



PCG Memorandum on HR 3762, as passed and vetoed in January 2016

July 18, 2017

[HR 3762](#), was an Affordable Care Act (ACA) “repeal bill” that was passed by the U.S. Senate in December 2015 and by the U.S. House of Representatives in January 2016. The bill was subsequently vetoed by then-President Obama. With Congress unable to override the veto, the bill died. However, since the inauguration of President Trump, Congress has considered attempting to once-again pass this bill, with expectations that the President would sign it.

The bill proposed to repeal a number of the ACA provisions related to coverage, funding, and revenue, while leaving ACA insurance consumer protections and many other ACA provisions intact. The bill also included a temporary prohibition on funding for Planned Parenthood. The content of the bill was necessarily limited because it passed via a budget reconciliation process, which allows for the bill to avoid filibuster and pass with a simple majority, but limits the content of the bill to provisions that directly impact the Federal budget.

The major provisions of HR 3762 included:¹

- Eliminating the Prevention and Public Health Fund (immediately);
- Providing additional funding for Community Health Centers (\$235 million);
- Ending all collection of fees and payments under the “3R” programs (immediately);
- Appropriating \$750 million for grants to states for two-years to address the substance use disorder crisis and mental health needs in the states (immediately);
- Repealing the recoupment cap on advance payments of premium tax credits (immediately);
- Repealing premium tax credits;
- Repealing cost-sharing reductions;
- Repealing the small business tax credit;
- Eliminating the penalty for the individual mandate (immediately);
- Eliminating the penalty for the employer mandate (immediately);
- Prohibiting Federal funding for Planned Parenthood for one year;
- Repealing Medicaid expansion;
- Ending Medicaid presumptive eligibility;
- Repealing the Medicaid maintenance of effort requirement for children;
- Repealing the Medicaid Essential Health Benefit requirement;
- Ending the Disproportionate Share Hospital funding reductions;
- Repealing ACA revenue provisions (some immediately; some two years post enactment);
- Eliminating the limitation of Health Savings Account (HSA), Archer Medical Savings Account (MSA), Flexible Spending Account (FSA), and Health Reimbursement Account (HRA) reimbursement of medications to prescription only (immediately);
- Repealing the increase of tax on use of HSA and Archer MSA funds for non-eligible purposes (immediately);
- Repealing the limit on FSA contributions (immediately);
- Repealing the increase in the threshold for medical expense deductions (immediately); and
- Transferring funds to Medicare.

Though the specific content of a similar proposal going forward could vary, it is worth being mindful of the content of the bill as originally passed.

¹ Except where noted, changes were to go into effect two years after passage of the bill.



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