



HEALTH REFORM ADVISORY PRACTICE

Weekly Legislative Update



June 16, 2017

Progress on Health Reform Continues Behind Closed Doors in the Senate; “Bucket Three” Bills Move Forward in the House; and a Possible Public Option in Nevada

Don't let the silence fool you – Senate Republicans remain hard at work trying to craft a modified version of the House's American Health Care Act (AHCA). Confirming published reports, our sources indicate the Congressional Budget Office is confidentially reviewing legislative text proposed by Senate Republicans to determine how it will impact the budget and coverage numbers from the House version of the AHCA. Senate Majority Leader Mitch McConnell (R-KY) has set a target for a vote before the Independence Day recess, but optimism is waning that the Senate will meet that timeline.

The secrecy surrounding the AHCA, as well as other political events over the past couple of weeks, seem to be shielding Senate Republicans from some of the pushback House members received from those who oppose how the AHCA changes the Affordable Care Act (ACA). In fact, Senate office phones during our visit to Capitol Hill last week were as quiet as we've heard them in months.

This week, however, calls for grassroots opposition to the AHCA have increased. Not only are opponents of the AHCA targeting the content of the bill, they are also highly critical of how the legislation is being drafted behind closed doors and moving forward outside the more typical legislative process of committee hearings, debate and amendments.

Lockton comment: Without taking a stance on the AHCA as a whole, numerous Lockton trade association partners were part of a group of 55 employer organizations that recently sent a [letter](#) to the Senate urging lawmakers to “avoid any action that could destabilize the employer-sponsored health care system.” In particular, the letter warns against changing the tax-free nature of employer-provided health insurance. It also calls for changes that would make it easier for employers to provide quality, low-cost health coverage, such as allowing individuals with access to no-cost telemedicine or onsite clinic care to make HSA contributions.

Bipartisan Progress in the House on “Bucket Three” Bills

The House moved forward with multiple health reform-related “bucket three” bills this week – bucket three being Congressional Republican leadership’s description of legislation addressing specific issues in the health insurance market that require 60-votes in the Senate and are not part of the AHCA.

- HR 2372, Veterans Equal Treatment Ensures Relief and Access Now (VETERANS) Act passed the House by voice vote, meaning support was so overwhelming a recorded vote was unnecessary. This bill proposes to codify the current administrative practice of allowing veterans to obtain ACA subsidies when they are eligible for but not actually receiving health coverage through the Veterans Administration.
- HR 2581, Verify First Act, passed the House by a mostly partisan vote of 238–184. This bill amends the Tax Code to require taxpayers to provide their Social Security numbers before receiving advanced premium tax credits. Proponents believe the bill will cut down on credits going to undocumented immigrants, but opponents of the legislation argue it will hurt subsidy-eligible immigrants who encounter difficulty verifying their information.
- HR 2579, Broader Options for Americans Act passed the House by 267–144. The legislation proposes to amend the Tax Code to allow premium tax credits to be used toward unsubsidized COBRA premiums. The bill will only go into effect if the AHCA passes and it seems likely Senate Republicans will add this provision into their version of the bill. Interestingly, 41 Democrats voted in favor of the bill, which suggests some willingness to work with Republicans on improving the perceived flaws of the AHCA now that it has already passed the House.

Medicaid for All in Nevada?

A bill that proposes to allow all Nevada residents to buy into the state’s Medicaid program currently sits on the desk of Nevada’s Republican Governor Brian Sandoval. The bill, affectionately called SprinkelCare (after its main sponsor in the Democrat-controlled legislature), differs significantly from the single-payer initiatives proposed in states like California and New York. Whereas the single-payer proposals have sought to eliminate private insurance, the Nevada proposal merely makes the Medicaid buy-in option one plan choice among the reported 63 other plan options available in Nevada’s individual market.

Lockton comment: Some may recall a public option almost made its way into the ACA back in 2010. Detractors, notably including former Senator Joe Lieberman (I-CT), fought against the proposal claiming, among other things, that an insurance option backed by the power of the government would unfairly compete with private insurance and eventually elbow-out private insurance options from the market.

Governor Sandoval must veto the legislation by the end of the day, or it will become law. Should the proposal become law, the state will need to obtain approval from the federal government before the proposed effective date of Jan. 1, 2019. The bill is thin on details, so

key components will still need to be worked out – for example, provider reimbursement rates and premiums for those not eligible for no-cost Medicaid.

Lockton comment: Even if the legislation fails in Nevada, it may serve as a template for future legislation at the state level. Politically, a public option remains a mostly progressive idea, but the concept tends not to be as divisive as single-payer proposals. Some see the public option as a way to help address the conundrum of states like Iowa and Tennessee where private insurers have already left numerous counties with no exchange-based coverage options. A public option is also likely easier to implement than single-payer. Unlike single-payer initiatives, which require significant tax increases and government outlays, the hope of public option supporters is that it would be paid for entirely (or at least mostly) by individual premiums and ACA (or potentially AHCA) tax credits.

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