

Committee Print

[SHOWING THE TEXT OF H.R. 1425, AS FORWARDED BY THE SUBCOMMITTEE
ON HEALTH ON MARCH 27, 2019]

116TH CONGRESS
1ST SESSION

H. R. 1425

To amend the Patient Protection and Affordable Care Act to provide for a Improve Health Insurance Affordability Fund to provide for certain reinsurance payments to lower premiums in the individual health insurance market.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 2019

Mrs. CRAIG (for herself and Mr. PETERS) introduced the following bill; which
was referred to the Committee on Energy and Commerce

A BILL

To amend the Patient Protection and Affordable Care Act to provide for a Improve Health Insurance Affordability Fund to provide for certain reinsurance payments to lower premiums in the individual health insurance market.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “State Health Care Pre-
5 mium Reduction Act”.

1 **SEC. 2. IMPROVE HEALTH INSURANCE AFFORDABILITY**
2 **FUND.**

3 Subtitle D of title I of the Patient Protection and
4 Affordable Care Act is amended by inserting after part
5 5 (42 U.S.C. 18061 et seq.) the following new part:

6 **“PART 6—IMPROVE HEALTH INSURANCE**
7 **AFFORDABILITY FUND**

8 **“SEC. 1351. ESTABLISHMENT OF PROGRAM.**

9 “There is hereby established the ‘Improve Health In-
10 surance Affordability Fund’ to be administered by the Sec-
11 retary of Health and Human Services, acting through the
12 Administrator of the Centers for Medicare & Medicaid
13 Services (in this section referred to as the ‘Adminis-
14 trator’), to provide funding, in accordance with this part,
15 to the 50 States and the District of Columbia (each re-
16 ferred to in this section as a ‘State’) beginning on January
17 1, 2020, for the purposes described in section 1352.

18 **“SEC. 1352. USE OF FUNDS.**

19 “(a) IN GENERAL.—A State shall use the funds allo-
20 cated to the State under this part for one of the following
21 purposes:

22 “(1) To provide reinsurance payments to health
23 insurance issuers with respect to individuals enrolled
24 under individual health insurance coverage (other
25 than through a plan described in subsection (b)) of-
26 fered by such issuers.

1 “(2) To provide assistance (other than through
2 payments described in paragraph (1)) to reduce out-
3 of-pocket costs, such as copayments, coinsurance,
4 premiums, and deductibles, of individuals enrolled
5 under qualified health plans offered on the indi-
6 vidual market through an Exchange.

7 “(b) EXCLUSION OF CERTAIN GRANDFATHERED AND
8 TRANSITIONAL PLANS.—For purposes of subsection (a),
9 a plan described in this subsection is the following:

10 “(1) A grandfathered health plan (as defined in
11 section 1251).

12 “(2) A plan (commonly referred to as a ‘transi-
13 tional plan’) continued under the letter issued by the
14 Centers for Medicare & Medicaid Services on No-
15 vember 14, 2013, to the State Insurance Commis-
16 sioners outlining a transitional policy for coverage in
17 the individual and small group markets to which sec-
18 tion 1251 does not apply, and under the extension
19 of the transitional policy for such coverage set forth
20 in the Insurance Standards Bulletin Series guidance
21 issued by the Centers for Medicare & Medicaid Serv-
22 ices on March 5, 2014, February 29, 2016, Feb-
23 ruary 13, 2017, and April 9, 2018, or under any
24 subsequent extensions thereof.

1 **“SEC. 1353. STATE ELIGIBILITY AND APPROVAL; DEFAULT**
2 **SAFEGUARD.**

3 “(a) ENCOURAGING STATE OPTIONS FOR ALLOCA-
4 TIONS.—

5 “(1) IN GENERAL.—To be eligible for an alloca-
6 tion of funds under this part for a year (beginning
7 with 2020), a State shall submit to the Adminis-
8 trator an application at such time (but, in the case
9 of allocations for 2020, not later than 90 days after
10 the date of the enactment of this part and, in the
11 case of allocations for a subsequent year, not later
12 than March 1 of the previous year) and in such form
13 and manner as specified by the Administrator con-
14 taining—

15 “(A) a description of how the funds will be
16 used; and

17 “(B) such other information as the Admin-
18 istrator may require.

19 “(2) AUTOMATIC APPROVAL.—An application so
20 submitted is approved unless the Administrator noti-
21 fies the State submitting the application, not later
22 than 60 days after the date of the submission of
23 such application, that the application has been de-
24 nied for not being in compliance with any require-
25 ment of this part and of the reason for such denial.

1 “(3) 5-YEAR APPLICATION APPROVAL.—If an
2 application of a State is approved for a purpose de-
3 scribed in section 1352 for a year, such application
4 shall be treated as approved for such purpose for
5 each of the subsequent 4 years.

6 “(4) REVOCATION OF APPROVAL.—The ap-
7 proval of an application of a State, with respect to
8 a purpose described in section 1352, may be revoked
9 if the State fails to use funds provided to the State
10 under this section for such purpose or otherwise fails
11 to comply with the requirements of this section.

12 “(b) DEFAULT FEDERAL SAFEGUARD.—

13 “(1) 2020.—For 2020, in the case of a State
14 that does not submit an application under subsection
15 (a) by the 90-day submission date applicable to such
16 year under subsection (a)(1) and in the case of a
17 State that does submit such an application by such
18 date that is not approved, the Administrator, in con-
19 sultation with the State insurance commissioner,
20 shall use, in accordance with paragraph (3), the
21 amount described in paragraph (4) for such year.

22 “(2) 2021 AND SUBSEQUENT YEARS.—For
23 2021 or a subsequent year, in the case of a State
24 that does not have in effect an approved application
25 under this section for such year, the Administrator,

1 in consultation with the State insurance commis-
2 sioner, shall use, in accordance with paragraph (3),
3 the amount described in paragraph (4) for such
4 year.

5 “(3) SPECIFIED USE.—The amount described
6 in paragraph (4), with respect to 2020 or a subse-
7 quent year, shall be used to carry out the purpose
8 described in section 1352(a)(1) in each State de-
9 scribed in paragraph (1) or (2) for such year, as ap-
10 plicable, by providing reinsurance payments to
11 health insurance issuers with respect to attachment
12 range claims (as defined in section 1354(b)(2)),
13 using the dollar amounts specified in subparagraph
14 (B) of such section for such year) in an amount
15 equal to the percentage (specified for such year by
16 the Secretary under such subparagraph) of the
17 amount of such claims.

18 “(4) AMOUNT DESCRIBED.—The amount de-
19 scribed in this paragraph, with respect to 2020 or
20 a subsequent year, is the amount equal to the total
21 sum of amounts that the Secretary would otherwise
22 estimate under section 1354(b)(2)(A)(i) for such
23 year for each State described in paragraph (1) or
24 (2) for such year, as applicable, if each such State
25 were not so described for such year.

1 **“SEC. 1354. ALLOCATIONS.**

2 “(a) APPROPRIATION.—For the purpose of providing
3 allocations for States under this part there is appro-
4 priated, out of any money in the Treasury not otherwise
5 appropriated, \$10,000,000,000 for 2020 and each subse-
6 quent year.

7 “(b) ALLOCATIONS.—

8 “(1) PAYMENT.—

9 “(A) IN GENERAL.—From amounts appro-
10 priated under subsection (a) for a year, the
11 Secretary shall, with respect to a State not de-
12 scribed in section 1353(b) for such year and
13 not later than the date specified under subpara-
14 graph (B) for such year, allocate for such State
15 the amount determined for such State and year
16 under paragraph (2).

17 “(B) SPECIFIED DATE.—For purposes of
18 subparagraph (A), the date specified in this
19 subparagraph is—

20 “(i) for 2020, the date that is 45 days
21 after the date of the enactment of this
22 part; and

23 “(ii) for 2021 or a subsequent year,
24 January 1 of the respective year.

25 “(C) NOTIFICATIONS OF ALLOCATION
26 AMOUNTS.—For 2021 and each subsequent

1 year, the Secretary shall notify each State of
2 the amount determined for such State under
3 paragraph (2) for such year by not later than
4 January 1 of the previous year.

5 “(2) ALLOCATION AMOUNT DETERMINA-
6 TIONS.—

7 “(A) IN GENERAL.—For purposes of para-
8 graph (1), the amount determined under this
9 paragraph for a year for a State described in
10 paragraph (1)(A) for such year is the amount
11 equal to—

12 “(i) the amount that the Secretary es-
13 timates would be expended under this part
14 for such year on attachment range claims
15 of individuals residing in such State if such
16 State used such funds only for the purpose
17 described in paragraph (1) of section
18 1352(a) at the dollar amounts and per-
19 centage specified under subparagraph (B)
20 for such year; minus

21 “(ii) the amount, if any, by which the
22 Secretary determines—

23 “(I) the estimated amount of
24 premium tax credits under section
25 36B of the Internal Revenue Code of

1 1986 that would be attributable to in-
2 dividuals residing in such State for
3 such year without application of this
4 part; exceeds

5 “(II) the estimated amount of
6 premium tax credits under section
7 36B of the Internal Revenue Code of
8 1986 that would be attributable to in-
9 dividuals residing in such State for
10 such year if such State were a State
11 described in section 1353(b) for such
12 year.

13 For purposes of the previous sentence and sec-
14 tion 1353(b)(3), the term ‘attachment range
15 claims’ means, with respect to an individual, the
16 claims for such individual that exceed a dollar
17 amount specified by the Secretary for a year,
18 but do not exceed a ceiling dollar amount speci-
19 fied by the Secretary for such year, under sub-
20 paragraph (B).

21 “(B) SPECIFICATIONS.—For purposes of
22 subparagraph (A) and section 1353(b)(3), the
23 Secretary shall determine the dollar amounts
24 and the percentage to be specified under sub-
25 paragraph (A) for a year in a manner to ensure

1 that the total amount of expenditures under
2 this part for such year is estimated to equal the
3 total amount appropriated for such year under
4 subsection (a) if such expenditures were used
5 solely for the purpose described in paragraph
6 (1) of section 1352(a) for attachment range
7 claims at the dollar amounts and percentage so
8 specified for such year.

9 “(3) AVAILABILITY.—Funds allocated to a
10 State under this subsection for a year shall remain
11 available through the end of the subsequent year.”.