House GOP to Vote on Suspending Employer Mandate This Week

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Source: Modern Healthcare

The House Republicans' proposed suspension of the Affordable Care Act's employer mandate is on track for a vote this week. But it's unlikely the legislation, projected to add more than $58 billion to the deficit, will move through the Senate this year.

The latest package from the House Ways & Means Committee adds to the list of proposed or enacted delays and roll-backs of the ACA's revenue-raising provisions as the subsidies the government is paying out for people in the individual mandate **continue to climb**. The vote could be delayed if Washington faces a hit from Hurricane Florence.

House GOP lawmakers combined the employer mandate suspension with an extra year's delay of the 40% excise tax on high-cost employer plans, known as the Cadillac tax, until 2023. The package, called "Save American Workers Act of 2018", would also repeal the ACA's 10% indoor tanning tax and bump the number of hours that makes an employee qualify for employer health coverage from 30 hours to 40 hours. All told, the legislation would add more than $58 billion to the deficit over 10 years, according to the latest analysis by the Congressional Budget Office.

The price tag likely impacts how the Senate will view the legislation. The Senate Finance Committee would need to introduce a companion package. Both Republican and Democratic aides to the Senate Finance Committee said it is unlikely the upper chamber will do so before the end of the year.

A GOP committee aide said that while the bills in the package are priorities for Senate Republicans, the Senate probably won't have time in its crammed legislative calendar to take them up. The staff also noted that Senate Democrats would need to be on board since the "committee has a tradition of working together and moving forward with bipartisan priorities."

Pressure mounted **this year** for Congress to halt the employer mandate as the Internal Revenue Service started collecting penalties owed from 2015. The employer mandate is one of the ACA's revenue-raising provisions that Congress has left out of its other Obamacare tax delays and moratoriums because of the hefty price tag. The CBO's last analysis estimated the suspension would cost the government nearly $26 billion from 2019 to 2021. The House proposal would stop the IRS from collecting these penalties from 2015 to 2018.

The IRS started sending out letters in November 2017 with projected assessments the agency aimed to collect from employers from 2015. Assessments ranged from $700,000 to $4 million.

As the letters dropped, employer groups made rumblings of **potential legal action**, but the net financial impact turned out to be not as drastic as the employers feared. About 30,000 employers received notices and ultimately the IRS resolved 80% of the disputed assessments without collecting a penalty.

Chris Condeluci, a former GOP Senate Finance staffer who is working with employer groups on the issue, said that from what he understands anecdotally, the remaining employers who ended up cutting checks to the agency paid substantially less than their original assessments.

Congress has been delaying certain industry taxes under intense lobbying pressure since the ACA went into effect. However, the law's largest revenue raisers have been consistently collected from the beginning and Congress has not yet moved to stop them. Those provisions are the increased Medicare payroll tax and the 3.8% tax on investment income exceeding $250,000.

Calculations based on estimates from the Joint Committee on Taxation show that the federal government has so far collected about 85% of the revenues that should have been collected according to the ACA statute as written, even with the multi-year suspensions of taxes on the medical device industry and health insurers. This is nearly $110 billion less than originally planned.

Source Link

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