H. R. 4666
To amend the Public Health Service Act to provide for a Patient and State Stability Fund.

IN THE HOUSE OF REPRESENTATIVES
DECEMBER 18, 2017
Mr. COSTELLO of Pennsylvania introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL
To amend the Public Health Service Act to provide for a Patient and State Stability Fund.

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

SECTION 1. SHORT TITLE.
This Act may be cited as the “Premium Relief Act of 2017”.

SEC. 2. PATIENT AND STATE STABILITY.
(a) PATIENT AND STATE STABILITY FUND.—The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by adding at the end the following new title:
“TITLE XXXIV—PATIENT AND STATE STABILITY FUND

“SEC. 3401. ESTABLISHMENT OF PROGRAM.

“‘There is hereby established the ‘Patient and State Stability Fund’ to be administered by the Secretary, acting through the Administrator of the Centers for Medicare & Medicaid Services (in this title referred to as the ‘Administrator’), to provide health benefits coverage funding, in accordance with this title, to the 50 States and the District of Columbia (each referred to in this section as a ‘State’) during the period, subject to section 3404(c), beginning on January 1, 2019, and ending on December 31, 2021, for the purposes described in section 3402.

“SEC. 3402. USE OF FUNDS.

“A State may use the funds allocated to the State under this title for any of the following purposes:

“(1) Helping, through the provision of financial assistance, high-risk individuals who do not have access to health insurance coverage offered through an employer enroll in health insurance coverage in the individual market in the State, as such market is defined by the State (whether through the establishment of a new mechanism or maintenance of an existing mechanism for such purpose).
“(2) Providing incentives to appropriate entities to enter into arrangements with the State to help stabilize premiums for health insurance coverage in the individual market, as such markets are defined by the State.

“(3) Reducing the cost for providing health insurance coverage in the individual market and small group market, as such markets are defined by the State, to individuals who have, or are projected to have, a high rate of utilization of health services (as measured by cost) and to individuals who have high costs of health insurance coverage due to the low density population of the State in which they reside.

“(4) Promoting participation in the individual market and small group market in the State and increasing health insurance options available through such market.

“(5) Promoting access to preventive services; dental care services (whether preventive or medically necessary); vision care services (whether preventive or medically necessary); or any combination of such services.

“(6) Maternity coverage and newborn care.
“(7) Prevention, treatment, or recovery support services for individuals with mental or substance use disorders, focused on either or both of the following:

“(A) Direct inpatient or outpatient clinical care for treatment of addiction and mental illness.

“(B) Early identification and intervention for children and young adults with serious mental illness.

“(8) Providing payments, directly or indirectly, to health care providers for the provision of such health care services as are specified by the Administrator.

“(9) Providing assistance to reduce out-of-pocket costs, such as copayments, coinsurance, premiums, and deductibles, of individuals enrolled in health insurance coverage in the State.

“SEC. 3403. STATE ELIGIBILITY AND APPROVAL; DEFAULT SAFEGUARD.

“(a) Encouraging State Options for Allocations.—

“(1) In general.—To be eligible for an allocation of funds under this title for a year during the period described in section 3401 for use for one or more purposes described in section 3402, a State
shall submit to the Administrator an application at such time (but not later than March 31 of the previous year) and in such form and manner as specified by the Administrator and containing—

“(A) a description of how the funds will be used for such purposes; and

“(B) such other information as the Administrator may require.

“(2) AUTOMATIC APPROVAL.—An application so submitted is approved unless the Administrator notifies the State submitting the application, not later than 60 days after the date of the submission of such application, that the application has been denied for not being in compliance with any requirement of this title and of the reason for such denial.

“(3) ONE-TIME APPLICATION.—If an application of a State is approved for a year, with respect to a purpose described in section 3402, such application shall be treated as approved, with respect to such purpose, for each subsequent year through 2021.

“(b) DEFAULT FEDERAL SAFEGUARD.—

“(1) IN GENERAL.—In the case of a State that does not have in effect an approved application under this section for 2019, 2020, or 2021, the Ad-
ministrator, in consultation with the State insurance commissioner, shall use the allocation that would otherwise be provided to the State under this title for such year, in accordance with paragraph (2), for such State.

“(2) REQUIRED USE FOR MARKET STABILIZATION PAYMENTS TO ISSUERS.—Subject to section 3404(a), an allocation for a State made pursuant to paragraph (1) for a year shall be used to carry out the purpose described in section 3402(2) in such State by providing payments to appropriate entities described in such section with respect to claims that exceed $50,000 (or, with respect to allocations made under this title for 2020 or a subsequent year during the period specified in section 3401, such dollar amount specified by the Administrator), but do not exceed $350,000 (or, with respect to allocations made under this title for 2020 or a subsequent year during such period, such dollar amount specified by the Administrator), in an amount equal to 75 percent (or, with respect to allocations made under this title for 2020 or a subsequent year during such period, such percentage specified by the Administrator) of the amount of such claims.
“SEC. 3404. ALLOCATIONS.

“(a) Appropriation.—For the purpose of providing allocations for States (including pursuant to section 3403(b)) under this title there is appropriated, out of any money in the Treasury not otherwise appropriated—

“(1) for 2019, $10,000,000,000;
“(2) for 2020, $10,000,000,000; and
“(3) for 2021, $10,000,000,000.

“(b) Allocations.—

“(1) Payment.—From amounts appropriated under subsection (a) for a year (beginning with 2019 and ending with 2021), the Administrator shall, with respect to a State and not later than January 1 of such year, allocate for such State (including pursuant to section 3403(b)) the amount determined for such State and year under paragraph (2).

“(2) Allocation amount determinations.—For purposes of paragraph (1), the amount determined under this paragraph for a year for a State is an amount determined in accordance with an allocation methodology specified by the Administrator.

“(c) Annual Distribution of Previous Year’s Remaining Funds.—In carrying out subsection (b), the Administrator shall, with respect to a year (beginning with
2020 and ending with 2022), not later than March 31 of such year—

“(1) determine the amount of funds, if any, from the amounts appropriated under subsection (a) for the previous year but not allocated for such previous year; and

“(2) if the Administrator determines that any funds were not so allocated for such previous year, allocate such remaining funds, in accordance with the allocation methodology specified pursuant to subsection (b)(2)—

“(A) to States that have submitted an application approved under section 3403(a) for such previous year for any purpose for which such an application was approved; and

“(B) for States for which allocations were made pursuant to section 3403(b) for such previous year, to be used by the Administrator for such States, to carry out the purpose described in section 3402(2) in such State by providing payments to appropriate entities described in such section 3402(2) with respect to claims that exceed $1,000,000,
with, respect to a year before 2022, any remaining
funds being made available for allocations to States
for the subsequent year.

“(d) Availability.—Amounts appropriated under
subsection (a) for a year and allocated to States in accord-
ance with this section shall remain available for expendi-
ture through December 31, 2022.

“(e) Limitation.—Amounts appropriated under
subsection (a) for a year (beginning with 2019 and ending
with 2021) are subject to the requirements and limitations
under sections 506 and 507 of division H of Public Law
115–31 in the same manner and to the same extent as
if such amounts for such year were appropriated under
such division.”.

(b) Cost-Sharing Reduction Payments.—Section
1402 of the Patient Protection and Affordable Care Act
(42 U.S.C. 18071) is amended by adding at the end the
following new subsection:

“(g) Funding.—

“(1) Appropriations.—There is appropriated,
from any money in the Treasury not otherwise ap-
propriated, such sums as may be necessary to, sub-
ject to paragraph (2), provide health benefits cov-
erage through payment to issuers (under this section
or through advance payment by the Secretary of the

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Treasury under section 1412(e)(3)) of the amounts computed under this section for the last quarter of plan year 2017 and each of plan years 2019 and 2020.

“(2) ADJUSTMENTS.—Notwithstanding any other provision of law, payments and other actions for adjustments to obligations incurred prior to December 31, 2020, may be made through December 31, 2021.

“(3) LIMITATION.—Amounts appropriated under paragraph (1) for the last quarter of plan year 2017 and each of plan years 2019 and 2020 are subject to the requirements and limitations under sections 506 and 507 of division H of Public Law 115–31 in the same manner and to the same extent as if such amounts for such quarter and each such year were appropriated under such division.”.