



# TaxNewsFlash

## United States

No. 2017-285  
July 13, 2017

### **Legislative update: Updated draft of healthcare legislation released by Senate**

The U.S. Senate Budget Committee today released text and explanations of revisions to the Better Care Reconciliation Act (BCRA) discussion draft. The new draft does not include any changes from current law to the net investment income tax, the additional Medicare health insurance (HI) tax, or the remuneration tax on executive compensation for certain health insurance executives.

The purpose of this edition of *TaxNewsFlash* is to provide text of the updated discussion draft and related documents.

According to a [Budget Committee release](#), the revisions of the BCRA provide:

- An additional \$70 billion to help cover out-of-pocket costs, to encourage state-based reforms (in addition to the \$112 billion in funding already in the original bill)
- A health savings account (HSA) provision that would, for the first time, allow individuals to use their HSAs to pay for their premiums
- An additional \$45 billion dedicated for substance (opioid) abuse treatment and recovery
- More options for individuals who enroll in catastrophic plans to be eligible for a tax credit provided that they meet other tax credit eligibility requirements
- Changes to the disproportionate share hospital (DSH) calculation from per Medicaid enrollee to per uninsured
- Enhanced focus on higher risk individuals, by creating a fund for the purpose of making payments to specified health insurance issuers for the associated costs of

covering high risk individuals enrolled in the qualified health plans on the Affordable Care Act's individual exchange (to qualify for such funds, an issuer must offer sufficient minimum coverage on the exchange that remains subject to Title 1 mandates; offering such coverage would enable the issuer to also offer coverage off the exchange that would be exempt from certain Title 1 mandates)

## Documents

- Read the 172-page [updated draft legislative text](#) [PDF 227 KB] of the Better Care Reconciliation Act (BCRA)
- Read an updated [section-by-section summary \(Titles I and II\)](#) [PDF 476 KB] and updated [section-by-section summary \(Title III\)](#) [PDF 72 KB]

The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to be applied to any specific reader's particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)