

## [H.R. 3762, Restoring Americans' Healthcare Freedom Reconciliation Act](#)

### FLOOR SITUATION

On Friday, October 23, 2015, the House will consider [H.R. 3762](#), the Restoring Americans' Healthcare Freedom Reconciliation Act, under a [closed rule](#). The House Committee on the Budget reported the bill on October 16, 2015. The rule incorporates [an amendment](#) eliminating language in the bill repealing the Independent Payment Advisory Board (IPAB) and makes other technical changes.

### SUMMARY

The Education and the Workforce, Energy and Commerce, and Ways and Means Committees have approved reconciliation recommendations in accordance with the budget reconciliation instructions contained within the Conference Report for [S. Con. Res. 11](#). The Budget Committee then combined these reconciliation recommendations together as one unified reconciliation bill which achieves a total savings of \$78.9 billion. According to the Congressional Budget Office, with macroeconomic feedback, H.R. 3762 would further reduce the deficit by \$51 billion for total net savings of \$130 billion.<sup>1</sup>

Specifically, the bill as reported by the Budget Committee does the following:

**Title I: Committee on Education and the Workforce**—The title repeals the Affordable Care Act's (ACA) Automatic Enrollment Requirement. Section 1511 of the ACA requires employers with more than 200 employees to automatically enroll new full-time equivalent employees into a qualifying health plan if offered by that employer, and to automatically continue enrollment of current employees. Repealing this provision is estimated to result in \$7.9 billion in savings over the 2016 to 2025 period.<sup>2</sup>

<sup>1</sup> Congressional Budget Office. [H.R. 3762, Restoring Americans' Healthcare Freedom Reconciliation Act of 2015](#). October 20, 2015.

<sup>2</sup> See [House Report 114-293](#) at 6.

**Title II: Committee on Energy and Commerce**—The title repeals the Prevention and Public Health Fund (PPHF), sometimes referred to as “the Obamacare slush fund” and rescinds unobligated balances. The PPHF allows the Secretary of Health and Human Services to transfer amounts from the fund to Department of Health and Human Services accounts to increase funding for Public Health Service Act-authorized prevention, wellness, and public health activities, including prevention research and health screenings.<sup>3</sup>

The title also prohibits federal funds for 1 year for Planned Parenthood, which includes its affiliates, subsidiaries, successors, and clinics. The title also increases funding to the Community Health Center Fund by \$235 million in each of fiscal years 2016 and 2017, as extended by the Medicare Access and CHIP Reauthorization Act (H.R. 2). These changes are estimated to result in net savings of \$12.5 billion over the 2016 to 2025 period.<sup>4</sup>

**Title III: Committee on Ways and Means**—The title repeals the ACA Individual Mandate, Employer Mandate, Medical Device Tax, and health insurance “Cadillac Tax”, and the Independent Payment Advisory Board (IPAB). However, the rule incorporates [an amendment](#) eliminating language in the bill repealing the Independent Payment Advisory Board (IPAB) and makes other technical changes. These changes are estimated to result in net savings of \$37.1 billion over the 2016 to 2025 period.<sup>5</sup>

Due to interactions between the provisions submitted by the House committees, the Congressional Budget Office (CBO) has determined that there will be an additional net savings of \$21.4 billion for fiscal years 2016 to 2025. The reconciliation bill’s total net savings for all reported provisions is \$129.8 billion for fiscal years 2016 to 2025, which includes \$51 billion of savings resulting from macroeconomic feedback.<sup>6</sup>

An amendment to H.R. 3762 was adopted by the Rules Committee that made technical modifications to the underlying bill. Following the determination of the Senate Parliamentarian, Subtitle B of Title III, repeal of The Independent Payment Advisory Board (IPAB), was stricken from the reconciliation bill as reported by the House Budget Committee. This results in additional deficit reduction of \$7.1 billion over the 2016-2025 period. Additionally, the amendment provided technical modifications under Title II to the definition of a defined entity.

## BACKGROUND

The budget reconciliation process allows Congress to use an expedited procedure when considering legislation that would bring existing spending and revenue into compliance with current fiscal priorities established in the annual budget resolution.<sup>7</sup> The adoption of the budget resolution allows Congress to agree upon budgetary goals. In order to meet these goals, Congress must enact legislation that alters or reconciles existing law with its priorities provided in the budget resolution.<sup>8</sup>

The reconciliation process is optional and begins if the budget resolution includes reconciliation directives instructing individual committees to develop and report legislation that would change laws

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<sup>3</sup> Id.

<sup>4</sup> Id.

<sup>5</sup> Id. at 7.

<sup>6</sup> Id.

<sup>7</sup> Section 2001 of S.Con.Res. 11 restricts the use of reconciliation for purposes related to the debt limit for this budget cycle.

<sup>8</sup> See CRS Report, [“The Budget Reconciliation Process: Stages of Consideration.”](#) June 2, 2015.

within their respective jurisdictions to achieve overall budgetary goals.<sup>9</sup> Any legislative committee with jurisdiction over spending and revenue may be directed to report reconciliation legislation.<sup>10</sup>

The House agreed to the Conference Report for [S. Con. Res. 11](#), establishing the budget for the United States Government for Fiscal Year 2016 and Setting forth Appropriate Budgetary Levels for Fiscal Years 2017 through 2025, by a vote of [226 to 197](#) on April 30, 2015. The Senate then agreed to the Conference Report by a vote of [51 to 48](#) on May 5, 2015.

The Conference Report directed the committees with jurisdiction over the ACA to determine the most effective way the law can be repealed. These Committees have approved reconciliation recommendations in accordance with instructions in the budget resolution. The Budget Committee then combined these recommendations together as H.R. 3762, which achieves a total of \$129.8 billion in savings over ten years.

According to Budget Committee Chairman Tom Price, “[this bill] will dismantle many of the key elements of Obamacare that are harming individuals and families, hurting job creation and spending taxpayer dollars on programs with little to no congressional oversight. Our goal is to save the country from this disastrous law and start over with patient-centered health care solutions where patients, families and doctors are making medical decisions, not Washington D.C.”<sup>11</sup>

## **COST**

The Congressional Budget Office (CBO) and the staff of the Joint Committee on Taxation (JCT) [estimate](#) that enacting H.R. 3762, as reported by the Budget Committee, would decrease deficits by about \$130 billion over the 2016-2025 period. That estimate includes two components. First, excluding macroeconomic feedback effects, the legislation would reduce deficits by about \$79 billion. In addition, the macroeconomic feedback would reduce deficits by an additional \$51 billion, CBO and JCT estimate. Those effects would result from changes to both direct spending and revenues. The 2016-2025 total consists of \$77 billion in on-budget savings and \$53 billion in off-budget savings.

## **STAFF CONTACT**

For questions or further information please contact [John Huston](#) with the House Republican Policy Committee by email or at 6-5539.

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<sup>9</sup> Id.

<sup>10</sup> Id.

<sup>11</sup> See Chairman Tom Price statement, [“Price Opening Statement: Reconciliation Markup.”](#) October 9, 2015.