



H.R. 1 – *The One Big Beautiful Bill*

Signed into law July 4, 2025

Summary of Health Provisions

H.R. 1 proposes sweeping changes to health coverage under the Affordable Care Act (ACA). This summary focuses on the provisions that NABIP has lobbied for in the past year.

Employer-Sponsored Insurance

- **No New Taxes on Benefits:** H.R. 1 maintains the tax exclusion for employer-sponsored health insurance. **NABIP win!**

Telehealth

- Permanently extends the safe harbor allowing HDHPs to cover telehealth services before the deductible – without jeopardizing HSA eligibility. The effective date extends coverage back to December 31, 2024. Sec. 71306. **NABIP win!**

Health Savings Accounts (HSAs) – Expansion & Modernization

- **Direct Primary Care (DPC)** arrangements are HSA-compatible (up to \$150/month individual; \$300/month family). Sec 71308 **NABIP win!**
- **Bronze and Catastrophic plans** purchased through the Exchange will now be HSA-eligible even if they don't meet traditional High Deductible Health Plan (HDHP) criteria. Effective after December 31, 2025. Sec. 71307 **NABIP win!**

ACA Marketplace Provisions – Enrollment, Subsidies, and Guardrails – will need to match with new CMS regulations

New Restrictions on ACA Eligibility & Enrollment

- **Mandatory Eligibility Verification:** Applicants must verify key information— income, immigration status, coverage eligibility, residency, family size, and other factors determined by the Treasury Secretary—prior to enrollment to qualify for subsidies.
- **Pre-enrollment Verification System:** Marketplaces must implement a pre-enrollment verification process for advance premium tax credits (APTCs), verifying eligibility before plan selection.
- **Limited SEP Eligibility for Subsidies:** Individuals who enroll during income-only Special Enrollment Periods (SEPs) are not eligible for the premium tax credit unless they also experienced another qualifying life event (e.g., job loss, relocation).

- **No Passive Reenrollment Subsidies:** Individuals must actively verify eligibility annually to continue receiving subsidies—passive reenrollment no longer guarantees APTC eligibility.

Premium Repayment and Debt Provisions

- **Full Repayment of Excess APTC:** Eliminates the current cap on repaying overestimated tax credits. All individuals (regardless of income level) must repay 100% of excess subsidies to the IRS.
- **Exception for Low-Income Individuals:** Individuals whose actual income falls below 100% of the Federal Poverty Level may avoid repayment unless they intentionally provided false or reckless information.

Small Agency Support

- Makes permanent the 20% deduction for eligible small businesses and sole proprietors. **NABIP win!**

What's Missing?

- No extension of enhanced **ACA premium tax credits**, which are set to expire December 31, 2025. Amendments to extend them failed on party-line votes. **NABIP priority.**
- No codification of **ICHRA/CHOICE Arrangements**. These provisions were included in the House bill but dropped by the Senate. These plans continue to operate under federal regulation.
- **HSAs for working seniors.** This section was in the House bill but dropped in the Senate. Long-standing **NABIP priority.**
- Other HSA expansions were included in the House bill but dropped in the Senate.

Other provisions

- Expansion of ABLE Accounts for people with disabilities. Sec. 70115
- Expansion of Paid Family Medical Leave (PFML) tax credits, including disability insurance products. Sec. 70304
- PBM reforms - While some minimal PBM-related measures remained, they were largely limited to Medicaid and Medicare programs and did not encompass the broader reforms proposed in the House version. For instance, the Senate bill included a prohibition on spread pricing in Medicaid, but this practice is already banned in many states and is not a new requirement.