



Better Choices for Affordable Health Care

The Patient Freedom Act (PFA) of 2017 takes power from Washington and returns it to state capitols and individuals in order to expand access to health care for all Americans, especially those with pre-existing conditions. This proposal gives patients the power by making enrollment easy, requiring price transparency, eliminating mandates, and transferring power over insurance back to patients and state governments.

Repeals: This proposal repeals 5 burdensome federal mandates under Obamacare: the individual mandate, the employer mandate, Essential Health Benefits, actuarial value requirements, and age band requirements.

Keeps: This proposal keeps essential consumer protections, including guaranteed issue, guaranteed renewability, no annual or lifetime limits, dependent coverage through age 26, and prohibiting pre-existing condition exclusions, and prohibiting discrimination based on health status

State Option: After repeal, states will have one of three options:

1. Better Choice Plan—State determines its own insurance regulations and receives funding equal to 95% of Obamacare tax credits and Obamacare Medicaid expansion funding in the form of either a per capita block grant or an advanceable, refundable tax credits. Tax credits will be age-adjusted and means tested.
2. Design an Alternative Solution without Federal Assistance—This option would return power to the states to design and regulate insurance markets that work for their specific populations, without any federal assistance.
3. Maintain current trajectory—State legislature votes to reimpose mandates, exchange plans, and federal premium and cost-sharing subsidies. States that chose this option will only receive funds in an equal manner to those states that choose the Better Choice Plan.

Eligible Individuals: This proposal provides financial assistance to legal residents of the United States not receiving income tax benefits from having employer sponsored insurance, and who do not have Medicare, Medicaid or other government funded health care. This goal is to provide roughly the same federal benefit that those with employer-sponsored insurance receive to those who do not have employer sponsored insurance.

Funding: Each state will receive the funds that it would have received under Obamacare if 95% of everyone eligible for subsidies enrolled; in addition, the state will receive the money that would have paid for a Medicaid expansion. If states choosing this option have already expanded Medicaid, the state could either keep its Medicaid expansion or convert it to subsidies to help individuals purchase private insurance.

Distribution of Funds: The money will be deposit directly into an individual's Roth HSA to assist in the purchase of health care. States will have the option to either receive the total sum of money for administration by the state, or to have the Federal government directly administer and give a tax credit to qualifying individuals. States will have the option to auto-enroll individuals. If auto-enrollment is selected, individuals will be allowed to opt-out of coverage. The auto-enroll feature eliminates the need for either an individual or employer mandate.

Benefit Design: All individuals receiving the health credit would receive a Roth Health Savings Account (HSA), a high-deductible health plan (HDHP), and a basic pharmacy benefit plan. The only mandated benefits would be those required of ERISA plans. There will be continuous coverage protections, as well as the essential consumer protections listed above. Beyond that, regulation of the insurance market reverts to the state.

Expand Health Savings Accounts: On a federal level, HSA law will change to allow HSAs to pay for health insurance premiums, for family members to pool dollars to pay for increased expenses, and to allow insurance companies to offer HSA/HDHP policies, which cover all inpatient services.

Price Transparency: To make HSAs more useful, providers receiving payment for HSAs will be required to publish "cash prices" for services paid for with an HSA or with cash. In order to protect those who do need emergency services, the PFA calls for limited out of network surcharges for emergency medical services paid for with an HSA.