115TH CONGRESS  
1ST SESSION

S._____

To amend the Internal Revenue Code of 1986 to allow individuals to receive a premium assistance credit for insurance not purchased on an Exchange, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. ALEXANDER (for himself and Mr. CORKER) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to allow individuals to receive a premium assistance credit for insurance not purchased on an Exchange, and for other purposes.

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 Options
5 Act of 2017”.
SEC. 2. PREMIUM ASSISTANCE CREDIT ALLOWED FOR INSURANCE OUTSIDE AN EXCHANGE.

(a) IN GENERAL.—Section 36B of the Internal Revenue Code of 1986 is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

“(g) SPECIAL RULES RELATING TO CERTAIN OFF-EXCHANGE PLANS.—

“(1) IN GENERAL.—In the case of a taxpayer described in paragraph (2) who is covered, or whose spouse or dependent is covered, by a plan described in paragraph (3) for a coverage month beginning after December 31, 2017, and before January 1, 2020, this section shall be applied with the following modifications:

“(A) Such plan shall be treated as a qualified health plan.

“(B) Subparagraph (A) of subsection (b)(2) shall be applied without regard to so much of such subparagraph as follows ‘of the taxpayer’ and precedes ‘, or’.

“(C) Clause (i) of subsection (b)(3)(B) shall be applied by substituting ‘through an Exchange’ for ‘through the same Exchange’ through which the qualified health plans taken
into account under paragraph (2)(A) were offered.

"(D) Clause (i) of subsection (c)(2)(A) shall be applied without regard to so much of such clause as follows ‘(b)(2)(A)’ and precedes ‘, and’.

"(E) Subsection (d)(3)(B) shall be applied without regard to ‘through an Exchange’.

"(2) TAXPAYER DESCRIBED.—For purposes of this subsection, a taxpayer is described in this paragraph if the taxpayer resides in a rating area or county in which the Secretary of Health and Human Services certifies that no qualified health plans are offered through an Exchange established under Section 1311 of the Patient Protection and Affordable Care Act.

"(3) PLANS DESCRIBED.—For purposes of this subsection, a plan is described in this paragraph if—

"(A) enrollment in the plan was not done through an Exchange, and

"(B) the plan is authorized by the State in which the taxpayer resides to be offered in the individual market in the State other than through an Exchange, or is a not-for-profit membership organization organized under State
law and authorized under State law to accept
member contributions to fund health care bene-
fits for members and their families.”.

(b) **OFF-EXCHANGE PLANS EXCLUDED FROM ADVANCE PAYMENTS.**—Section 1412 of the Patient Protec-
tion and Affordable Care Act (42 U.S.C. 18082) is amend-
ed by adding at the end the following new subsection:

“(f) **NONAPPLICATION TO OFF-EXCHANGE PLANS.**—
This section and section 1411 shall not apply, and no ad-
vance determination or advance payment shall be made,
in the case of an individual enrolling in a plan described
in section 36B(g)(3) of the Internal Revenue Code of
1986.”.

(c) **REPORTING.**—Subsection (b) of section 6055 of
the Internal Revenue Code of 1986 is amended by adding
at the end the following new paragraph:

“(3) **INFORMATION RELATING TO OFF-EX-
CHANGE COVERAGE.**—If minimum essential coverage
provided to an individual under subsection (a) con-
sists of coverage described in section 36B(g)(3), a
return described in this subsection for taxable years
beginning before January 1, 2020, shall include—

“(A) a statement that such plan is cov-
erage not enrolled in through an Exchange,
“(B) the premiums paid with respect to such coverage,

“(C) the months during which such coverage is provided to the individual,

“(D) the adjusted monthly premium for the applicable second lowest cost silver plan (as defined in section 36B(b)(3), determined without regard to whether such plan is offered through an Exchange if the Secretary of Health and Human Services has made the determination under section 36B(g)(2) with respect to the rating area) for each such month with respect to such individual, and

“(E) such other information as the Secretary may prescribe.”.

(d) Waiver of Individual Mandate in Areas with No Exchange Plans.—

(1) In General.—Paragraph (1) of section 5000A(d) of the Internal Revenue Code of 1986 is amended by striking “or (4)” and inserting “(4), or (5)”.

(2) Individuals Residing in Exempted Areas.—Subsection (d) of section 5000A of such Code is amended by adding at the end the following new paragraph:
“(5) INDIVIDUALS RESIDING IN EXEMPTED AREAS.—For purposes of months beginning after December 31, 2017, and before January 1, 2020, such term shall not include an individual who resides in a rating area or county in which the Secretary of Health and Human Services certifies for purposes of section 36B(g)(2) that no qualified health plans are offered through an Exchange established under Section 1311 of the Patient Protection and Affordable Care Act.”

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable and plan years beginning after December 31, 2017.