I

117TH CONGRESS
1ST SESSION

H. R. 2881

To amend title XVIII of the Social Security Act to provide for an option for individuals who are ages 50 to 64 to buy into Medicare, to provide for health insurance market stabilization, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2021

Mr. HIGGINS of New York (for himself, Mr. LARSON of Connecticut, Mr. COURTNEY, and Mr. WELCH) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To amend title XVIII of the Social Security Act to provide for an option for individuals who are ages 50 to 64 to buy into Medicare, to provide for health insurance market stabilization, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Buy-In and Health Care Stabilization Act of 2021".

SEC. 2. FINDINGS.

Congress finds as follows:

(1) Medicare has coverage gaps and should provide more comprehensive coverage, including increasing coverage for the medical needs of beneficiaries relating to hearing, dental, and vision care.

(2) Special needs populations face financial challenges to secure coverage for Medicare's out of pocket costs and other hurdles.

(3) Medicare Buy-In is a step in the right direction as Congress considers additional needed legislation to address these and other coverage issues and beneficiary financial challenges in Medicare and Medicare Buy-In.

SEC. 3. MEDICARE BUY-IN OPTION.

(a) IN GENERAL.—Title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.) is amended by adding at the end the following new section:

''MEDICARE BUY-IN OPTION

''SEC. 1899C. (a) OPTION.—

''(1) IN GENERAL.—Every individual who meets the requirements described in paragraph (2) shall be eligible to enroll under this section.

''(2) ELIGIBILITY.—An individual who meets the following requirements is eligible to enroll under this section:

"(A) AGE.—The individual has attained 50 years of age, but has not attained 65 years of age.

"(B) MEDICARE ELIGIBILITY (BUT FOR AGE).—The individual is not otherwise entitled to benefits under part A or eligible to enroll under part A or part B but would be eligible for benefits under part A or part B if the individual were 65 years of age.

"(3) PART A, B, AND D BENEFITS AND PROTECTIONS.—An individual enrolled under this section is entitled to the same benefits (and shall receive the same protections) under this title as an individual who is entitled to benefits under part A and enrolled under parts B and D, including the ability to enroll in a Medicare Advantage plan that provides qualified prescription drug coverage (an MA–PD plan) and including access to the Medicare Beneficiary Ombudsman under section 1808(c).

"(b) ENROLLMENT AND COVERAGE PERIODS.—The Secretary shall establish enrollment and coverage periods for individuals who enroll under this section. Such periods shall be established in coordination with the enrollment and coverage periods for plans offered under an Exchange established under title I of the Patient Protection and Af-

fordable Care Act. The Secretary shall establish such periods so that coverage under this section shall first begin on January 1 of the first year beginning at least one year after the date of the enactment of this section and shall include special enrollment periods, in accordance with section 155.420 of title 45 of the Code of Federal Regulations, that are applicable to qualified health plans offered through an Exchange.

''(c) BUY-IN PREMIUM.—

''(1) AMOUNT OF MONTHLY PREMIUMS.—The Secretary shall (beginning for the first year that begins more than 1 year after the date of the enactment of this section), during September of the preceding year, determine a monthly premium for individuals enrolled under this section. Such monthly premium shall be equal to 1/12 of the annual premium computed under paragraph (2)(B), which shall apply with respect to coverage provided under this section for any month in such year.

''(2) ANNUAL PREMIUM.—

''(A) COMBINED NATIONAL, PER CAPITA AVERAGE FOR PARTS A, B, AND D BENEFITS.—The Secretary shall estimate the average, annual per capita amount for benefits and administrative expenses that will be payable under

parts A, B, and D in the year for all individuals enrolled under this section.

''(B) ANNUAL PREMIUM.—Subject to subparagraphs (C) and (D), the annual premium under this subsection for months in a year is equal to the average, annual per capita amount estimated under subparagraph (A) for the year.

''(C) ADJUSTMENTS.—The Secretary shall adjust the annual premium under this subsection as necessary—

''(i) to ensure that expenditures under this title for any year are not increased by reason of this section; and

''(ii) by a geographic adjustment factor to address regional affordability concerns.

''(D) AUTHORITY TO CALCULATE AMOUNTS OF MONTHLY PREMIUMS SEPARATELY FOR DIFFERENT AGES.—In determining the annual premium amount under this paragraph for months in a year, the Secretary may make separate determinations of such amount for individuals by age, if the Secretary determines that making such separate determinations would in-

crease enrollment under this section and reduce the risk of adverse selection.

''(3) ADDITIONAL PREMIUM FOR CERTAIN PART D PLANS.—Nothing in this section shall preclude an individual from choosing a prescription drug plan which requires the individual to pay an additional amount (because of the inclusion of supplemental prescription drug benefits or because the plan is a more expensive plan, pursuant to section 1860D–13(a)(1)). In such case, the monthly premium under paragraph (1) shall be increased with respect to such individual.

''(d) PAYMENT OF PREMIUMS.—

''(1) PAYMENT.—Premiums for enrollment under this section shall be paid to the Secretary at such times, and in such manner, as the Secretary determines appropriate.

''(2) DEPOSIT.—Amounts collected by the Secretary under this section shall be deposited in the Medicare Buy-In Trust Fund established under subsection (e).

''(e) MEDICARE BUY-IN TRUST FUND.—

''(1) IN GENERAL.—There is hereby created on the books of the Treasury of the United States a trust fund to be known as the 'Medicare Buy-In

Trust Fund' (in this subsection referred to as the 'Trust Fund'). The Trust Fund shall consist of such gifts and bequests as may be made as provided in section 201(i)(1) and such amounts as may be deposited in, or appropriated to, such fund as provided in this title.

''(2) PREMIUMS.—Premiums collected under subsection (d) shall be transferred to the Trust Fund.

''(3) INCORPORATION OF PROVISIONS.—Subsections (b) through (i) of section 1841 shall apply with respect to the Trust Fund and this title in the same manner as they apply with respect to the Federal Supplementary Medical Insurance Trust Fund and part B, respectively, except that in applying such section 1841, any reference in such section to 'this part' shall be construed to be a reference to this section and any reference in section 1841(h) to section 1840(d) and in section 1841(i) to sections 1840(b)(1) and 1842(g) are deemed to be references to comparable authority exercised under this section.

''(f) CLARIFICATION.—Nothing in this section shall affect the benefits or eligibility under this title of individuals who would otherwise be entitled to or eligible for benefits under this title or title XIX, or both.

''(g) ELIGIBILITY FOR FINANCIAL ASSISTANCE.—

''(1) IN GENERAL.—Individuals enrolled in coverage under this section shall, from amounts transferred under paragraph (2), receive financial assistance for such coverage that is substantially similar to the assistance the individual would have received if the individual were enrolled in a qualified health plan through an Exchange.

''(2) TRANSFER OF FUNDS TO MEDICARE BUY-IN TRUST FUND.—

''(A) IN GENERAL.—The Secretary shall transfer to the Medicare Buy-In Trust Fund under subsection (d) for each plan year the amount determined under paragraph (C) for such year.

''(B) USE OF FUNDS.—The amounts transferred to the Medicare Buy-In Trust Fund under subparagraph (A) shall only be used to reduce the premiums and cost-sharing for coverage under this section of individuals enrolled under such coverage who would be eligible for cost-sharing reductions under section 1402 of the Patient Protection and Affordable Care Act and premium assistance under section 36B of

the Internal Revenue Code of 1986 if such individual were enrolled in a qualified health plan.

"(C) AMOUNT OF TRANSFER.—

"(i) IN GENERAL.—The amount determined under this subparagraph for any plan year is the aggregate amount the Secretary determines is equal to 100 percent of the premium tax credits under section 36B of the Internal Revenue Code of 1986, and 100 percent of the cost-sharing reductions under section 1402 of the Patient Protection and Affordable Care Act, that would have been provided for the plan year to eligible individuals who meet specified income criteria and are enrolled for such plan year in coverage provided through enrollment under this section if such individuals were enrolled for such year in a qualified health plan through an Exchange.

"(ii) SPECIFIC REQUIREMENTS.—The Secretary shall make the determination under clause (i) on a per enrollee basis and shall take into account all relevant factors necessary to determine the value of the

premium tax credits and cost-sharing reductions that would have been provided to eligible individuals described in section 1331 of the Patient Protection and Affordable Care Act, including the age and income of the enrollee, geographic differences in average spending for health care across rating areas, the health status of the enrollee for purposes of determining risk adjustment payments and reinsurance payments that would have been made if the enrollee had enrolled in a qualified health plan through an Exchange, and whether any reconciliation of the credit or cost-sharing reductions would have occurred if the enrollee had been so enrolled. This determination shall take into consideration the experience of other States with respect to participation in an Exchange and such credits and reductions provided to residents of the other States, with a special focus on enrollees with income below 200 percent of poverty.

''(D) CERTIFICATION.—

"(i) IN GENERAL.—The Chief Actuary of the Centers for Medicare & Medicaid Services, in consultation with the Office of Tax Analysis of the Department of the Treasury, shall certify whether the methodology used to make determinations under subparagraph (C), and such determinations, meet the requirements of this paragraph. Such certifications shall be based on sufficient data from the federal exchange and from comparable States about their experience with programs created by the Basic Health Plan.

"(ii) CORRECTIONS.—The Secretary shall adjust the payment to the Trust Fund for any plan year to reflect any error in the determinations under subparagraph (C) for any preceding plan year.

"(iii) APPLICATION.—Coverage provided through enrollment under this part and parts B and D pursuant to this section shall be treated as coverage under a qualified health plan in the silver level of coverage in the individual market offered

through an Exchange and the Secretary shall be treated as the issuer of such plan.

''(h) TREATMENT IN RELATION TO THE AFFORDABLE CARE ACT.—

''(1) TREATMENT AS MINIMUM ESSENTIAL COVERAGE.—For purposes of applying section 5000A of the Internal Revenue Code of 1986, the coverage provided through enrollment under this section constitutes minimum essential coverage under subsection (f)(1)(A)(i) of such section.

''(2) USE OF EXCHANGES.—Coverage provided through enrollment under this section shall be deemed to be coverage under a qualified health plan for purposes of section 1311(d)(4)(C) of the Patient Protection and Affordable Care Act and shall be made available for enrollment, information comparison, and otherwise as such a plan through any internet website maintained by an Exchange established under title I of such Act (as described in such section).

''(3) MEDICAID MANAGED CARE.—States are prohibited from buying their Medicaid beneficiaries ages 50 to 64 into Medicare under this section, and individuals otherwise eligible for enrollment under a State plan under title XIX are prohibited from cov-

erage under this title pursuant to enrollment under this section. The preceding sentence shall not apply to Medicaid beneficiaries whose Medicaid coverage or eligibility does not meet the definition of minimum essential coverage under a government-sponsored program under section 1.5000A–2 of title 26, Code of Federal Regulations (or any successor regulation).

''(4) ACCESS TO MEDIGAP.—Coverage provided through medicare supplemental policies certified under section 1882 shall be made available to individuals eligible for enrollment pursuant to this section for enrollment, information, comparison, and otherwise as such a policy through any internet website described in paragraph (2).

''(i) OVERSIGHT.—There is established an advisory committee to be known as the 'Medicare Buy In Oversight Board' to monitor and oversee the implementation of this section, including the experience of the individuals enrolling under this section. The Medicare Buy In Oversight Board shall make periodic recommendations for the continual improvement of the implementation of this section as well as the relationship of enrollment under this section to other health care programs.

''(j) OUTREACH AND ENROLLMENT.—

"(1) IN GENERAL.—During the period that begins on January 1, 2021, and ends on December 31, 2023, the Secretary shall award grants to eligible entities for the following purposes:

"(A) OUTREACH AND ENROLLMENT.—To carry out outreach, public education activities, and enrollment activities to raise awareness of the availability of, and encourage, enrollment under this section.

"(B) ASSISTING INDIVIDUALS TRANSITION UNDER THIS SECTION.—To provide assistance to individuals to enroll under this section.

"(C) RAISING AWARENESS OF PREMIUM ASSISTANCE AND COST-SHARING REDUCTIONS.—To distribute fair and impartial information concerning enrollment under this section and the availability of premium assistance tax credits under section 36B of the Internal Revenue Code of 1986 and cost-sharing reductions under section 1402 of the Patient Protection and Affordable Care Act, and to assist eligible individuals in applying for such tax credits and cost-sharing reductions.

"(2) ELIGIBLE ENTITIES.—

''(A) IN GENERAL.—In this subsection, the term 'eligible entity' means—

''(i) a State; or

''(ii) a nonprofit community-based organization.

''(B) ENROLLMENT AGENTS.—Such term includes a licensed independent insurance agent or broker that has an arrangement with a State or nonprofit community-based organization to enroll eligible individuals under this section.

''(C) EXCLUSIONS.—Such term does not include an entity that—

''(i) is a health insurance issuer; or

''(ii) receives any consideration, either directly or indirectly, from any health insurance issuer in connection with the enrollment of any individuals under this section.

''(3) PRIORITY.—In awarding grants under this subsection, the Secretary shall give priority to awarding grants to States or eligible entities in States that have geographic rating areas at risk of having no qualified health plans in the individual market.

''(4) FUNDING.—Out of any moneys in the Treasury not otherwise appropriated, $500,000,000 is appropriated to the Secretary for each of calendar years 2021 through 2023, to carry out this subsection.

''(k) IMPLEMENTATION.—

''(1) CONSULTATION.—In carrying out this section, the Secretary shall—

''(A) consult with other Federal agencies, including the Department of the Treasury, the Department of Labor, the Department of Veterans Affairs, the Department of Defense, and the Office of Personnel Management; and

''(B) incorporate significant public consultation and feedback, through public forums, notice and comment rulemaking, and any other appropriate mediums.

''(2) REPORT.—No later than one year after the date of the enactment of this section, the Secretary shall submit to Congress a report establishing the administrative parameters for the implementation of this section.

''(l) FEASIBILITY STUDY.—The Secretary shall conduct a study on the feasibility of applying this section with

respect to individuals residing in States that are not within the 50 States or the District of Columbia.''.

(b) MEDIGAP.—Section 1882 of the Social Security Act is amended by adding at the end the following new subsection:

''(aa) DEVELOPMENT OF NEW STANDARDS FOR CERTAIN MEDICARE SUPPLEMENTAL POLICIES RELATING TO BUY-IN OPTION.—The Secretary shall request the National Association of Insurance Commissioners to review and revise the standards for benefit packages described in subsection (p)(1), to otherwise update standards to include requirements for each medicare supplemental policy that offers such a policy in a State, with respect to each year, to accept every individual in the State who is eligible for enrollment pursuant to section 1899C and who applies for such coverage for such year if the individual applies for enrollment in such policy during the 30-day period following the date of enrollment pursuant to section 1899C and to accept every such individual during a period of transition from enrollment pursuant to such section to enrollment under this title pursuant to eligibility other than under such section. Such revisions shall be made consistent with the rules applicable under subsection (p)(1)(E) with the reference to the '1991 NAIC Model Regulation' deemed a reference to the NAIC Model Regu-

lation as published in the Federal Register on December 4, 1998, and as subsequently updated by the National Association of Insurance Commissioners to reflect previous changes in law and the reference to 'date of enactment of this subsection' deemed a reference to the date of enactment of this subsection (aa).''.

SEC. 4. MEDICARE DIRECT SUPPLEMENTAL INSURANCE OPTION.

(a) IN GENERAL.—Title XVIII of the Social Security Act is amended by inserting after section 1882 (42 U.S.C. 1395ss) the following new section:

''SEC. 1882A. MEDICARE DIRECT SUPPLEMENTAL INSURANCE OPTION.

''(a) IN GENERAL.—The Secretary shall provide for the offering under this section of a voluntary program to supplement the benefits provided to individuals under parts A and B of this title.

''(b) ELIGIBILITY; ENROLLMENT.—The Secretary shall provide procedures for the enrollment under the program under this section of individuals who are entitled to benefits under part A and enrolled under part B, but who are not enrolled in a Medicare Advantage plan (or in a plan under section 1876). Such procedures shall be consistent with the following:

''(1) There shall be an initial enrollment period during the last calendar quarter of 2022 that permits all individuals who are eligible to enroll at that time under this subsection to enroll and obtain benefits effective on January 1, 2023.

''(2) For individuals who are not eligible to enroll at such time but who subsequently become eligible, there shall be an individual enrollment period which is the 6-month period described in section 1882(s)(2)(A).

''(3) The Secretary shall permit eligible individuals to enroll at other times (and not less frequently than annually) in a uniform manner, but such enrollment shall be subject to a late enrollment penalty under subsection (d)(2)(B).

''(c) BENEFITS.—

''(1) IN GENERAL.—The benefits provided under the program under this section shall consist of payment of the cost of deductibles, copayments, and other cost-sharing amounts (including amounts attributable to and permitted as balance billing) otherwise imposed or permitted under this title, subject to an annual deductible of $100.

''(2) ADMINISTRATION.—The Secretary shall coordinate payment of benefits under this part with

those under parts A and B and may, for such purpose, enter into appropriate arrangements with qualified entities (which may include fiscal intermediaries and carriers).

"(3) NO PRE-EXISTING CONDITION LIMITATIONS.—The benefits under this section shall not be subject to any pre-existing condition or similar underwriting limitation.

"(d) PREMIUMS.—

"(1) ACTUARIAL COST.—The Secretary shall, during September of each year beginning with 2022, determine a monthly actuarial rate for all enrollees under this section, which rate shall be applicable for months in the succeeding calendar year. Such actuarial rate shall be the amount the Secretary estimates to be necessary so that the aggregate amount for such calendar year with respect to those enrollees will equal the total amount which the Secretary estimates will be payable under this section for benefits accrued (including services performed and related administrative costs incurred) in such calendar year under the program under this section. In calculating the monthly actuarial rate, the Secretary shall make adjustments to take into account errors in estimations under this paragraph for previous years and

shall include an appropriate amount for a contingency margin.

''(2) PREMIUM.—

''(A) IN GENERAL.—The monthly premium of each individual enrolled under this section for a month in a year shall be the monthly actuarial rate determined under paragraph (1) for months in such year. Such premium shall be community-rated and shall not vary among enrollees based upon the age, place of residence, or any other factors, except as provided under subparagraph (B).

''(B) PENALTY FOR LATE ENROLLMENT.—In the case of an individual who does not enroll under this section in a period provided under paragraph (1) or (2) of subsection (b), the Secretary shall increase the monthly premium (in a manner similar to that applied under part B pursuant to section 1839(b)) of 10 percent for each full 12 months in which the individual could have been but was not so enrolled. In applying such an increase—

''(i) the aggregate percentage increase may not exceed 100 percent; and

"(ii) periods of time in which an individual is enrolled under an employee welfare benefit plan described in section 1882(s)(3)(B)(i), under a Medicare Advantage plan, with an organization described in section 1882(s)(3)(B)(iii), or under a PACE program under section 1894 shall not be taken into account.

"(3) COLLECTION.—The Secretary shall provide for the collection of premiums for enrollees under this part in the same manner as premiums under part B are collected under section 1840, except that any reference in such section to the Federal Supplementary Medical Insurance Trust Fund shall be deemed a reference to an account (to be known as the 'Direct Medicare Supplemental Insurance Account') to be established in the Treasury by the Secretary to carry out the program under this section. Amounts in such account may be invested and draw interest in the same manner as such Trust Fund under section 1840(c).

"(4) USE OF FUNDS.—Premium amounts deposited into the account established under paragraph (3) shall be available without regard to appropriations to the Secretary to make payment for benefits

and administrative costs incurred in carrying out this section.

''(e) NONDUPLICATION OF COVERAGE.—For purposes of applying section 1882(d)(3)(A), coverage under this section shall be treated as coverage under a Medicare supplemental policy.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply to benefits for months beginning with January 2022.

SEC. 5. NEGOTIATION OF LOWER COVERED PART D DRUG PRICES ON BEHALF OF MEDICARE BENEFICIARIES.

(a) NEGOTIATION BY SECRETARY.—Section 1860D–11 of the Social Security Act (42 U.S.C. 1395w–111) is amended by striking subsection (i) (relating to noninterference) and inserting the following:

''(i) NEGOTIATION OF LOWER DRUG PRICES.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall negotiate with pharmaceutical manufacturers the prices (including discounts, rebates, and other price concessions) that may be charged to PDP sponsors and MA organizations for covered part D drugs for part D eligible in-

dividuals who are enrolled under a prescription drug plan or under an MA–PD plan.

''(2) NO CHANGE IN RULES FOR FORMULARIES.—

''(A) IN GENERAL.—Nothing in paragraph (1) shall be construed to authorize the Secretary to establish or require a particular formulary.

''(B) CONSTRUCTION.—Subparagraph (A) shall not be construed as affecting the Secretary's authority to ensure appropriate and adequate access to covered part D drugs under prescription drug plans and under MA–PD plans, including compliance of such plans with formulary requirements under section 1860D–4(b)(3).

''(3) CONSTRUCTION.—Nothing in this subsection shall be construed as preventing the sponsor of a prescription drug plan, or an organization offering an MA–PD plan, from obtaining a discount or reduction of the price for a covered part D drug below the price negotiated under paragraph (1).

''(4) SEMI-ANNUAL REPORTS TO CONGRESS.—Not later than June 1, 2024, and every 6 months thereafter, the Secretary shall submit to the Com-

mittees on Ways and Means, Energy and Commerce, and Oversight and Reform of the House of Representatives and the Committee on Finance of the Senate a report on negotiations conducted by the Secretary to achieve lower prices for Medicare beneficiaries, and the prices and price discounts achieved by the Secretary as a result of such negotiations.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and shall first apply to negotiations and prices for plan years beginning on January 1, 2024.

SEC. 6. INDIVIDUAL MARKET REINSURANCE FUND.

(a) ESTABLISHMENT OF FUND.—

(1) IN GENERAL.—There is established the ''Individual Market Reinsurance Fund'' (in this section referred to as the ''Fund'') to be administered by the Secretary to provide funding for an individual market stabilization reinsurance program in each State that complies with the requirements of this section.

(2) FUNDING.—Amounts made available to the Fund shall consist of the funds deposited into the Fund under paragraph (3) and shall be used to carry out this section (other than subsection (c)) for each calendar year beginning with 2023. Amounts

made available to the Fund shall remain available without fiscal or calendar year limitation to carry out this section.

(3) COST-SHARING IN COSTS OF PROGRAM.—

(A) IN GENERAL.—A qualified health plan that participates in the reinsurance program established under subsection (b) shall pay the fee established under subparagraph (B).

(B) AUTHORIZATION.—The Secretary is authorized to charge a fee to each qualified health plan that participates in the reinsurance program established under subsection (b). Any amounts collected pursuant to this paragraph shall be deposited into the Fund for purposes of payments under subsection (b).

(C) REQUIREMENTS.—In establishing the fee under subparagraph (B)—

(i) the Secretary shall consult with interested parties; and

(ii) shall ensure that the amount of such fee is not excessive so as to unduly discourage qualified health plans from participating in the reinsurance program.

(b) INDIVIDUAL MARKET REINSURANCE PROGRAM.—

(1) USE OF FUNDS.—The Secretary shall use amounts in the Fund to establish a reinsurance program under which the Secretary shall make reinsurance payments, subject to subsection (a)(3), to health insurance issuers with respect to high-cost individuals enrolled in qualified health plans offered by such issuers that are not grandfathered health plans or transitional health plans for any plan year beginning with the 2020 plan year. This subsection constitutes budget authority in advance of appropriations Acts and represents the obligation of the Secretary to provide payments from the Fund in accordance with this subsection.

(2) AMOUNT OF PAYMENT.—The payment made to a health insurance issuer under paragraph (1) with respect to each high-cost individual enrolled in a qualified health plan issued by the issuer that is not a grandfathered health plan or a transitional health plan shall equal 80 percent of the lesser of—

(A) the amount (if any) by which the individual's claims incurred during the plan year exceeds—

(i) in the case of the 2021, 2022, or 2023 plan year, $50,000; and

(ii) in the case of any other plan year, $100,000; or

(B) for plan years described in—

(i) subparagraph (A)(i), $450,000; and

(ii) subparagraph (A)(ii), $400,000.

(3) INDEXING.—In the case of plan years beginning after 2021, the dollar amounts that appear in subparagraphs (A) and (B) of paragraph (2) shall each be increased by an amount equal to—

(A) such amount; multiplied by

(B) the premium adjustment percentage specified under section 1302(c)(4) of the Affordable Care Act, but determined by substituting ''2019'' for ''2013''.

(4) PAYMENT METHODS.—

(A) IN GENERAL.—Payments under this subsection shall be based on such a method as the Secretary determines. The Secretary may establish a payment method by which interim payments of amounts under this subsection are made during a plan year based on the Secretary's best estimate of amounts that will be payable after obtaining all of the information.

(B) REQUIREMENT FOR PROVISION OF INFORMATION.—

(i) REQUIREMENT.—Payments under this subsection to a health insurance issuer are conditioned upon the furnishing to the Secretary, in a form and manner specified by the Secretary, of such information as may be required to carry out this subsection.

(ii) RESTRICTION ON USE OF INFORMATION.—Information disclosed or obtained pursuant to clause (i) is subject to the HIPAA privacy and security law, as defined in section 3009(a) of the Public Health Service Act (42 U.S.C. 300jj–19(a)).

(5) SECRETARY FLEXIBILITY FOR BUDGET NEUTRAL REVISIONS TO REINSURANCE PAYMENT SPECIFICATIONS.—If the Secretary determines appropriate, the Secretary may substitute higher dollar amounts for the dollar amounts specified under subparagraphs (A) and (B) of paragraph (2) (and adjusted under paragraph (3), if applicable) if the Secretary certifies that such substitutions, considered

together, neither increase nor decease the total projected payments under this subsection.

(c) REPORTS TO CONGRESS.—

(1) ANNUAL REPORT.—The Secretary shall submit a report to Congress, not later than January 21, 2021, and each year thereafter, that contains the following information for the most recently ended year:

(A) The number and types of plans in each State's individual market, specifying the number that are qualified health plans, grandfathered health plans, or health insurance coverage that is not a qualified health plan.

(B) The impact of the reinsurance payments provided under this section on the availability of coverage, cost of coverage, and coverage options in each State.

(C) The amount of premiums paid by individuals in each State by age, family size, geographic area in the State's individual market, and category of health plan (as described in subparagraph (A)).

(D) The process used to award funds for outreach and enrollment activities awarded to eligible entities under subsection (c), the

amount of such funds awarded, and the activities carried out with such funds.

(E) Such other information as the Secretary deems relevant.

(2) EVALUATION REPORT.—Not later than January 31, 2024, the Secretary shall submit to Congress a report that—

(A) analyzes the impact of the funds provided under this section on premiums and enrollment in the individual market in all States; and

(B) contains a State-by-State comparison of the design of the programs carried out by States with funds provided under this section.

(d) DEFINITIONS.—In this section:

(1) SECRETARY.—The term ''Secretary'' means the Secretary of the Department of Health and Human Services.

(2) FUND.—The term ''Fund'' means the Individual Market Reinsurance Fund established under subsection (a).

(3) GRANDFATHERED HEALTH PLAN.—The term ''grandfathered health plan'' has the meaning given that term in section 1251(e) of the Patient Protection and Affordable Care Act.

(4) HIGH-COST INDIVIDUAL.—The term ''high-cost individual'' means an individual enrolled in a qualified health plan (other than a grandfathered health plan or a transitional health plan) who incurs claims in excess of $50,000 during a plan year.

(5) STATE.—The term ''State'' means each of the 50 States and the District of Columbia.

(6) TRANSITIONAL HEALTH PLAN.—The term ''transitional health plan'' means a 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 of the Patient Protection and Affordable Care Act 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, and February 13, 2017.

SEC. 7. REAUTHORIZATION OF RISK CORRIDORS.

Section 1342(a) of the Patient Protection and Affordable Care Act (42 U.S.C. 18062(a)) is amended by inserting ''and calendar years 2023 through 2026'' after ''2016''.

SEC. 8. INTEGRATION OF INDIVIDUALS AGED 50 TO 64 INTO HEALTH DEMONSTRATIONS.

The Center for Medicare and Medicaid Innovation under section 1115A of the Social Security Act (42 U.S.C. 1315a) is authorized to include the individuals enrolled under title XVIII of the Social Security Act pursuant to section 1899C of such Act, as added by section 3, into existing and future demonstrations conducted by such Center.

SEC. 9. QUALIFIED HEALTH PLAN TAX CREDIT EXPANSION MADE PERMANENT.

(a) IN GENERAL.—Section 36B of the Internal Revenue Code of 1986 is amended—

(1) in subsection (b)(3)(A)(iii)—

(A) by striking the header and inserting ''PERCENTAGES FOR TAXABLE YEARS BEGINNING AFTER 2020'', and

(B) by striking ''beginning in 2021 or 2022'' and inserting ''beginning after 2020'', and

(2) in subsection (c)(1)(E)—

(A) by striking the header and inserting ''RULE FOR TAXABLE YEARS AFTER 2020'', and

(B) by striking ''beginning in 2021 or 2022'' and inserting ''beginning after 2020''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2020.

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