

House Takes Action on Health Reform Bill

Date: January 20, 2011

Action Taken: As expected, on January 19 the GOP-controlled House of Representatives approved [H.R.2](#), the bill to repeal the health reform bill enacted into law last March. H.R.2 would repeal the Patient Protection and Affordable Care Act (PPACA) in its entirety. The vote was [245 to 189](#). Three Democrats (Dan Boren of Oklahoma, Mike Ross of Arkansas and Mike McIntyre of North Carolina) joined all Republicans in voting for the measure. The repeal vote was followed on January 20 by a vote on a resolution (H.Res.9) to instruct the House committees of jurisdiction to craft replacement health reform legislation.

It is widely expected—by supporters of H.R.2 as well as by opponents—that the Democratic-controlled Senate will not even consider H.R.2. And should the bill somehow unexpectedly get through the Senate, President Obama on January 6 issued a Statement of Administration Policy (SAP) stating he would veto any legislation that would repeal the PPACA.

Next Steps: House and Senate GOP lawmakers say that the largely symbolic House vote on H.R.2 is important as a prelude to the party's real strategy, which is to dismantle the PPACA piece by piece. That strategy includes the following initiatives, all of which are expected to get underway soon:

- Denial of funding for implementation of PPACA: This could come in the form of appropriations legislation that would forbid federal agencies to use funds on PPACA work, or it could come in the form of slimmed-down funding levels for the agencies charged with implementing the health reform law's new rules.
- Discreet repeal measures: GOP lawmakers say they plan to pass measures that would repeal PPACA provision by provision. The first of the "piecemeal" repeal initiatives may include:
 - Repeal of the 1099 reporting requirement (the rule that requires businesses and landlords to report, via Form 1099, aggregate expenditures, per vendor, of \$600 or more each year) – 1099 repeal is embodied in H.R.4 which appears likely to be the next health bill the House takes up. President Obama and Congressional Democrats have already stated publicly that they support repeal of the 1099 reporting rule
 - Repeal of the CLASS Act (the new federal disability income/long-term care insurance program)
 - Repeal of the \$2,500 cap on annual contributions to flexible spending accounts

Timing on efforts to repeal the CLASS Act and the FSA contribution cap is uncertain.

- Efforts to block PPACA regulations: A number of these kinds of initiatives are already in motion.
 - There is legislation to impose a two-year moratorium on certain federal regulations (H.R.213) and to subject proposed regulations to review by a new Congressional Office of Regulatory Analysis (H.R.214).
 - Use of the Congressional Review Act (CRA): under the terms of the CRA, House members may file a resolution to block a proposed federal regulation. The resolution must be passed by both the House and Senate, but if 30 Senators sign a demand for Senate action on a House-passed resolution, the Senate must vote on it. This avoids the 60-vote threshold needed to overcome a filibuster. The first such resolution—on the medical loss ratio proposed regulations—is expected shortly.
 - Also possible are new bills to require Congressional approval before a regulation can be proposed, and one that would impose an automatic sunset (expiration date) on all federal regulations.

In addition, the House plans numerous hearings at which Administration officials will be grilled in detail on how they plan to implement the PPACA.

It is not yet clear what kind of bill the House GOP will offer as an alternative to the PPACA. However, certain elements are likely. They include authority for interstate sales of health insurance, tort reform, and expansion of self-directed health plans - high deductible health plans (HDHPs) in conjunction with health savings accounts (HSAs). House GOP health reform legislation is also likely to include reenactment of some of the more popular insurance reforms contained in the PPACA—for example, limits if not outright bans on use of preexisting conditions, and/or requiring health plans to allow plan participants to insure their children up to age 26.