

114TH CONGRESS  
2D SESSION

# S. 2500

To provide for the establishment of a health insurance premium reduction program to ensure that health insurance premiums remain low for American families.

---

## IN THE SENATE OF THE UNITED STATES

FEBRUARY 4, 2016

Mr. BENNET introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

---

## A BILL

To provide for the establishment of a health insurance premium reduction program to ensure that health insurance premiums remain low for American families.

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 Premium  
5 Reduction Act”.

1 **SEC. 2. STATE HEALTH INSURANCE PREMIUM REDUCTION**  
 2 **PROGRAM.**

3 Part 5 of subtitle D of title I of the Patient Protec-  
 4 tion and Affordable Care Act (42 U.S.C. 18061 et seq.)  
 5 is amended by adding at the end the following:

6 **“SEC. 1344. STATE HEALTH INSURANCE PREMIUM REDUC-**  
 7 **TION PROGRAM.**

8 “(a) GRANTS.—The Secretary shall establish a pro-  
 9 gram for awarding a grant to a State to enable such State  
 10 to support, in connection with reducing health insurance  
 11 premiums and providing affordable health benefits cov-  
 12 erage that includes a risk-adjustment mechanism for the  
 13 purpose of supporting the purchase of private health in-  
 14 surance by consumers in the State, and for ensuring stable  
 15 health insurance premiums through the activities carried  
 16 out under subsection (e).

17 “(b) REQUIREMENT.—To be eligible to receive a  
 18 grant under this section a State shall—

19 “(1) submit to the Secretary an application at  
 20 such time, in such manner, and containing such in-  
 21 formation as the Secretary shall require;

22 “(2) include in such application a description of  
 23 the State private health insurance market, including  
 24 a list of county-specific premium increase percent-  
 25 ages that are 10 percent or greater, and an assur-

1       ance that such State will comply with the require-  
2       ments of section 1101(c)(2); and

3               “(3) include in such application an assurance  
4       that the State will expend all or a portion of the  
5       funds received under the grant on the risk adjust-  
6       ment mechanism for the State.

7       “(c) PRIORITY REVIEW.—

8               “(1) EVALUATION.—The Secretary, in consulta-  
9       tion with the Assistant Secretary for Planning and  
10      Evaluation, shall conduct an evaluation of all regions  
11      in the United States to assess which regions (that  
12      may be comprised of collections of geographic sub-  
13      divisions such as Core-Based Statistical Areas, cen-  
14      sus tracts, or ZIP Codes) have the highest premiums  
15      for health insurance coverage.

16              “(2) PRIORITY.—States identified under the  
17      evaluation under paragraph (1) shall receive priority  
18      in obtaining grants under this section in order to  
19      stabilize premium trends.

20      “(d) USE OF FUNDS.—

21              “(1) SET-ASIDE.—A State that receives a grant  
22      under this section shall use grant funds to carry out  
23      the following:

24                      “(A) Activities to provide for a reduction  
25                      in health insurance premium trends and actual

1 premiums through programs such as State-spe-  
2 cific cost-sharing programs to reduce deducti-  
3 bles and out-of-pocket expenses.

4 “(B) Activities to increase the number of  
5 individuals in the State that receive health in-  
6 surance coverage.

7 “(C) A State-run premium rate review pro-  
8 gram to determine unreasonable health insur-  
9 ance premium increases and assist the State in  
10 facilitating an effective program to reduce such  
11 rates in accordance with section 2794 of the  
12 Public Health Service Act.

13 “(D) Activities under section 1332 to allow  
14 for greater State flexibility in addressing afford-  
15 ability, quality, and accessibility of health insur-  
16 ance in the States.

17 “(2) BONUS PAYMENTS.—

18 “(A) IN GENERAL.—The Secretary, in con-  
19 sultation with the Assistant Secretary for Plan-  
20 ning and Evaluation, shall conduct an evalua-  
21 tion of all regions in the United States to assess  
22 which regions (that may be comprised of collec-  
23 tions of geographic subdivisions such as Core-  
24 Based Statistical Areas, census tracts, or ZIP  
25 Codes) have the highest premiums for health

1 insurance coverage. Such evaluation shall deter-  
2 mine the following:

3 “(i) The number of individuals with  
4 access to health insurance coverage in each  
5 region.

6 “(ii) The average premiums and out-  
7 of-pocket expenses per person in each such  
8 region.

9 “(iii) The amount of uncompensated  
10 health care provided by hospitals, clinics,  
11 and safety-net providers in each such re-  
12 gion.

13 “(iv) The extent to which a State has  
14 used tools to control and analyze health  
15 care costs through health care data collec-  
16 tion.

17 “(B) USE.—Amounts provided as a bonus  
18 payment under this paragraph may be used by  
19 the State for activities designed to reduce  
20 health insurance premiums, or to keep such  
21 premiums from rising, for consumers in the  
22 State, in coordination with the Department of  
23 Health and Human Services. Such activities  
24 may include the provision of direct assistance to

1 consumers in the form of tax credits to reduce  
2 premiums.

3 “(e) RISK MITIGATION AND RISK CORRIDORS.—

4 “(1) IN GENERAL.—The Secretary shall dis-  
5 tribute amounts available for the risk mitigation and  
6 risk corridor program under subsection (d) for cal-  
7 endar years 2016, 2017, and 2018.

8 “(2) PAYMENTS.—Payments shall be made  
9 under this subsection in accordance with such sec-  
10 tion 1342.

11 “(3) USE OF FUNDS.—A State shall use  
12 amounts received under this subsection for activities  
13 described in subsection (d)(1).

14 “(f) FUNDING.—

15 “(1) IN GENERAL.—The Secretary shall carry  
16 out this section using amounts made available for  
17 the Department of Health and Human Services and  
18 remaining unobligated.

19 “(2) NO LIMITATION ON OTHER ASSISTANCE.—  
20 Nothing in this section shall be construed as prohib-  
21 iting the Secretary and the Secretary of the Treas-  
22 ury from utilizing additional funds to carry out this  
23 section or other programs to support the subsidized,  
24 affordable purchase of private health insurance cov-  
25 erage, notwithstanding the Consolidated and Fur-

- 1 ther Continuing Appropriations Act, 2015 (Public
- 2 Law 113–235).”.

