Before the House is expected to vote on the American Health Care Act (AHCA), which would repeal the Patient Protection and Affordable Care Act (ACA) (P.L. 111-148), House Republicans announced AHCA updates on March 20, 2017, to firm up support from more conservative members of the party.

Changes to the AHCA include permitting states to require able-bodied Medicaid recipients without dependents to work beginning in October of this year and provide additional funding to states as an incentive to implement the requirement. States could also choose to receive a lump sum of federal funding, instead of the originally proposed per capita allotment, for children and non-disabled, non-elderly adults. Taxes imposed by the ACA on the wealthy, sectors of the health care industry and others to pay for expanded coverage would be repealed in 2017 instead of 2018. These changes were made to the AHCA to appease more conservative members.

In addition, the conservative House Freedom Caucus decided not to vote as a bloc to oppose the Republican plan to repeal and replace the ACA, a decision that could pave the way for the legislation to pass the House this week.

The updates to Medicaid are also an attempt to persuade more conservative Republicans to support the measure, as a number had professed opposition throughout discussion on the AHCA’s effects over the previous weeks. The AHCA would change Medicaid in three major ways: (1) it would change Medicaid’s financing structure to a per capita cap, resulting in an estimated $880 billion reduction in federal Medicaid spending from 2017 to 2026; (2) it would repeal the enhanced federal matching funds for ACA enrollees as of January 1, 2020, except for those enrolled by December 31, 2019, who do not have a break in eligibility of more than one month; and (3) it would end the enhanced federal matching funds for Community First Choice (CFC), which provides attendant care services for people with disabilities, as of January 1, 2020.

One week after the House Committees on Ways & Means and Energy & Commerce had approved the AHCA (see ‘American Health Care Act’ earns first stamp of approval, March 9, 2017), the House Budget Committee began its markup of the legislation. The Budget Committee was not permitted to revise the substance of reconciliation legislation like the AHCA; therefore, there were no amendments to discuss in markup, despite a Congressional Budget Office (CBO) report showing that many millions of Americans would lose their health insurance coverage under the Act (see CBO: Republican plan saves billions as 24M lose coverage, March 14, 2017). One hour after the markup hearing commenced, the Committee approved the bill by a vote of 19 to 17, with three Republican members joining the Committee’s Democrat members in voting against the bill.