

113TH CONGRESS
2D SESSION

H. R. 4735

To amend the Patient Protection and Affordable Care Act to provide for a temporary shift in the scheduled collection of the transitional reinsurance program payments.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 2014

Mr. NOLAN (for himself and Mr. MCKINLEY) 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 temporary shift in the scheduled collection of the transitional reinsurance program payments.

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 “Health Care Fairness
5 and Stability Act”.

1 **SEC. 2. SHIFT IN THE COLLECTION OF THE PAYMENT FOR**
2 **THE TRANSITIONAL REINSURANCE PRO-**
3 **GRAM.**

4 (a) IN GENERAL.—Section 1341(b) of the Patient
5 Protection and Affordable Care Act (42 U.S.C. 18061(b))
6 is amended—

7 (1) in paragraph (1)—

8 (A) in subparagraph (A)—

9 (i) by inserting “beginning on Janu-
10 ary 1, 2018,” after “required to make pay-
11 ments”; and

12 (ii) by striking “any plan year begin-
13 ning in the 3-year period” and all that fol-
14 lows through the end and inserting “pay-
15 ments made under subparagraph (C) (as
16 specified in paragraph (3));”;

17 (B) in subparagraph (B), by striking “and
18 uses” and all that follows through the period
19 and inserting “; and”; and

20 (C) by adding at the end the following:

21 “(C) the applicable reinsurance entity
22 makes reinsurance payments to health insur-
23 ance issuers described in subparagraph (A) that
24 cover high risk individuals in the individual
25 market (excluding grandfathered health plans)
26 for any plan year beginning in the 3-year period

1 beginning January 1, 2014, in an aggregate
2 amount of up to the total of the aggregate con-
3 tribution amounts described in paragraph
4 (3)(B)(iv), subject to paragraph (4).”;

5 (2) in paragraph (2), by striking “paragraph
6 (1)(B)” and inserting “paragraph (1)(C)”;

7 (3) in paragraph (3)—

8 (A) in subparagraph (A), by striking
9 “2014” and inserting “2018”; and

10 (B) in subparagraph (B)—

11 (i) in clause (ii), by striking “adminis-
12 trative” and inserting “operational”;

13 (ii) by redesignating clauses (iii) and
14 (iv) as clauses (iv) and (v), respectively;

15 (iii) by inserting after clause (ii), the
16 following:

17 “(iii) the aggregate contribution
18 amount for all States shall be based on the
19 total amount of reinsurance payments
20 made under paragraph (1)(C);”;

21 (iv) by striking clause (iv), as so re-
22 designated, and inserting the following:

23 “(iv) the aggregate contribution
24 amount collected under clause (iii) shall,
25 without regard to amounts described in

1 clause (ii), be limited to \$10,000,000,000
2 based on the plan years beginning in 2014,
3 \$6,000,000,000 based on the plan years
4 beginning in 2015, and \$4,000,000,000
5 based on the plan years beginning in
6 2016;”;

7 (v) in clause (v), as so redesignated,
8 by striking “clause (iii)” each place that
9 such term appears and inserting “clause
10 (iv)”;

11 (vi) by inserting after clause (v), the
12 following:

13 “(vi) in addition to the contribution
14 amounts under clauses (iii), (iv), and (v),
15 each issuer’s contribution amount—

16 “(I) shall reflect its proportionate
17 share of an additional \$20,300,000
18 for operational expenses for reinsur-
19 ance payments for calendar year 2014
20 and for reinsurance collections for cal-
21 endar year 2018;

22 “(II) shall reflect its propor-
23 tionate share of operational expenses
24 for reinsurance payments for calendar

1 year 2015 and for reinsurance collec-
2 tions for calendar year 2019; and

3 “(III) shall reflect its propor-
4 tionate share of operational expenses
5 for reinsurance payments for calendar
6 year 2016 and for reinsurance collec-
7 tions for calendar year 2020; and

8 “(vii) collection of the contribution
9 amounts provided for in clauses (ii)
10 through (vi) shall be initiated—

11 “(I) for calendar year 2014, not
12 earlier than January 1, 2018;

13 “(II) for calendar year 2015, not
14 earlier than January 1, 2019; and

15 “(III) for calendar year 2016,
16 not earlier than January 1, 2020.”;

17 (4) in paragraph (4)—

18 (A) in subparagraph (A)—

19 (i) by striking “contribution amounts
20 collected for any calendar year” and insert-
21 ing “amount provided under paragraph (5)
22 for reinsurance payments described in
23 paragraph (1)(C)”; and

24 (ii) by striking “; and” and inserting
25 a period;

1 (B) by striking subparagraph (B);

2 (C) by striking “that—” and all that fol-
3 lows through “the contribution” in subpara-
4 graph (A) and inserting “that the contribu-
5 tion”; and

6 (D) in the flush matter at the end, by
7 striking “paragraph (3)(B)(iv)” and inserting
8 the following: “paragraph (3)(B)(v) and any
9 amounts collected under clause (ii) of para-
10 graph (3)(B) that, when combined with the
11 funding provided for under paragraph (5), ex-
12 ceed the aggregate amount permitted for mak-
13 ing the reinsurance payments described in para-
14 graph (1)(C) and to fund the operational ex-
15 penses of applicable reinsurance entities,”; and
16 (5) by adding at the end the following:

17 “(5) FUNDING.—To carry out this section,
18 there is appropriated, out of any money in the
19 Treasury not otherwise appropriated, an amount
20 equal to the aggregate amount to be collected for
21 plan years beginning in 2014 set forth in paragraph
22 (3)(B)(iv) for reinsurance payments described in
23 paragraph (1)(C), and an amount equal to the con-
24 tribution amounts set forth in paragraph (3)(B)(vi)

1 to fund operational expenses of applicable reinsur-
2 ance entities.”.

3 (b) RULE OF CONSTRUCTION.—Nothing in the
4 amendments made by this section shall be construed to
5 increase the amount of payments to be collected under
6 subsection (b)(1)(A) or to decrease the amount of the rein-
7 surance payments to be made under subsection (b)(1)(C)
8 of section 1341 of the Patient Protection and Affordable
9 Care Act (42 U.S.C. 18061).

10 (c) MEDICAL LOSS RATIO.—The Secretary of Health
11 and Human Services shall promulgate regulations or guid-
12 ance to ensure that health insurance issuers reflect
13 changes made in section 1341 of the Patient Protection
14 and Affordable Care Act with section 2718 of the Public
15 Health Service Act (42 U.S.C. 300gg–18) and sections
16 1342 and 1312(c) of the Patient Protection and Afford-
17 able Care Act (42 U.S.C. 18063 and 18032(c)).

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