

---

## **GOP Plan: Phase-out of Medicaid Expansion for the Poor**



---

As part of their plan to replace the Affordable Care Act, House Republicans are looking to scrap premium tax credits for wealthier Americans, according to a revised draft of their plan obtained by Politico. The Republicans are also keen to phase out the Medicaid expansion to low-income adults that is a highlight of the ACA.

**See Also:** [CMS Extends Filing Deadlines for ACA Exchange Plans](#).

In addition, the leaked draft seeks the conversion of Medicaid from an open-ended entitlement to block grants of funds from the federal government to individual states. Some sectors contend that block grants would make it harder for states to serve their residents' healthcare needs. If a state's costs exceed the amount of the block grant, it will have to use its own funds to make up the difference, or, more likely, cut services for low-income residents.

To replace these elements of the ACA, the Republican bill, according to the leaked draft, would create a new tax on employees for the value of top employer health benefits. The tax would come in for plans at and above the 90th percentile of current premiums.

Very conservative congressional Republicans oppose refundable tax credits that exceed what people have paid in income tax – they decry these as a new entitlement. However, cutting off credits at the high end may soften them when it comes to tax subsidies going to the wealthy who do not need them.

House Republican leaders want to move fast by having Congress pass an ACA repeal bill through the expedited budget reconciliation process on a party-line vote before Congress adjourns for the Easter holiday.

However, Democrats and industry organisations have not yet had a chance to review any formal House Republican bill. Republicans promised an open, inclusive process with lots of time for input. To pass the ACA, Democrats held dozens of committee hearings and required nearly 14 months. During that period, a number of amendments were introduced by the ruling party.

Source: [Healthcare IT News](#)

Published on : Tue, 7 Mar 2017