

What the Senate bill changes about Obamacare

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Senate Republican leaders unveiled their health-care bill Thursday morning, after weeks of crafting it behind closed doors. The bill takes major steps to roll back provisions of the Affordable Care Act but doesn't go as far as the House's version. In both bills, the spending cuts made by Medicaid and other programs would fund a substantial tax cut for the health-care industry and the rich.

A vote is planned for the end of next week. If it passes, it would need to be reconciled with the House's bill before going to President Trump's desk.

Who would be covered

Under Senate Republicans' plan, the government would no longer penalize Americans for failing to have health insurance.

ACA

The **individual mandate** requires most Americans to have health coverage or pay a fine.

The **employer mandate** requires larger companies to offer affordable coverage to their employees.

Young adults could **stay on their parents' health insurance** plan until they're 26 years old.

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Instead of the mandate, insurers would be allowed to impose a **30 percent premium surcharge** on consumers who purchase a new plan after letting their previous coverage lapse — incentivizing healthy people to remain insured. States could choose to make this penalty more severe. The employer mandate would be **eliminated**.

This provision was unchanged.

SENATE BILL

The individual mandate would be **eliminated**. Nothing would replace it to incentivize healthy people to get insurance.

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How they would pay for coverage

The federal health insurance subsidies that help most people with ACA marketplace plans afford their coverage would change. Health care would get substantially less affordable for most of these people, especially those who are poor, unhealthy or old, according to Linda Blumberg of the Urban Institute, Christine Eibner of Rand Corp. and Karen Pollitz of the Kaiser Family Foundation.

ACA

ACA tax credits are primarily **based on income, age and geography**, which benefits lower- and moderate-income people buying coverage through ACA marketplaces.

Cost-sharing subsidies were provided to insurers to help some of their ACA customers cover deductibles and co-payments.

Insurance companies are not allowed to increase someone's premiums or deny coverage based on **preexisting conditions**.

Insurers can **charge older customers up to three times** as much as they charge younger customers.

Individuals can contribute up to \$3,400 and families up to \$6,750 to pretax **health savings accounts**.

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Tax credits would be **based primarily on age**. The amount would not increase when premiums increased, and people living in higher-cost areas would receive no additional money.

Tax credits would be primarily **based on age, income and geography**. But they would be made to cover a skimpier plan, and people would need to be lower-income than under the ACA to receive them.

States could allow insurers to **increase someone's premiums** based on their preexisting conditions if they had a break in coverage. The state would have to set up some other program, such as a high-risk pool, to cover its sickest residents. And the federal government would have its own \$8 billion fund to help cover sick people's high premiums within the individual market.

Insurers would be able to **charge older customers up to five times** as much as they charge younger customers. States could change this ratio, although it's unclear whether it could be higher than 5 to 1.

Starting in 2018, individuals could contribute up to \$6,550 and families could contribute up to \$13,100 to pretax **health savings accounts**.

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Insurance companies are not allowed to increase someone's premiums or deny coverage based on preexisting conditions, though states may allow them to not cover costs associated with some conditions.

Insurers would be able to charge older customers up to five times as much as they charge younger customers.

People can contribute more to their health savings accounts than under the ACA.

The ACA did not create high-risk pools, because there were other protections for pre-existing conditions.

States would receive \$130 billion over 10 years through a new Patient and State Stability Fund for **high-risk pools** and other programs to help sicker people.

The stability fund would receive \$112 billion over 10 years and would be aimed at reimbursing insurers who take big losses.

Proposed changes to Medicaid

The bill would restructure Medicaid, narrow the program's eligibility and probably decrease its funding.

[\[Analysis: How the GOP would cut billions more from Medicaid with a single letter\]](#)

ACA

Medicaid is an **entitlement program** with open-ended, matching federal funds for anyone who qualifies.

States can expand Medicaid to cover people making up to 138 percent of the poverty line, and the federal government would cover an outsize portion of their costs.

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Medicaid would be funded by giving states a **per capita amount or block grant** based on how much each state is spending, not adjusting for rising costs. Overall, this is expected to substantially decrease federal funding, according to the Congressional Budget Office's report on the plan.

States would **not be able to expand Medicaid** after this year. In states that do expand by the deadline, the federal government will pay a smaller portion of the cost for people who sign up after 2019, making the expansion much more expensive for those states.

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Medicaid would be funded by giving states a **per capita amount or block grant**, beginning in 2021. The amount would grow more slowly than in the House bill, meaning bigger spending cuts overall.

For states that expand Medicaid, the federal government would **pay a smaller portion of the cost** starting in 2021.

Other key elements of the plans

ACA

Insurers are required to cover certain categories of **essential health benefits**, such as hospital visits and mental-health care.

Planned Parenthood is eligible for Medicaid reimbursements, but federal money cannot fund abortions.

Caps on **annual or lifetime coverage** are banned for essential health benefits.

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States would be allowed to **change what qualifies** as an essential health benefit.

Planned Parenthood would face a **one-year Medicaid funding freeze**.

The ban on caps itself is not changing, but because states could narrow what qualifies as an essential health benefit, **more types of care could face caps**.

SENATE BILL

States would be allowed to **change what qualifies** as an essential health benefit.

Planned Parenthood would face a **one-year Medicaid funding freeze**.

The ban on caps itself is not changing, but states could **opt out of the ban**.

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