

112TH CONGRESS  
1ST SESSION

# H. R. 3072

To amend the Patient Protection and Affordable Care Act to provide State flexibility for the offering of health benefits through alternative health arrangements.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 29, 2011

Mr. HALL introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To amend the Patient Protection and Affordable Care Act to provide State flexibility for the offering of health benefits through alternative health arrangements.

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 Authorized Alter-  
5 native Health Arrangement Act of 2011”.

6 **SEC. 2. ALTERNATIVE HEALTH ARRANGEMENTS FOR THE**  
7 **PROVISION OF HEALTH BENEFITS.**

8 Section 1311(f) of the Patient Protection and Afford-  
9 able Care Act (42 U.S.C. 18031(f); Public Law 111–148)

1 is amended by adding at the end the following new para-  
2 graph:

3           “(4) ALTERNATIVE HEALTH ARRANGEMENTS  
4 FOR THE PROVISION OF HEALTH BENEFITS.—

5           “(A) ESTABLISHMENT OF ALTERNATIVE  
6 HEALTH ARRANGEMENTS.—

7           “(i) IN GENERAL.—A State may es-  
8 tablish one or more alternative health ar-  
9 rangements (each referred to in this sub-  
10 section as an ‘alternative health arrange-  
11 ment’) that serve the beneficiaries of one  
12 or more qualified benefits programs (as de-  
13 fined in subparagraph (B)(i)) if the num-  
14 ber of participants served by each such ar-  
15 rangement is determined by the State to  
16 be adequate for purposes of carrying out  
17 the requirements of this title.

18           “(ii) DESIGNATION OF QUALIFIED  
19 BENEFITS PROGRAMS TO BE OFFERED.—A  
20 State that establishes an alternative health  
21 arrangement shall designate one or more  
22 qualified benefits programs to be offered  
23 through such arrangement.

24           “(iii) TREATMENT AS SEPARATE EX-  
25 CHANGE.—An alternative health arrange-

1           ment shall be in addition to an Exchange  
2           or a subsidiary Exchange under this sec-  
3           tion.

4           “(iv) CRITERIA APPLICABLE TO AL-  
5           TERNATIVE HEALTH ARRANGEMENT.—An  
6           alternative health arrangement shall be  
7           deemed to be an Exchange under this title,  
8           except that—

9                   “(I) the requirement of section  
10                   1311(d)(2) (relating to the offering of  
11                   coverage) shall only apply, with re-  
12                   spect to such an arrangement, to the  
13                   offering of qualified benefits programs  
14                   and only to beneficiaries served by  
15                   such programs; and

16                   “(II) the requirements of section  
17                   1311(e)(1) (relating to certification of  
18                   health plans) shall be deemed to have  
19                   been satisfied with respect to qualified  
20                   benefits programs offered through the  
21                   arrangement by the designation of  
22                   such programs by the State under  
23                   clause (ii).

24           “(B) QUALIFIED BENEFITS PROGRAMS.—

1           “(i) DEFINITION.—In this paragraph,  
2           the term ‘qualified benefits program’  
3           means an entity or arrangement (such as  
4           a program created by a group of govern-  
5           ment agencies, instrumentalities, or polit-  
6           ical subdivisions by interlocal agreement or  
7           other method authorized by State law)  
8           that—

9                       “(I) is established, authorized,  
10                      and operating pursuant to State law  
11                      to provide or administer health cov-  
12                      erage for officials, employees, and re-  
13                      tirees (and dependents of such offi-  
14                      cials, employees, and retirees) of a  
15                      group of employers; and

16                     “(II) the State finds, subject to  
17                      clause (ii), satisfies criteria under this  
18                      title to be a qualified health plan.

19           “(ii) SATISFACTION OF CERTAIN RE-  
20           QUIREMENTS.—In applying this title with  
21           respect to a qualified benefits program  
22           that is designated by a State under sub-  
23           paragraph (A)(ii) and offered through an  
24           alternative health arrangement, the fol-  
25           lowing special rules apply:

1           “(I) The entity offering such cov-  
2           erage shall be deemed to meet the re-  
3           quirement of section 1301(a)(1)(C)(i)  
4           (relating to licensure as a health in-  
5           surance issuer).

6           “(II) Section 1301(a)(1)(C)(iii)  
7           (relating to uniform premium rates)  
8           shall be applied separately to each dif-  
9           ferent health benefits option offered  
10          under the qualified benefits program  
11          through the arrangement.

12          “(III) Section 1311(e)(1)(D) (re-  
13          lating to accreditation) shall be  
14          deemed to have been satisfied by vir-  
15          tue of the designation by the State  
16          under subparagraph (A)(ii).

17          “(IV) Section 1311(e)(1) (relat-  
18          ing to certification of health plans)  
19          shall not apply insofar as it applies to  
20          accreditation          under          section  
21          1311(e)(1)(D).

22          “(V) Section 1311(e)(2) (relating  
23          to premium considerations) shall not  
24          apply insofar as it requires alternative  
25          health arrangements to display pre-

1           mium information to the general pub-  
2           lic or conduct an analysis of premium  
3           growth outside of the alternative  
4           health arrangement.

5           “(iii) TREATMENT AS A HEALTH  
6           PLAN, QUALIFIED HEALTH PLAN, AND IN-  
7           DIVIDUAL INSURANCE COVERAGE.—A  
8           qualified benefits program offered through  
9           an alternative health arrangement shall be  
10          treated—

11           “(I) subject to clause (ii), as  
12           meeting the definition of a health plan  
13           under section 1301(b) and as a quali-  
14           fied health plan under this title; and

15           “(II) as a health plan offered in  
16           the individual market for purposes of  
17           section 5000A(f)(1)(C) of the Internal  
18           Revenue Code.

19           “(C) CONSTRUCTION.—Nothing in this  
20          paragraph shall be construed—

21           “(i) to authorize or require an alter-  
22           native health arrangement to offer health  
23           benefits to any individual other than a ben-  
24           eficiary covered under such arrangement;  
25          or

1                   “(ii) to authorize the offering of such  
2                   health benefits through an Exchange.”.

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