



ACA COMPLIANCE BULLETIN

HIGHLIGHTS

- The Senate voted to take up the AHCA for debate and amendments.
- It is likely that the Senate will make changes to the bill before taking a vote.
- The AHCA would need a simple majority vote in the Senate to pass. If passed, it would need to go back to the House for approval before being signed into law by President Trump.

IMPORTANT DATES

May 4, 2017

House Republicans passed the AHCA

July 25, 2017

Senate Republicans voted to open up the AHCA for debate and amendments

August 11, 2017

The Senate will remain in session through Aug. 11, 2017

SENATE VOTES TO TAKE UP THE AHCA FOR DEBATE

OVERVIEW

On July 25, 2017, members of the U.S. Senate voted 50-50 to open up the [American Health Care Act](#) (AHCA) for debate and amendments in the Senate, with Vice President Mike Pence casting the tie-breaking vote in favor of the measure. The AHCA is the bill to repeal and replace the Affordable Care Act (ACA) that passed in the House of Representatives on May 4, 2017.

As a result of the vote, the Senate will now begin debate on the AHCA, as it was passed by the House. However, amendments are likely to be made to the bill before a final vote is taken. The Senate's August recess has been delayed by two weeks to accommodate a vote on an ACA repeal and replacement bill.

IMPACT ON EMPLOYERS

The Senate has not voted on any ACA repeal or replacement proposal at this time. The AHCA would need a simple majority vote in the Senate to pass.

However, it is likely that the Senate will make changes to the bill before taking a vote. If it passes the Senate, the AHCA would need to go back to the House for approval before being signed into law by President Donald Trump.

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Legislative Process

Republicans in both the Senate and the House are using the budget reconciliation process in their efforts to repeal and replace the ACA. This means that the proposed bills can only address ACA provisions that directly relate to budgetary issues—specifically, federal spending and taxation. **As a result, these proposals cannot fully repeal the ACA.** Budget reconciliation legislation can be passed by both houses with a simple majority vote. However, a full repeal of the ACA must be introduced as a separate bill that would require 60 votes in the Senate to pass.

On May 4, 2017, the House voted 217-213 to pass the AHCA, which is its proposal to repeal and replace the ACA. As a result, the AHCA moved on to the Senate for consideration. In response, the Senate originally drafted the [Better Care Reconciliation Act \(BCRA\)](#) as its own ACA repeal and replacement bill, followed by [amendments to the BCRA](#) on July 13, 2017. However, on July 18, 2017, Senate Republicans abandoned the BCRA due to a lack of votes.

Overview of the AHCA

As it was passed in the House, the AHCA would make a number of significant changes to the ACA, but would not repeal the law in its entirety. It would effectively repeal the ACA's employer and individual mandates retroactively, beginning in 2016, and would repeal many other ACA taxes beginning in 2017 (such as the additional Medicare tax, medical devices excise tax, health insurance providers fee and indoor tanning tax). It would also provide certain enhancements to health savings accounts (HSAs) to incentivize their use (such as increasing the maximum contribution limit). In addition, it would repeal the ACA's Medicaid expansion and make a number of other changes intended to modernize the Medicaid program.

However, the AHCA would retain key consumer protections included in the ACA, such as the requirement to cover pre-existing conditions, prohibition on lifetime and annual limits, and coverage for adult children through age 26.

Next Steps

As a result of the vote to take up the AHCA, the Senate will now begin debate on the bill, which can last up to 20 hours and will likely result in a number of amendments. After debate, the Senate will vote on the amendments that were introduced, followed by a final vote on the resulting proposed legislation. The bill would need a simple majority vote (at least 51) in the Senate to pass. Currently, Republicans hold 52 seats in the Senate. In the event of a tie, Vice President Mike Pence would serve as the tie-breaking vote.

If the proposed bill ultimately passes the Senate, it would need to go back to the House for approval, since it will likely differ from the version originally passed by the House. Once the House and Senate versions are reconciled, both chambers would take a final vote on the bill, before it can move on to President Trump to be signed into law.