



Electronic Alert

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House Passes the American Health Care Act: What Employers Need to Know Now

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Earlier today, by a narrow 217 to 213 vote, the House of Representatives passed a sweeping amendment to the Affordable Care Act (ACA). This amendment, known as the American Health Care Act (AHCA), has yet to clear the Senate, but if passed, it will substantially alter the insurance market and remove many of the obligations the ACA places on employers.

Of most relevance to employers, the AHCA would:

- Repeal the ACA employer mandate, which would likely eliminate ACA reporting in the future (Form 1094-C and 1095-C);
- Eliminate subsidies on health coverage beginning in 2020;
- Change the effective date of the 40-percent excise tax on high cost employer-sponsored health coverage (known as the Cadillac Tax) from the year 2020 to 2025;
- Place additional limits on the small-employer tax credit; and
- Increase limits on health savings accounts and flexible spending accounts.

While these amendments are being widely reported as a repeal and replace of the ACA and some headlines indicate that the ACA has been repealed and replaced, it is important to remember that the AHCA is not yet law, and employers should continue to comply with the ACA.

We will keep you posted and are happy to answer questions along the way.