

114TH CONGRESS  
1ST SESSION

# S. 775

To amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to exclude from the definition of health insurance coverage certain medical stop-loss insurance obtained by certain plan sponsors of group health plans.

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## IN THE SENATE OF THE UNITED STATES

MARCH 18, 2015

Mr. CASSIDY (for himself, Mr. ALEXANDER, Mr. ISAKSON, Mr. RUBIO, Mr. BURR, Mr. ROBERTS, and Mr. BARRASSO) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to exclude from the definition of health insurance coverage certain medical stop-loss insurance obtained by certain plan sponsors of group health plans.

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 “Self-Insurance Protec-  
5   tion Act”.

1 **SEC. 2. CERTAIN MEDICAL STOP-LOSS INSURANCE OB-**  
 2 **TAINED BY CERTAIN PLAN SPONSORS OF**  
 3 **GROUP HEALTH PLANS NOT INCLUDED**  
 4 **UNDER THE DEFINITION OF HEALTH INSUR-**  
 5 **ANCE COVERAGE.**

6 (a) PHSA.—Section 2791(b)(1) of the Public Health  
 7 Service Act (42 U.S.C. 300gg–91(b)(1)) is amended by  
 8 adding at the end the following new sentence: “Such term  
 9 shall not include a stop loss policy obtained by a self-in-  
 10 sured health plan or a plan sponsor of a group health plan  
 11 that self-insures the health risks of its plan participants  
 12 to reimburse the plan or sponsor for losses that the plan  
 13 or sponsor incurs in providing health or medical benefits  
 14 to such plan participants in excess of a predetermined level  
 15 set forth in the stop loss policy obtained by such plan or  
 16 sponsor.”.

17 (b) ERISA.—Section 733(b)(1) of the Employee Re-  
 18 tirement Income Security Act of 1974 (29 U.S.C.  
 19 1191b(b)(1)) is amended by adding at the end the fol-  
 20 lowing new sentence: “Such term shall not include a stop  
 21 loss policy obtained by a self-insured health plan or a plan  
 22 sponsor of a group health plan that self-insures the health  
 23 risks of its plan participants to reimburse the plan or  
 24 sponsor for losses that the plan or sponsor incurs in pro-  
 25 viding health or medical benefits to such plan participants

1 in excess of a predetermined level set forth in the stop  
2 loss policy obtained by such plan or sponsor.”.

3 (c) IRC.—Section 9832(b)(1)(A) of the Internal Rev-  
4 enue Code of 1986 is amended by adding at the end the  
5 following new sentence: “Such term shall not include a  
6 stop loss policy obtained by a self-insured health plan or  
7 a plan sponsor of a group health plan that self-insures  
8 the health risks of its plan participants to reimburse the  
9 plan or sponsor for losses that the plan or sponsor incurs  
10 in providing health or medical benefits to such plan par-  
11 ticipants in excess of a predetermined level set forth in  
12 the stop loss policy obtained by such plan or sponsor.”.

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