

113TH CONGRESS
2D SESSION

H. R. 5557

To reform the verification and reporting processes for the health care premium and cost-sharing subsidies.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 2014

Mrs. BLACK introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, 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

A BILL

To reform the verification and reporting processes for the health care premium and cost-sharing subsidies.

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 “Streamlining
5 Verification for Americans Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) Employer reporting requirements under the
9 Patient Protection and Affordable Care Act (Public

1 Law 111–148) should strike the appropriate balance
 2 between sufficient reporting to enforce the law and
 3 protecting the privacy of individuals.

4 (2) Protection of the privacy of the primary in-
 5 sured individual and each other individual covered
 6 under the policy, which should include minimizing
 7 the transmittal of social security numbers, should be
 8 a priority when implementing reporting require-
 9 ments.

10 **SEC. 3. IMPROVING THE ACCURACY OF EXCHANGE DETER-**
 11 **MINATIONS OF ELIGIBILITY FOR PREMIUM**
 12 **ASSISTANCE TAX CREDITS.**

13 (a) IN GENERAL.—If an employer provides prospec-
 14 tive reporting for any calendar year under subsection (b),
 15 such employer shall be treated as making the return de-
 16 scribed in section 6056(b) of the Internal Revenue Code
 17 of 1986 for such year if such return contains, consistent
 18 with the requirements of subsection (c)(2), only informa-
 19 tion with respect to employees with respect to whom the
 20 employer has received a notification under section
 21 1411(e)(4)(B)(iii) of the Patient Protection and Afford-
 22 able Care Act (42 U.S.C. 18081(e)(4)(B)(iii)). If the pre-
 23 ceding sentence applies to any employer for any calendar
 24 year, such employer shall be treated as furnishing the
 25 statements required under section 6056(c) of such Code,

1 if the employer furnishes such statements to such employ-
2 ees with respect to the information included in the return
3 made under the preceding sentence.

4 (b) PROSPECTIVE REPORTING.—Not later than 60
5 days after the date of the enactment of this Act, the Sec-
6 retary of the Treasury, in consultation with the Secretary
7 of Health and Human Services, the Secretary of Labor,
8 and the Administrator of the Small Business Administra-
9 tion, shall implement a reporting system under which an
10 employer may elect to provide the following information
11 with respect to a calendar year before the beginning of
12 such year:

13 (1) The name, date, and employer identification
14 number of the employer.

15 (2) A certification as to whether the employer
16 offers to its full-time employees the opportunity to
17 enroll in minimum essential coverage under an eligi-
18 ble employer-sponsored plan (as defined in section
19 5000A(f)(2) of the Internal Revenue Code of 1986)
20 and whether the employer offers the spouses of such
21 full-time employees the opportunity to enroll in such
22 coverage.

23 (3) The months during the year for which cov-
24 erage is generally available to full-time employees.

1 (4) A certification as to whether the coverage
2 described in paragraph (2) satisfies the requirements
3 to qualify for one of the affordability safe harbors
4 promulgated by the Secretary of the Treasury for
5 purposes of section 4980H of the Internal Revenue
6 Code of 1986.

7 (5) A certification as to whether an employee's
8 effective date of coverage is generally affected by a
9 waiting period.

10 (c) REQUIREMENTS.—The reporting system estab-
11 lished under subsection (b) shall provide for—

12 (1) the processes necessary to ensure that Ex-
13 changes can access the information described in sub-
14 section (b) to assist in verifying eligibility determina-
15 tions for advance payment of the premium tax cred-
16 its under section 36B of the Internal Revenue Code
17 of 1986 and the cost-sharing subsidies under section
18 1402 of the Patient Protection and Affordable Care
19 Act (42 U.S.C. 18071); and

20 (2) guidance on how employers who voluntarily
21 report in advance under this section could satisfy the
22 report and statement requirements under sub-
23 sections (b) and (c) of section 6056 of the Internal
24 Revenue Code of 1986 by reporting only with re-
25 spect to employees with respect to whom the em-

1 ployer has received a notification under section
 2 1411(e)(4)(B)(iii) of the Patient Protection and Af-
 3 fordable Care Act (42 U.S.C. 18081(e)(4)(B)(iii)).

4 **SEC. 4. USE OF CURRENT YEAR INFORMATION IN DETER-**
 5 **MINING SUBSIDY ELIGIBILITY OF APPLI-**
 6 **CANTS .**

7 (a) IN GENERAL.—Section 1412(b)(2) of the Patient
 8 Protection and Affordable Care Act (42 U.S.C.
 9 18082(b)(2)) is amended to read as follows:

10 “(2) CHANGES IN CIRCUMSTANCES.—The Sec-
 11 retary shall provide procedures for making advance
 12 determinations on the basis of information other
 13 than that described in paragraph (1)(B) upon the
 14 request of the individual. Such procedures shall in-
 15 clude allowing an individual to have eligibility deter-
 16 mined on the basis of household income for a later
 17 period or on the basis of the individual’s estimate of
 18 such income for the taxable year.”.

19 (b) CONFORMING AMENDMENT.—Section
 20 1411(b)(3)(B) of the Patient Protection and Affordable
 21 Care Act (42 U.S.C. 18081(b)(3)(B)) is amended to read
 22 as follows:

23 “(B) CHANGES IN CIRCUMSTANCE.—In the
 24 case of an individual with respect to whom sec-

tion 1412(b)(2) applies, the information described in such section.”.

SEC. 5. EVALUATING THE DEVELOPMENT AND UTILIZATION OF SYSTEMS FOR EXCHANGES TO NOTIFY EMPLOYERS OF POTENTIAL EXCISE TAX LIABILITY UNDER THE EMPLOYER MANDATE.

Not later than 90 days after the date of the enactment of this Act, the Comptroller General of the United States shall conduct a study evaluating, with respect to the period beginning on October 1, 2013, and ending on the date of the enactment of this Act—

(1) the notification of employers by Exchanges established under title I of the Patient Protection and Affordable Care Act that a full-time employee has been determined eligible for an advanced premium assistance tax credit, as required by subsection (e)(4)(B)(iii) of section 1411 of such Act (42 U.S.C. 18081); and

(2) the extent to which the Secretary of Health and Human Services has established a separate appeals process for employers who have been notified that an employee has been determined eligible for an advanced premium assistance tax credit to challenge that eligibility determination, as required by subsection (f)(2) of such section.

1 **SEC. 6. PROTECTING DEPENDENT PRIVACY.**

2 (a) IN GENERAL.—Paragraph (1) of section 6055(b)
3 of the Internal Revenue Code of 1986 is amended by add-
4 ing at the end the following flush sentence:

5 “For purposes of subparagraph (B)(i), in the case of
6 an individual other than the primary insured, if the
7 person required to make the return does not collect
8 or maintain information on the TINs of such indi-
9 viduals (other than for purposes of this section), the
10 individual’s name and date of birth may be sub-
11 stituted for the individual’s name and TIN.”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 this section shall apply to returns the due date for which
14 is after December 31, 2013.

15 **SEC. 7. ELECTRONIC STATEMENTS.**

16 (a) STATEMENTS FROM EMPLOYERS.—Subsection
17 (c) of section 6056 of the Internal Revenue Code of 1986
18 is amended by adding at the end the following new para-
19 graph:

20 “(3) ELECTRONIC DELIVERY.—The statement
21 required to be furnished to any employee under
22 paragraph (1) may be furnished to such employee
23 electronically if such employee has consented to re-
24 ceive such statement electronically. For purposes of
25 the preceding sentence, if an employee has con-
26 sented, before the date of the enactment of this

1 paragraph, to electronically receive, from the person
2 furnishing such statement, other documents used in
3 filing the employee's return of tax, such employee
4 shall be treated as having consented to receive such
5 statement electronically unless such employee re-
6 quests that such consent not apply to such state-
7 ment.”.

8 (b) STATEMENTS FROM INSURANCE PROVIDERS.—
9 Subsection (c) of section 6055 of the Internal Revenue
10 Code of 1986 is amended by adding at the end the fol-
11 lowing new paragraph:

12 “(3) ELECTRONIC DELIVERY.—The statement
13 required to be furnished to any individual under
14 paragraph (1) may be furnished to such individual
15 electronically if such individual has consented to re-
16 ceive such statement electronically. For purposes of
17 the preceding sentence, if an individual has con-
18 sented, before the date of the enactment of this
19 paragraph, to electronically receive, from the person
20 furnishing such statement, other documents con-
21 taining private health information, such individual
22 shall be treated as having consented to receive such
23 statement electronically unless such individual re-
24 quests that such consent not apply to such state-
25 ment.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to statements the due date for
3 which is after December 31, 2013.

4 **SEC. 8. DELAYING PROVISION OF ACA PREMIUM AND COST-**
5 **SHARING SUBSIDIES UNTIL ELIGIBILITY**
6 **VERIFICATION PROCESS FOR SUCH SUB-**
7 **SIDIES IS COMPLETE.**

8 (a) IN GENERAL.—Notwithstanding any other provi-
9 sion of law, no premium tax credit under section 36B of
10 the Internal Revenue Code of 1986 or reduced cost-shar-
11 ing under section 1402 of the Patient Protection and Af-
12 fordable Care Act (42 U.S.C. 18071) shall be allowed with
13 respect to any individual for any coverage month which
14 begins after December 31, 2014, and before the date on
15 which the process to verify, in accordance with section
16 1411 of the Patient Protection and Affordable Care Act
17 (42 U.S.C. 18081), the estimated household income and
18 coverage requirements of such individual for purposes of
19 determining eligibility for, and the accurate amount of,
20 such credit or reduction, respectively, has been completed.
21 For purposes of the previous sentence, the verification
22 process described in such sentence with respect to an indi-
23 vidual shall not be treated as complete unless a manual
24 or electronic review has been completed of applicable infor-
25 mation required to be submitted by such individual under

1 section 1411(b) of such Act (42 U.S.C. 18081(b)) and any
2 inconsistency of such information with records of the Sec-
3 retary of the Treasury, the Secretary of Homeland Secu-
4 rity, or the Commissioner of Social Security has been re-
5 solved.

6 (b) TREATMENT OF INDIVIDUAL MANDATE.—Not-
7 withstanding any other provision of law, no penalty shall
8 be imposed under section 5000A of the Internal Revenue
9 Code of 1986 with respect to an individual for any
10 month—

11 (1) with respect to which such individual would
12 (but for subsection (a)) be allowed a premium tax
13 credit under section 36B of the Internal Revenue
14 Code of 1986; and

15 (2) which begins after December 31, 2014, and
16 before the date on which the verification process de-
17 scribed in subsection (a) has been completed, in ac-
18 cordance with such subsection, with respect to the
19 eligibility of such individual for such credit.

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