

## Benefit Review Services inc.

Employee Benefit Solutions

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## House Passes the American Health Care Act

By Emily Tonkovich

On May 4<sup>th</sup>, the U.S. House of Representatives passed the American Health Care Act (AHCA).

The bill is moving to the Senate for consideration and likely modification. A finalized version must pass in both the House and the Senate and then receive the President's signature before becoming law. While Republicans have a majority, current predications indicate that at this time there are many roadblocks to the AHCA's passage.

In the meantime, **compliance with the ACA is required**. BRSi will continue to monitor the ACA's status and keep clients informed.

## How Would the AHCA Impact Employers?

The current version of the AHCA includes the following features:

- Repeals Limits on FSA Contributions
- Modifies HSAs:
  - Over-the-Counter Medication is Eligible for Reimbursement
  - ♦ Increases HSA Limits
  - ♦ Allows Spousal Catch-Up Payments
- Eliminates Individual and Employer Mandate Penalties
- Repeals Most Taxes and Fees
- Delays the Cadillac Tax
- Allows States to Opt-Out of the Essential Health Benefits Requirement
- Increases Age-Banded Ratings Ratios
- Creates a Fund to Assist States with High-Cost Individuals

Disclaimer: This Compliance Alert is for informational purposes only. It is not intended to be exhaustive and should not be construed as or substituted for legal or tax advice. Please consult with legal counsel or a tax advisor for further guidance.

Benefit Review Services, Inc. 43370 Mound Road Sterling Heights, MI 48314 586.997.1700 www.brsibenefits.com

816 9th Street SW Vero Beach, FL 32962 772.257.5439

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