To provide for reconciliation pursuant to title II of the concurrent resolution on the budget for fiscal year 2017.

IN THE HOUSE OF REPRESENTATIVES
MARCH 8, 2017
Mr. JORDAN (for himself and Mr. MEADOWS) 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 provide for reconciliation pursuant to title II of the concurrent resolution on the budget for fiscal year 2017.

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

TITLE I—HEALTH, EDUCATION, LABOR, AND PENSIONS

SEC. 101. THE PREVENTION AND PUBLIC HEALTH FUND.

(a) In General.—Subsection (b) of section 4002 of the Patient Protection and Affordable Care Act (42 U.S.C. 300u–11), as amended by section 5009 of the 21st Century Cures Act, is amended—
(1) in paragraph (2), by adding “and” at the end;
(2) in paragraph (3)—
   (A) by striking “each of fiscal years 2018 and 2019” and inserting “fiscal year 2018”; and
   (B) by striking the semicolon at the end and inserting a period; and
(3) by striking paragraphs (4) through (8).

(b) Rescission of Un obligated Funds.—Of the funds made available by such section 4002, the unobligated balance is rescinded.

SEC. 102. COMMUNITY HEALTH CENTER PROGRAM.

Effective as if included in the enactment of the Medicare Access and CHIP Reauthorization Act of 2015 (Public Law 114–10, 129 Stat. 87), paragraph (1) of section 221(a) of such Act is amended by inserting “, and an additional $422,000,000 for fiscal year 2017” after “2017”.

SEC. 103. TERRITORIES.

Section 1323(c) of the Patient Protection and Affordable Care Act (42 U.S.C. 18043(c)) is amended by adding at the end the following:

“(3) No force and effect.—Effective January 1, 2018, this subsection shall have no force or effect.”.
SEC. 104. REINSURANCE, RISK CORRIDOR, AND RISK ADJUSTMENT PROGRAMS.

(a) Transitional Reinsurance Program for Individual Market.—Section 1341 of the Patient Protection and Affordable Care Act (42 U.S.C. 18061) is amended by adding at the end the following:

“(e) No Force and Effect.—Effective January 1, 2018, the Secretary shall not collect fees and shall not make payments under this section.”.

SEC. 105. SUPPORT FOR STATE RESPONSE TO SUBSTANCE ABUSE PUBLIC HEALTH CRISIS AND URGENT MENTAL HEALTH NEEDS.

(a) In General.—There are authorized to be appropriated, and are appropriated, out of monies in the Treasury not otherwise obligated, $750,000,000 for each of fiscal years 2017 and 2018, to the Secretary of Health and Human Services (referred to in this section as the “Secretary”) to award grants to States to address the substance abuse public health crisis or to respond to urgent mental health needs within the State. In awarding grants under this section, the Secretary may give preference to States with an incidence or prevalence of substance use disorders that is substantial relative to other States or to States that identify mental health needs within their communities that are urgent relative to such needs of other
States. Funds appropriated under this subsection shall remain available until expended.

(b) USE OF FUNDS.—Grants awarded to a State under subsection (a) shall be used for one or more of the following public health-related activities:

(1) Improving State prescription drug monitoring programs.

(2) Implementing prevention activities, and evaluating such activities to identify effective strategies to prevent substance abuse.

(3) Training for health care practitioners, such as best practices for prescribing opioids, pain management, recognizing potential cases of substance abuse, referral of patients to treatment programs, and overdose prevention.

(4) Supporting access to health care services provided by federally certified opioid treatment programs or other appropriate health care providers to treat substance use disorders or mental health needs.

(5) Other public health-related activities, as the State determines appropriate, related to addressing the substance abuse public health crisis or responding to urgent mental health needs within the State.
TITLE II—FINANCE

SEC. 201. RECAPTURE EXCESS ADVANCE PAYMENTS OF PREMIUM TAX CREDITS.

Subparagraph (B) of section 36B(f)(2) of the Internal Revenue Code of 1986 is amended by adding at the end the following new clause:

“(iii) Nonapplicability of limitation.—This subparagraph shall not apply to taxable years ending after December 31, 2016, and before January 1, 2019.”.

SEC. 202. PREMIUM TAX CREDIT AND COST-SHARING SUBSIDIES.

(a) Repeal of Premium Tax Credit.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking section 36B.

(b) Repeal of Cost-Sharing Subsidy.—Section 1402 of the Patient Protection and Affordable Care Act is repealed.

(c) Repeal of Eligibility Determinations.—The following sections of the Patient Protection and Affordable Care Act are repealed:

(1) Section 1411 (other than subsection (i), the last sentence of subsection (e)(4)(A)(ii), and such provisions of such section solely to the extent related...
to the application of the last sentence of subsection (e)(4)(A)(ii)).

(2) Section 1412.

(d) Protecting Americans by Repeal of Disclosure Authority To Carry Out Eligibility Requirements for Certain Programs.—

(1) In General.—Paragraph (21) of section 6103(l) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(D) Termination.—No disclosure may be made under this paragraph after December 31, 2018.”.

(e) Effective Dates.—

(1) Premium Tax Credit.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2018.

(2) Cost-sharing Subsidies and Eligibility Determinations.—The repeals in subsections (b) and (e) shall take effect on December 31, 2018.

(3) Protecting Americans by Rescinding Disclosure Authority.—The amendments made by subsection (d) shall take effect on December 31, 2018.
SEC. 203. SMALL BUSINESS TAX CREDIT.

(a) IN GENERAL.—Section 45R of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(j) SHALL NOT APPLY.—This section shall not apply with respect to amounts paid or incurred in taxable years beginning after December 31, 2018.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2018.

SEC. 204. INDIVIDUAL MANDATE.

(a) IN GENERAL.—Section 5000A(c) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (2)(B) by striking clauses (ii) and (iii) and inserting the following:

“(ii) Zero percent for taxable years beginning after 2015.”,

(2) in paragraph (3)—

(A) by striking “$695” in subparagraph (A) and inserting “$0”,

(B) by striking “and $325 for 2015” in subparagraph (B), and

(C) by striking subparagraph (D).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 31, 2015.
SEC. 205. EMPLOYER MANDATE.

(a) IN GENERAL.—

(1) Paragraph (1) of section 4980H(c) of the Internal Revenue Code of 1986 is amended by inserting "($0 in the case of months beginning after December 31, 2015)" after "$2,000".

(2) Paragraph (1) of section 4980H(b) of the Internal Revenue Code of 1986 is amended by inserting "($0 in the case of months beginning after December 31, 2015)" after "$3,000".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 31, 2015.

SEC. 206. FEDERAL PAYMENTS TO STATES.

(a) IN GENERAL.—Notwithstanding section 504(a), 1902(a)(23), 1903(a), 2002, 2005(a)(4), 2102(a)(7), or 2105(a)(1) of the Social Security Act (42 U.S.C. 704(a), 1396a(a)(23), 1396b(a), 1397a, 1397d(a)(4), 1397bb(a)(7), 1397ee(a)(1)), or the terms of any Medicaid waiver in effect on the date of enactment of this Act that is approved under section 1115 or 1915 of the Social Security Act (42 U.S.C. 1315, 1396n), for the 1-year period beginning on the date of enactment of this Act, no Federal funds provided from a program referred to in this subsection that is considered direct spending for any year may be made available to a State for payments to a pro-
hibited entity, whether made directly to the prohibited en-
tity or through a managed care organization under con-
tract with the State.

(b) DEFINITIONS.—In this section:

(1) PROHIBITED ENTITY.—The term "prohib-
ited entity" means an entity, including its affiliates, 
subsidiaries, successors, and clinics—

(A) that, as of the date of enactment of 
this Act—

(i) is an organization described in sec-
tion 501(c)(3) of the Internal Revenue 
Code of 1986 and exempt from tax under 
section 501(a) of such Code;

(ii) is an essential community provider 
described in section 156.235 of title 45, 
Code of Federal Regulations (as in effect 
on the date of enactment of this Act), that 
is primarily engaged in family planning 
services, reproductive health, and related 
medical care; and

(iii) provides for abortions, other than 
an abortion—

(I) if the pregnancy is the result 
of an act of rape or incest; or
(II) in the case where a woman suffers from a physical disorder, physical injury, or physical illness that would, as certified by a physician, place the woman in danger of death unless an abortion is performed, including a life-endangering physical condition caused by or arising from the pregnancy itself; and

(B) for which the total amount of Federal and State expenditures under the Medicaid program under title XIX of the Social Security Act in fiscal year 2014 made directly to the entity and to any affiliates, subsidiaries, successors, or clinics of the entity, or made to the entity and to any affiliates, subsidiaries, successors, or clinics of the entity as part of a nationwide health care provider network, exceeded $350,000,000.

(2) DIRECT SPENDING.—The term “direct spending” has the meaning given that term under section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)).
SEC. 207. MEDICAID.

The Social Security Act (42 U.S.C. 301 et seq.) is amended—

(1) in section 1108(g)(5), by striking “2019” and inserting “2018”;

(2) in section 1902—

(A) in subsection (a)(10)(A), in each of clauses (i)(VIII) and (ii)(XX), by inserting “and ending December 31, 2018,” after “January 1, 2014,”;

(B) in subsection (a)(47)(B), by inserting “and provided that any such election shall cease to be effective on January 1, 2019, and no such election shall be made after that date” before the semicolon at the end; and

(C) in subsection (l)(2)(C), by inserting “and ending December 31, 2018,” after “January 1, 2014,”;

(3) in each of sections 1902(gg)(2) and 2105(d)(3)(A), by striking “September 30, 2019” and inserting “September 30, 2018”;

(4) in section 1905—

(A) in the first sentence of subsection (b), by inserting “(50 percent on or after January 1, 2019)” after “55 percent”;
(B) in subsection (y)(1), by striking the semicolon at the end of subparagraph (B) and all that follows through “thereafter”; and

(C) in subsection (z)(2)—

(i) in subparagraph (A), by striking “each year thereafter” and inserting “through 2018”; and

(ii) in subparagraph (B)(ii), by striking the semicolon at the end of subclause (IV) and all that follows through “100 percent”; and

(5) in section 1915(k)(2), by striking “during the period described in paragraph (1)” and inserting “on or after the date referred to in paragraph (1) and before January 1, 2019”; and

(6) in section 1920(e), by adding at the end the following: “This subsection shall not apply after December 31, 2018.”;

(7) in section 1937(b)(5), by adding at the end the following: “This paragraph shall not apply after December 31, 2018.”; and

(8) in section 1943(a), by inserting “and before January 1, 2019,” after “January 1, 2014,”.
SEC. 208. REPEAL OF DSH ALLOTMENT REDUCTIONS.

Section 1923(f) of the Social Security Act (42 U.S.C. 1396r–4(f)) is amended by striking paragraphs (7) and (8).

SEC. 209. REPEAL OF THE TAX ON EMPLOYEE HEALTH INSURANCE PREMIUMS AND HEALTH PLAN BENEFITS.

(a) In General.—Chapter 43 of the Internal Revenue Code of 1986 is amended by striking section 4980I.

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2018.

SEC. 210. REPEAL OF TAX ON OVER-THE-COUNTER MEDICATIONS.

(a) HSAs.—Subparagraph (A) of section 223(d)(2) of the Internal Revenue Code of 1986 is amended by striking “Such term” and all that follows through the period.

(b) Archer MSAs.—Subparagraph (A) of section 220(d)(2) of the Internal Revenue Code of 1986 is amended by striking “Such term” and all that follows through the period.

(c) Health Flexible Spending Arrangements and Health Reimbursement Arrangements.—Section 106 of the Internal Revenue Code of 1986 is amended by striking subsection (f).

(d) Effective Dates.—
(1) DISTRIBUTIONS FROM SAVINGS ACCOUNTS.—The amendments made by subsections (a) and (b) shall apply to amounts paid with respect to taxable years beginning after December 31, 2016.

(2) REIMBURSEMENTS.—The amendment made by subsection (c) shall apply to expenses incurred with respect to taxable years beginning after December 31, 2016.

SEC. 211. REPEAL OF TAX ON HEALTH SAVINGS ACCOUNTS.

(a) HSAs.—Section 223(f)(4)(A) of the Internal Revenue Code of 1986 is amended by striking “20 percent” and inserting “10 percent”.

(b) ARCHER MSAS.—Section 220(f)(4)(A) of the Internal Revenue Code of 1986 is amended by striking “20 percent” and inserting “15 percent”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2016.

SEC. 212. REPEAL OF LIMITATIONS ON CONTRIBUTIONS TO FLEXIBLE SPENDING ACCOUNTS.

(a) IN GENERAL.—Section 125 of the Internal Revenue Code of 1986 is amended by striking subsection (i).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2016.
SEC. 213. REPEAL OF TAX ON PRESCRIPTION MEDICATIONS.

Subsection (j) of section 9008 of the Patient Protection and Affordable Care Act is amended to read as follows:

“(j) REPEAL.—This section shall apply to calendar years beginning after December 31, 2011, and ending before January 1, 2017.”.

SEC. 214. REPEAL OF MEDICAL DEVICE EXCISE TAX.

(a) IN GENERAL.—Chapter 32 of the Internal Revenue Code of 1986 is amended by striking subchapter E.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales in calendar quarters beginning after December 31, 2016.

SEC. 215. REPEAL OF HEALTH INSURANCE TAX.

Subsection (j) of section 9010 of the Patient Protection and Affordable Care Act is amended to read as follows:

“(j) REPEAL.—This section shall apply to calendar years beginning after December 31, 2014, and ending before January 1, 2017.”.

SEC. 216. REPEAL OF ELIMINATION OF DEDUCTION FOR EXPENSES ALLOCABLE TO MEDICARE PART D SUBSIDY.

(a) IN GENERAL.—Section 139A of the Internal Revenue Code of 1986 is amended by adding at the end the
following new sentence: “This section shall not be taken into account for purposes of determining whether any deduction is allowable with respect to any cost taken into account in determining such payment.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2016.

SEC. 217. REPEAL OF CHRONIC CARE TAX.

(a) IN GENERAL.—Subsection (a) of section 213 of the Internal Revenue Code of 1986 is amended by striking “10 percent” and inserting “7.5 percent”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2016.

SEC. 218. REPEAL OF MEDICARE TAX INCREASE.

(a) IN GENERAL.—Subsection (b) of section 3101 of the Internal Revenue Code of 1986 is amended to read as follows:

“(b) HOSPITAL INSURANCE.—In addition to the tax imposed by the preceding subsection, there is hereby imposed on the income of every individual a tax equal to 1.45 percent of the wages (as defined in section 3121(a)) received by such individual with respect to employment (as defined in section 3121(b)).”.

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(b) SECA.—Subsection (b) of section 1401 of the Internal Revenue Code of 1986 is amended to read as follows:

“(b) HOSPITAL INSURANCE.—In addition to the tax imposed by the preceding subsection, there shall be imposed for each taxable year, on the self-employment income of every individual, a tax equal to 2.9 percent of the amount of the self-employment income for such taxable year.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to remuneration received after, and taxable years beginning after, December 31, 2016.

SEC. 219. REPEAL OF TANNING TAX.

(a) IN GENERAL.—The Internal Revenue Code of 1986 is amended by striking chapter 49.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to services performed on or after December 31, 2016.

SEC. 220. REPEAL OF NET INVESTMENT TAX.

(a) IN GENERAL.—Subtitle A of the Internal Revenue Code of 1986 is amended by striking chapter 2A.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2016.
SEC. 221. REMUNERATION.

Paragraph (6) of section 162(m) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(I) TERMINATION.—This paragraph shall not apply to taxable years beginning after December 31, 2016.”.

SEC. 222. ECONOMIC SUBSTANCE DOCTRINE.

(a) IN GENERAL.—Subsection (o) of section 7701 of the Internal Revenue Code of 1986 is repealed.

(b) PENALTY FOR UNDERPAYMENTS.—Paragraph (6) of section 6662(b) of the Internal Revenue Code of 1986 is repealed.

(c) INCREASED PENALTY FOR NONDISCLOSED TRANSACTIONS.—Subsection (i) of section 6662 of the Internal Revenue Code of 1986 is repealed.

(d) REASONABLE CAUSE EXCEPTION FOR UNDERPAYMENTS.—Paragraph (2) of section 6664(c) of the Internal Revenue Code of 1986 is repealed.

(e) REASONABLE CAUSE EXCEPTION FOR NONDISCLOSED TRANSACTIONS.—Paragraph (2) of section 6664(d) of the Internal Revenue Code of 1986 is repealed.

(f) ERRONEOUS CLAIM FOR REFUND OR CREDIT.—Subsection (c) of section 6676 of the Internal Revenue Code of 1986 is repealed.
(g) EffectivE DATE.—The repeals made by this section shall apply to transactions entered into, and to underpayments, understatements, or refunds and credits attributable to transactions entered into, after December 31, 2016.

SEC. 223. BUDGETARY SAVINGS FOR EXTENDING MEDICARE SOLVENCY.

As a result of policies contained in this Act, the Secretary of the Treasury shall transfer to the Federal Hospital Insurance Trust Fund under section 1817 of the Social Security Act (42 U.S.C. 1395i) $__________, (which represents the full amount of on-budget savings during the period of fiscal years 2017 through 2026) for extending Medicare solvency, to remain available until expended.