Senate GOP Releases Bill to Cut Medicaid, Alter 'ObamaCare'

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WASHINGTON, D.C. - Senate Republicans released a bill on Monday that would cut Medicaid and sharply reduce the income level for insurance subsidies under "ObamaCare," providing the most concrete blueprint yet for the party's health-policy overhaul.

The proposal sets a goal of making Medicaid and the premium tax credits under ObamaCare more like traditional insurance, with higher deductibles and lower government subsidies. It would also allow states to opt out of covering essential benefits that are currently required for insurers, such as prescription drugs.

The Senate bill, which was requested by Senate Majority Leader Mitch McConnell, R-Ky., has been given the name "FreedomChoice Act." It would allow states to keep their current Medicaid programs, or they could opt out of the program and the federal government would provide a set amount of money per enrollee, with states setting the rules for the program.

The new law would also cut the Affordable Care Act's premium subsidies, which help millions of poor and low-income Americans pay for health insurance. The proposed changes would reduce the number of people who have health insurance and would make it much harder forstates to expand Medicaid.

The bill would also eliminate the individual mandate, which requires most Americans to have health coverage or pay a penalty. Republicans have long objected to the mandate, and the bill would allow states to keep their current Medicaid programs, or they could opt out of the program and the federal government would provide a set amount of money per enrollee, with states setting the rules for the program.

The House and Senate health-care bills are similar, but the Senate bill is faster-tracked and has a steeper immediate cut to the Affordable Care Act's Medicaid program. The House bill would phases in its cuts over several years, starting in 2020 and ending in 2023.

This week, House Republicans are expected to pass its own health care bill, and the Senate is expected to hold a Senate Health Committee hearing on the bill on Monday.