

The bill also guarantees that individuals with pre-existing conditions can move between the large group, small group, and individual health insurance markets, so long as they maintain continuous coverage. Under current law, individuals purchasing insurance in the individual

market are protected from pre-existing condition exclusions only if they have not had a substantial break in coverage, their previous coverage was through an employer, and they fully exhaust COBRA coverage. This provision would allow individuals to receive those same protections regardless of the source of their prior coverage and without requiring them to exhaust COBRA coverage, which is often very expensive for both employees and employers.

Title IV – Encouraging a More Competitive Health Care Market

Our bill would take steps toward creating a competitive health care marketplace. This legislation would take steps to address this problem by, most notably, allowing Americans to purchase health insurance products across state lines and by permitting small businesses to pool together to negotiate better rates.

Other pro-patient reforms include amending the McCarran-Ferguson Act to ensure that federal anti-trust law applies to health insurance, making Medicare claims and payment data publicly available so that patients and taxpayers alike can better understand what they are being charged, helping states develop transparency portals with useful information on insurance plans, and stopping the federal government from denying coverage for health care services based upon comparative effectiveness data.

Title V – Reforming Medical Liability Law

This bill attempts to address the medical liability crisis that has played a role in the escalating cost of health care by implementing meaningful legal reforms that include caps on non-economic damages and limits to attorneys' fees. These provisions set no caps on economic damages, which are often the largest component of liability awards, thus patients will continue to have their rights to economic damages protected.

Title VI – Respecting Human Life

Provides that nothing in this act requires health plans to provide coverage of abortion services, or permits any government official to require coverage of abortion. Prohibits federal funds authorized or appropriated by this act from covering abortion, except in the case of rape, incest, or when the life of the mother is jeopardized. Ensures that no state pro-life or conscience protection laws will be preempted.

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