COMMITTEE PRINT

Budget Reconciliation Legislative Recommendations Relating to Affordable Health Care Coverage

Subtitle F—Affordable Health Care Coverage

SEC. 30601. ENSURING AFFORDABILITY OF COVERAGE FOR CERTAIN LOW-INCOME POPULATIONS.

(a) Reducing Cost Sharing Under Qualified Health Plans.—Section 1402 of the Patient Protection and Affordable Care Act (42 U.S.C. 18071) is amended—

(1) in subsection (b)—

(A) in paragraph (2), by inserting “(or, with respect to plan years 2023 and 2024, whose household income does not exceed 400 percent of the poverty line for a family of the size involved)” before the period; and

(B) in the matter following paragraph (2), by adding at the end the following new sentence: “In the case of an individual with a household income of less than 138 percent of the poverty line for a family of the size involved for any month occurring during the period beginning on January 1, 2022, and ending on December 31, 2022, such individual shall, for such
month and for each succeeding month during such period, be treated as having household income equal to 100 percent for purposes of applying this section.”; and

(2) in subsection (e)—

(A) in paragraph (1)(A), in the matter preceding clause (i), by inserting “, with respect to eligible insureds (other than, with respect to plan years 2023 and 2024, specified enrollees (as defined in paragraph (6)(C))),” after “first be achieved”;

(B) in paragraph (2), in the matter preceding subparagraph (A), by inserting “with respect to eligible insureds (other than, with respect to plan years 2023 and 2024, specified enrollees)” after “under the plan”;

(C) in paragraph (3)—

(i) in subparagraph (A), by striking “this subsection” and inserting “paragraph (1) or (2)”;

(ii) in subparagraph (B), by striking “this section” and inserting “paragraphs (1) and (2)”;

(D) by adding at the end the following new paragraph:
“(6) SPECIAL RULE FOR SPECIFIED ENROLLEES.—

“(A) IN GENERAL.—The Secretary shall
establish procedures under which the issuer of
a qualified health plan to which this section ap-
plies shall reduce cost-sharing under the plan
with respect to months occurring during plan
years 2023 and 2024 for enrollees who are
specified enrollees (as defined in subparagraph
(C)) in a manner sufficient to increase the
plan’s share of the total allowed costs of bene-
fits provided under the plan to 99 percent of
such costs.

“(B) METHODS FOR REDUCING COST
SHARING.—

“(i) IN GENERAL.—An issuer of a
qualified health plan making reductions
under this paragraph shall notify the Sec-
retary of such reductions and the Sec-
retary shall, out of funds made available
under clause (ii), make periodic and timely
payments to the issuer equal to 12 percent
of the total allowed costs of benefits pro-
vided under each such plan to specified en-
rollees during plan years 2023 and 2024.
“(ii) APPROPRIATION.—There are appropriated, out of any monies in the Treasury not otherwise appropriated, such sums as may be necessary to the Secretary for purposes of making payments under clause (i).

“(C) SPECIFIED ENROLLEE DEFINED.—For purposes of this section, the term ‘specified enrollee’ means, with respect to a month occurring during a plan year, an eligible insured with a household income of less than 138 percent of the poverty line for a family of the size involved during such month. Such insured shall be deemed to be a specified enrollee for each succeeding month in such plan year.”.

(b) OPEN ENROLLMENTS APPLICABLE TO CERTAIN LOWER-INCOME POPULATIONS.—Section 1311(c) of the Patient Protection and Affordable Care Act (42 U.S.C. 18031(c)) is amended—

(1) in paragraph (6)—

(A) in subparagraph (C), by striking at the end “and”;

(B) in subparagraph (D), by striking the period at the end and inserting “; and”; and
(C) by adding at the end the following new paragraph:

“(E) with respect to a qualified health plan with respect to which section 1402 applies, for months occurring during the period beginning on January 1, 2022, and ending on December 31, 2024, enrollment periods described in subparagraph (A) of paragraph (8) for individuals described in subparagraph (B) of such paragraph.”; and

(2) by adding at the end the following new paragraph:

“(8) SPECIAL ENROLLMENT PERIOD FOR CERTAIN LOW-INCOME POPULATIONS.—

“(A) IN GENERAL.—The enrollment period described in this paragraph is, in the case of an individual described in subparagraph (B), the continuous period beginning on the first day that such individual is so described.

“(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual described in this subparagraph is an individual—

“(i) with a household income of less than 138 percent of the poverty line for a family of the size involved; and
“(ii) who is not eligible for minimum essential coverage (as defined in section 5000A(f) of the Internal Revenue Code of 1986), other than for coverage described in any of subparagraphs (B) through (E) of paragraph (1) of such section.”.

(c) Additional Benefits for Certain Low-Income Individuals for Plan Year 2024.—Section 1301(a) of the Patient Protection and Affordable Care Act (42 U.S.C. 18021(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B), by striking “and” at the end;

(B) in subparagraph (C)(iv), by striking the period and inserting “; and”; and

(C) by adding at the end the following new subparagraph:

“(D) provides, with respect to a plan offered in the silver level of coverage to which section 1402 applies during plan year 2024, for benefits described in paragraph (5) in the case of an individual who, for a month during such plan year, has a household income of less than 138 percent of the poverty line for a family of the size involved, and who is eligible to receive
cost-sharing reductions under section 1402.”;

and

(2) by adding at the end the following new paragraph:

“(5) ADDITIONAL BENEFITS FOR CERTAIN LOW-INCOME INDIVIDUALS FOR PLAN YEAR 2024.—

“(A) IN GENERAL.—For purposes of paragraph (1)(D), the benefits described in this paragraph to be provided by a qualified health plan are benefits consisting of non-emergency medical transportation services and services described in subsection (a)(4)(C) of section 1905 of the Social Security Act, without any restriction on the choice of a qualified provider from whom such an individual so enrolled in such plan may receive such services described in such subsection, and without any imposition of cost sharing, which are not otherwise provided under such plan as part of the essential health benefits package described in section 1302(a).

“(B) PAYMENTS FOR ADDITIONAL BENEFITS.—

“(i) IN GENERAL.—An issuer of a qualified health plan making payments for services described in subparagraph (A) fur-
nished to individuals described in paragraph (1)(D) during plan year 2024 shall notify the Secretary of such payments and the Secretary shall, out of funds made available under clause (ii), make periodic and timely payments to the issuer equal to payments for such services so furnished.

“(ii) APPROPRIATION.—There is appropriated, out of any monies in the Treasury not otherwise appropriated, such sums as may be necessary to the Secretary for purposes of making payments under clause (i).”.

(d) EDUCATION AND OUTREACH ACTIVITIES.—

(1) IN GENERAL.—Section 1321(c) of the Patient Protection and Affordable Care Act (42 U.S.C. 18041(c)) is amended by adding at the end the following new paragraph:

“(3) OUTREACH AND EDUCATIONAL ACTIVITIES.—

“(A) IN GENERAL.—In the case of an Exchange established or operated by the Secretary within a State pursuant to this subsection, the Secretary shall carry out outreach and educational activities for purposes of informing in-
individuals described in section 1902(a)(10)(A)(i)(VIII) of the Social Security Act who reside in States that have not expended amounts under a State plan (or waiver of such plan) under title XIX of such Act for all such individuals about qualified health plans offered through the Exchange, including by informing such individuals of the availability of coverage under such plans and financial assistance for coverage under such plans. Such outreach and educational activities shall be provided in a manner that is culturally and linguistically appropriate to the needs of the populations being served by the Exchange (including hard-to-reach populations, such as racial and sexual minorities, limited English proficient populations, individuals residing in areas where the unemployment rates exceeds the national average unemployment rate, individuals in rural areas, veterans, and young adults).

“(B) LIMITATION ON USE OF FUNDS.—No funds appropriated under this paragraph shall be used for expenditures for promoting non-ACA compliant health insurance coverage.
“(C) Non-ACA compliant health insurance coverage.—For purposes of subparagraph (B):

“(i) The term ‘non-ACA compliant health insurance coverage’ means health insurance coverage, or a group health plan, that is not a qualified health plan.

“(ii) Such term includes the following:

“(I) An association health plan.

“(II) Short-term limited duration insurance.

“(D) FUNDING.—There are appropriated, out of any monies in the Treasury not otherwise appropriated, $15,000,000 for fiscal year 2022, and $30,000,000 for each of fiscal years 2023 and 2024, to carry out this paragraph. Funds appropriated under this subparagraph shall remain available until expended.”.

(2) NAVIGATOR PROGRAM.—Section 1311(i)(6) of the Patient Protection and Affordable Care Act (42 U.S.C. 18031(i)(6)) is amended—

(A) by striking “FUNDING.—Grants under” and inserting “FUNDING.—

“(A) STATE EXCHANGES.—Grants under”; and
(B) by adding at the end the following new subparagraph:

“(B) FEDERAL EXCHANGES.—For purposes of carrying out this subsection, with respect to an Exchange established and operated by the Secretary within a State pursuant to section 1321(c), the Secretary shall obligate $10,000,000 out of amounts collected through the user fees on participating health insurance issuers pursuant to section 156.50 of title 45, Code of Federal Regulations (or any successor regulations) for fiscal year 2022, and $20,000,000 for each of fiscal years 2023 and 2024. Such amount so obligated for a fiscal year shall remain available until expended.”.

SEC. 30602. TEMPORARY EXPANSION OF HEALTH INSURANCE PREMIUM TAX CREDITS FOR CERTAIN LOW-INCOME POPULATIONS.

(a) In General.—Section 36B is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

“(h) CERTAIN TEMPORARY RULES FOR 2022 THROUGH 2024.—With respect to any taxable year beginning after December 31, 2021, and before January 1, 2025—
“(1) Eligibility for credit not limited based on income.—Section 36B(c)(1)(A) shall be disregarded in determining whether a taxpayer is an applicable taxpayer.

“(2) Credit allowed to certain low-income employees offered employer-provided coverage.—Subclause (II) of subsection (c)(2)(C)(i) shall not apply if the taxpayer’s household income does not exceed 138 percent of the poverty line for a family of the size involved. The last sentence of such subsection shall also apply for purposes of this paragraph. Subclause (II) of subsection (c)(2)(C)(i) shall also not apply to an individual described in the last sentence of such subsection if the taxpayer’s household income does not exceed 138 percent of the poverty line for a family of the size involved.

“(3) Credit allowed to certain low-income employees offered qualified small employer health reimbursement arrangements.—A qualified small employer health reimbursement arrangement shall not be treated as constituting affordable coverage for an employee (or any spouse or dependent of such employee) for any months of a taxable year if the employee’s household
income for such taxable year does not exceed 138
percent of the poverty line for a family of the size
involved.

“(4) LIMITATIONS ON RECAPTURE.—

“(A) IN GENERAL.—In the case of a tax-
payer whose household income is less than 200
percent of the poverty line for the size of the
family involved for the taxable year, the amount
of the increase under subsection (f)(2)(A) shall
in no event exceed $300 (one-half of such
amount in the case of a taxpayer whose tax is
determined under section 1(e) for the taxable
year).

“(B) LIMITATION ON INCREASE FOR CER-
TAIN NON-FILERS.—In the case of any taxpayer
who would not be required to file a return of
tax for the taxable year but for any require-
ment to reconcile advance credit payments
under subsection (f), if an Exchange established
under title I of the Patient Protection and Af-
fordable Care Act has determined that—

“(i) such taxpayer is eligible for ad-
advance payments under section 1412 of
such Act for any portion of such taxable
year, and
“(ii) such taxpayer’s household income for such taxable year is projected to not exceed 138 percent of the poverty line for a family of the size involved, subsection (f)(2)(A) shall not apply to such taxpayer for such taxable year and such taxpayer shall not be required to file such return of tax.

“(C) INFORMATION PROVIDED BY EXCHANGE.—The information required to be provided by an Exchange to the Secretary and to the taxpayer under subsection (f)(3) shall include such information as is necessary to determine whether such Exchange has made the determinations described in clauses (i) and (ii) of subparagraph (B) with respect to such taxpayer.”.

(b) EMPLOYER SHARED RESPONSIBILITY PROVISION NOT APPLICABLE WITH RESPECT TO CERTAIN LOW-INCOME TAXPAYERS RECEIVING PREMIUM ASSISTANCE.—Section 4980H(c)(3) is amended to read as follows:

“(3) APPLICABLE PREMIUM TAX CREDIT AND COST-SHARING REDUCTION.—

“(A) IN GENERAL.—The term ‘applicable premium tax credit and cost-sharing reduction’ means—
“(i) any premium tax credit allowed under section 36B,

“(ii) any cost-sharing reduction under section 1402 of the Patient Protection and Affordable Care Act, and

“(iii) any advance payment of such credit or reduction under section 1412 of such Act.

“(B) EXCEPTION WITH RESPECT TO CERTAIN LOW-INCOME TAXPAYERS.—Such term shall not include any premium tax credit, cost-sharing reduction, or advance payment otherwise described in subparagraph (A) if such credit, reduction, or payment is allowed or paid for a taxable year of an employee (beginning after December 31, 2021, and before January 1, 2025) with respect to which—

“(i) an Exchange established under title I of the Patient Protection and Affordable Care Act has determined that such employee’s household income for such taxable year is projected to not exceed 138 percent of the poverty line for a family of the size involved, or
“(ii) such employee’s household income for such taxable year does not exceed 138 percent of the poverty line for a family of the size involved.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 30603. ESTABLISHING A HEALTH INSURANCE AFFORDABILITY FUND.

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

“PART 6—IMPROVE HEALTH INSURANCE AFFORDABILITY FUND

“SEC. 1351. ESTABLISHMENT OF PROGRAM.

“There is hereby established the ‘Improve Health Insurance Affordability Fund’ to be administered by the Secretary of Health and Human Services, acting through the Administrator of the Centers for Medicare & Medicaid Services (in this section referred to as the ‘Administrator’), to provide funding, in accordance with this part, to the 50 States and the District of Columbia (each referred to in this section as a ‘State’) beginning on January 1, 2023, for the purposes described in section 1352."
“SEC. 1352. USE OF FUNDS.

“(a) IN GENERAL.—A State shall use the funds allocated to the State under this part for one of the following purposes:

“(1) To provide reinsurance payments to health insurance issuers with respect to individuals enrolled under individual health insurance coverage (other than through a plan described in subsection (b)) offered by such issuers.

“(2) To provide assistance (other than through payments described in paragraph (1)) to reduce out-of-pocket costs, such as copayments, coinsurance, premiums, and deductibles, of individuals enrolled under qualified health plans offered on the individual market through an Exchange and of individuals enrolled under standard health plans offered through a basic health program established under section 1331.

“(b) EXCLUSION OF CERTAIN GRANDFATHERED PLANS, TRANSITIONAL PLANS, STUDENT HEALTH PLANS, AND EXCEPTED BENEFITS.—For purposes of subsection (a), a plan described in this subsection is the following:

“(1) A grandfathered health plan (as defined in section 1251).
“(2) A plan (commonly referred to as a ‘transitional plan’) continued under the letter issued by the Centers for Medicare & Medicaid Services on November 14, 2013, to the State Insurance Commissioners outlining a transitional policy for coverage in the individual and small group markets to which section 1251 does not apply, and under the extension of the transitional policy for such coverage set forth in the Insurance Standards Bulletin Series guidance issued by the Centers for Medicare & Medicaid Services on March 5, 2014, February 29, 2016, February 13, 2017, April 9, 2018, March 25, 2019, January 31, 2020, and January 19, 2021, or under any subsequent extensions thereof.

“(3) Student health insurance coverage (as defined in section 147.145 of title 45, Code of Federal Regulations, or any successor regulation).

“(4) Excepted benefits (as defined in section 2791(c) of the Public Health Service Act).

“SEC. 1353. STATE ELIGIBILITY AND APPROVAL; DEFAULT SAFEGUARD.

“(a) ENCOURAGING STATE OPTIONS FOR ALLOCATIONS.—

“(1) IN GENERAL.—Subject to subsection (b), to be eligible for an allocation of funds under this
part for a year (beginning with 2023), a State shall submit to the Administrator an application at such time (but, in the case of allocations for 2023, not later than 120 days after the date of the enactment of this part and, in the case of allocations for a subsequent year, not later than January 1 of the previous year) and in such form and manner as specified by the Administrator containing—

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

“(B) such other information as the Administrator may require.

“(2) AUTOMATIC APPROVAL.—An application so submitted is approved (as outlined in the terms of the plan) unless the Administrator notifies the State submitting the application, not later than 90 days after the date of the submission of such application, that the application has been denied for not being in compliance with any requirement of this part and of the reason for such denial.

“(3) 5-YEAR APPLICATION APPROVAL.—If an application of a State is approved for a purpose described in section 1352 for a year, such application shall be treated as approved for such purpose for each of the subsequent 4 years.
“(4) OVERSIGHT AUTHORITY AND AUTHORITY TO REVOKE APPROVAL.—

“(A) OVERSIGHT.—The Secretary may conduct periodic reviews of the use of funds provided to a State under this section, with respect to a purpose described in section 1352, to ensure the State uses such funds for such purpose and otherwise complies with the requirements of this section.

“(B) REVOCATION OF APPROVAL.—The approval of an application of a State, with respect to a purpose described in section 1352, may be revoked if the State fails to use funds provided to the State under this section for such purpose or otherwise fails to comply with the requirements of this section.

“(b) DEFAULT FEDERAL SAFEGUARD FOR 2023 AND 2024 FOR CERTAIN STATES.—

“(1) IN GENERAL.—For 2023 and 2024, in the case of a State described in paragraph (5), with respect to such year, the State shall not be eligible to submit an application under subsection (a), and the Administrator, in consultation with the applicable State authority, shall from the amount calculated under paragraph (3) for such year, carry out the
purpose described in paragraph (2) in such State for such year.

“(2) SPECIFIED USE.—The amount described in paragraph (3), with respect to a State described in paragraph (5) for 2023 or 2024, shall be used to carry out the purpose described in section 1352(a)(1) in such State for such year, as applicable, by providing reinsurance payments to health insurance issuers with respect to attachment range claims (as defined in section 1354(b)(2), using the dollar amounts specified in subparagraph (B) of such section for such year) in an amount equal to, subject to paragraph (4), the percentage (specified for such year by the Secretary under such subparagraph) of the amount of such claims.

“(3) AMOUNT DESCRIBED.—The amount described in this paragraph, with respect to 2023 or 2024, is the amount equal to the total sum of amounts that the Secretary would otherwise estimate under section 1354(b)(2)(A)(i) for such year for each State described in paragraph (5) for such year, as applicable, if each such State were not so described for such year.

“(4) ADJUSTMENT.—For purposes of this subsection, the Secretary may apply a percentage under
paragraph (3) with respect to a year that is less than the percentage otherwise specified in section 1354(b)(2)(B) for such year, if the cost of paying the total eligible attachment range claims for States described in paragraph (5) for such year at such percentage otherwise specified would exceed the amount calculated under paragraph (3) for such year.

“(5) STATE DESCRIBED.—A State described in this paragraph, with respect to years 2023 and 2024, is a State that, as of January 1 of 2022 or 2023, respectively, was not expending amounts under the State plan (or waiver of such plan) for all individuals described in section 1902(a)(10)(A)(i)(VIII) during such year.

“SEC. 1354. ALLOCATIONS.

“(a) APPROPRIATION.—For the purpose of providing allocations for States under subsection (b) and payments under section 1353(b) there is appropriated, out of any money in the Treasury not otherwise appropriated, $10,000,000,000 for 2023 and each subsequent year.

“(b) ALLOCATIONS.—

“(1) PAYMENT.—

“(A) IN GENERAL.—From amounts appropriated under subsection (a) for a year, the
Secretary shall, with respect to a State not described in section 1353(b) for such year and not later than the date specified under subparagraph (B) for such year, allocate for such State the amount determined for such State and year under paragraph (2).

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

“(i) for 2023, the date that is 90 days after the date of the enactment of this part; and

“(ii) for 2024 or a subsequent year, January 1 of the previous year.

“(C) NOTIFICATIONS OF ALLOCATION AMOUNTS.—For 2024 and each subsequent year, the Secretary shall notify each State of the amount determined for such State under paragraph (2) for such year by not later than January 1 of the previous year.

“(2) ALLOCATION AMOUNT DETERMINATIONS.—

“(A) IN GENERAL.—For purposes of paragraph (1), the amount determined under this paragraph for a year for a State described in
paragraph (1)(A) for such year is the amount equal to—

“(i) the amount that the Secretary estimates would be expended under this part for such year on attachment range claims of individuals residing in such State if such State used such funds only for the purpose described in paragraph (1) of section 1352(a) at the dollar amounts and percentage specified under subparagraph (B) for such year; minus

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

“(I) the estimated amount of premium tax credits under section 36B of the Internal Revenue Code of 1986 that would be attributable to individuals residing in such State for such year without application of this part; exceeds

“(II) the estimated amount of premium tax credits under section 36B of the Internal Revenue Code of 1986 that would be attributable to individuals residing in such State for
such year if section 1353(b) applied for such year and applied with respect to such State for such year.

For purposes of the previous sentence and section 1353(b)(3), the term ‘attachment range claims’ means, with respect to an individual, the claims for such individual that exceed a dollar amount specified by the Secretary for a year, but do not exceed a ceiling dollar amount specified by the Secretary for such year, under subparagraph (B).

“(B) SPECIFICATIONS.—For purposes of subparagraph (A) and section 1353(b)(3), the Secretary shall determine the dollar amounts and the percentage to be specified under this subparagraph for a year in a manner to ensure that the total amount of expenditures under this part for such year is estimated to equal the total amount appropriated for such year under subsection (a) if such expenditures were used solely for the purpose described in paragraph (1) of section 1352(a) for attachment range claims at the dollar amounts and percentage so specified for such year.
“(3) AVAILABILITY.—Funds allocated to a State under this subsection for a year shall remain available through the end of the subsequent year.”.

(b) BASIC HEALTH PROGRAM FUNDING ADJUSTMENTS.—Section 1331 of the Patient Protection and Affordable Care Act (42 U.S.C. 18051) is amended—

(1) in subsection (a), by adding at the end the following new paragraph:

“(3) PROVISION OF INFORMATION ON QUALIFIED HEALTH PLAN PREMIUMS.—

“(A) IN GENERAL.—For plan years beginning on or after January 1, 2023, the program described in paragraph (1) shall provide that a State may not establish a basic health program unless such State furnishes to the Secretary, with respect to each qualified health plan offered in such State during a year that receives any reinsurance payment from funds made available under part 6 for such year, the adjusted premium amount (as defined in subparagraph (B)) for each such plan and year.

“(B) ADJUSTED PREMIUM AMOUNT DEFINED.—For purposes of subparagraph (A), the term ‘adjusted premium amount’ means, with respect to a qualified health plan and a year,
the monthly premium for such plan and year 
that would have applied had such plan not re-
ceived any payments described in subparagraph 
(A) for such year.”; and 
(2) in subsection (d)(3)(A)(ii), by adding at the 
end the following new sentence: “In making such de-
termination, the Secretary shall calculate the value 
of such premium tax credits that would have been 
provided to such individuals enrolled through a basic 
health program established by a State during a year 
using the adjusted premium amounts (as defined in 
subsection (a)(3)(B)) for qualified health plans of-
fered in such State during such year.”. 