

ACA Replacement Bill Withdrawn, Now What?

In late March 2017, Republican leadership in the U.S. House of Representatives withdrew the [American Health Care Act](#) (AHCA)—their proposed legislation to repeal and replace the Affordable Care Act (ACA).

Because the House was unable to pass the AHCA, the ACA remains current law, and employers must continue to comply with all applicable ACA provisions.

While the future of the ACA as a whole is currently unclear, some definitive changes have been made to some ACA taxes and fees for 2017. Employers should be aware of the evolving applicability of existing ACA taxes and fees so that they know how the ACA affects their bottom lines.

Changes to ACA Taxes

A [federal budget bill enacted for 2016](#) made the following significant changes to three ACA tax provisions:

- Delayed implementation of the ACA's Cadillac tax for two years, until 2020
- Imposed a one-year moratorium on the ACA's health insurance providers fee for 2017
- Imposed a two-year moratorium on the ACA's medical device excise tax for 2016 and 2017

Changes to ACA Fees

In addition, the ACA's reinsurance fees expired after 2016, although the 2016 fees will be paid in 2017. Reinsurance fees may be paid in either one lump sum or in two installments. Reinsurance fees paid in one lump sum were due in full on Jan. 15, 2017. Reinsurance fees paid in two installments are due as follows:

- Jan. 15, 2017: Remit the first contribution amount of \$21.60 per covered life.
- Nov. 15, 2017: Remit the second contribution amount of \$5.40 per covered life.

DID YOU KNOW?

Earlier this year, the Department of Health and Human Services (HHS) sent a [letter](#) to state governors to highlight Section 1332 of the Affordable Care Act (ACA). Beginning in 2017, Section 1332 allows states to apply for a **State Innovation Waiver** from certain ACA requirements.

These waivers are intended to allow states the flexibility to pursue innovative strategies for providing their residents with access to high quality, affordable health insurance, while retaining the basic protections of the ACA.

Cost-saving Strategy: Generic Drugs

Generic drugs can sometimes be misunderstood as subpar or not up to the same quality standards as name-brand prescription drugs. This is unfortunate because generic drugs are not only of the same high quality as name-brand prescriptions, but they usually cost much less (80-85 percent less).

According to the Food and Drug Administration (FDA), generic medications save \$3 billion every week and more than \$150 billion annually.

Boosting the use of generic medications by educating employees about generic drugs can potentially save you and your employees significant money.

To maximize generic use, keep employees up to date on the newest approved generic medications through [this FDA resource](#) or by utilizing the FDA's [Orange Book](#), which allows you to search for generic drugs based on a variety of characteristics.