THE AMERICAN HEALTH CARE ACT

Pre-Existing Conditions

The American Health Care Act reaffirms the commitment from House Republicans to ensure Americans with pre-existing conditions are protected. Under our plan:

- Insurance companies are prohibited from denying or not renewing coverage due to a pre-existing condition. Period.
- Insurance companies are banned from rescinding coverage based on a pre-existing condition. Period.
- Insurance companies are banned from excluding benefits based on a pre-existing condition. Period.
- Insurance companies are prevented from raising premiums on individuals with pre-existing conditions who maintain continuous coverage. Period.

Waivers under AHCA: To reduce premiums and empower states to innovate, the AHCA allows states to seek a limited waiver and adapt rules so that an individual's health status can be considered when determining premiums, but only if that person has not maintained continuous coverage. This common-sense waiver options can help lower premiums overall and provide an incentive for individuals to get and stay covered. States that apply for these waivers must have established a risk-sharing program with the purpose of lowering premiums or other our of pocket costs for patients in the program. This waiver only applies to the individual insurance market, where roughly 7 percent of the country purchases coverage. It does NOT apply to 93 percent of Americans with employer-provided coverage or government coverage (Medicare, Medicaid, Tricare, VA benefits, and others).

In the rare circumstances for which a person may be charged based on health status, a person must:

- reside in a state with an approved waiver and a risk mitigation program;
- have a pre-existing condition;
- be uninsured because they have not maintained continuous coverage; and
- purchase health care in the individual market.

Higher premiums can only be charged for a period of one year, then an individual would return to standard rates. And additional resources will be made available to these individuals, which are discussed below. Again, if a person maintains continuous coverage, they cannot be charged more, whether their state has a waiver or not.

Continuous Coverage Explained: Continuous coverage requirements already exist for the vast majority of Americans who get their insurance through their employer. The employer market allows for gaps in coverage for up to 63 days. In our plan, this same requirement would apply to patients in the individual market as well. Medicare Parts B and D also have similar basic continuous coverage frameworks. Extending these protections to the individual market is a simple but important reform that will encourage patients to enroll in coverage and stay enrolled.

Additional Resources for those with Pre-Existing Conditions: AHCA includes $138 billion dollars to assist in providing coverage and lowering costs for patients. $100 billion of that funding is available for states to establish high-risk pools, cut out-of-pocket costs, promote participation in private health insurance or to increase the number of options available through the market, or other innovative risk-sharing programs. $15 billion is made available to establish a federal invisible risk-sharing program to serve as a secondary buffer for high-cost individuals. Another $15 billion is made available specifically to cover costs associated with maternity care, newborn care, mental health care, and care for substance abuse disorders. Finally, $8 billion is specifically targeted to reduce the premiums and out-of-pocket costs of those citizens with pre-existing conditions who find themselves in the rare situation – in states with an approved waiver and a risk mitigation program – discussed above.