



## Regulatory Update

### ACA Developments - House Fails to Override ACA Veto

Issue Date: February 2016

On Tuesday, February 2 by a vote of 241 to 186 the House of Representatives failed to override President Obama's veto of a budget reconciliation legislation that would have dismantled major portions of the Affordable Care Act (ACA). Specifically, the legislation had proposed to repeal much of the ACA, including the excise tax on high value employer-sponsored health care benefits.

Now that the override of the President's veto failed, there are legislative talks to pivot from ACA repeal to replacement for the remainder of 2016. Earlier this week the House Ways and Means Committee had a day-long retreat to determine legislative priority issues for this year. Among the priorities outlined include replacing the health care law and overhauling the tax code - both are of importance to the HR profession and could potentially impact employer-sponsored benefits. The Committee's top goal is to offer an alternative to the ACA and work with the Energy and Commerce and Education and the Workforce Committees to craft a legislative proposal. In addition, it is very likely that calls to repeal the ACA will dominate the campaign trail in the race for the White House. Support for an alternative health care plan this year could potentially lay the groundwork for the GOP's nominee for president. A timeframe and details of the release of an alternative health care plan have yet to be determined.

It is anticipated that any alternative health care proposal would likely include a provision to further delay, amend or even repeal the ACA excise tax. As previously reported, in December of 2015 Congress passed and President Obama signed into law the Consolidated Appropriations Act, which includes a two-year delay of the implementation of the excise tax on employer-sponsored health care benefits until 2020. The two-year delay could serve as a pendulum for full repeal of the excise tax in future legislative initiatives to overhaul the ACA.

As the three respective House committees work towards the development of an alternative health care plan, SHRM will continue to advocate in support of proposals that will strengthen and improve the employer-based health care system, including full repeal of the excise tax.

#### For More Information

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