Page 3, after line 2, insert the following:

SEC. 5. TERMINATING FUNDING FOR PREVENTION AND PUBLIC HEALTH FUND AFTER FISCAL YEAR 2016.

Section 4002(b) of Public Law 111-148 (42 U.S.C. 300u–11(b)), as amended by section 3205 of the Middle Class Tax Relief and Job Creation Act of 2012, is further amended—

(1) in paragraph (1), by inserting “and” after the semicolon;

(2) in paragraph (2)—

(A) by striking “2017” and inserting “2016”; and

(B) by striking the semicolon and inserting a period; and

(3) by striking each of paragraphs (3) through (5).

SEC. 6. ESCAPE VALVE FROM THE TRAINWRECK.

(a) IN GENERAL.—The Secretary of Health and Human Services (referred to in this section as the “Secretary”) shall award block grants to States to provide for
the development of innovative models that ensure affordable health insurance coverage for Americans with pre-existing health conditions.

(b) USE OF FUNDS.—A State shall use amounts received under a grant under this section for innovative State high-risk pool programs that meet the requirements of subsection (c) and that ensure the provision of affordable health insurance coverage for eligible individuals described in subsection (d) with pre-existing health conditions. Such funds may be used for the development, start-up, and funding of new State high-risk pools satisfying such requirements and for the enhancement of funding for existing State high-risk pools satisfying such requirements.

(c) REQUIREMENTS FOR HIGH RISK POOL.—For purposes of this section, the requirements described in this subsection, for a State high-risk pool are each of the following requirements:

(1) The pool provides at least two health insurance coverage options, one of which being a high deductible health plan coupled with a health savings account.

(2) The pool is funded with a stable funding source.
(3) The pool does not have any waiting lists so that all eligible individuals described in subsection (d) who are seeking coverage through the pool are allowed to receive coverage through the pool.

(4) The pool allows for coverage of individuals who, but for the 24-month disability waiting period under section 226(b) of the Social Security Act (42 U.S.C. 426(b)), would be eligible for Medicare under title XVIII of such Act during such waiting period.

(5) The premium rate charged for health insurance coverage offered to eligible individuals through the pool does not exceed the rate that is 150 percent of the average premium rate for applicable standard risk populations in the State.

(d) ELIGIBLE INDIVIDUALS.—For purposes of this section, an eligible individual described in this subsection, with respect to a State high risk pool funded by a grant under this section, is an individual who—

(1) is a resident of such State; and

(2) complies with any other requirements established by the State for participation in such pool.

(e) AMOUNT OF GRANT.—The amount of a grant to a State under this section shall be determined by the Secretary based on a review of State applications and requests.
(f) LIMITATION ON ABORTION FUNDING.—No funds authorized by this section may be used to pay for any abortion or to cover any part of the costs of any health plans that includes coverage of abortion, except—

(1) if the pregnancy is the result of an act of rape or incest; or

(2) in the case where a pregnant 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.

(g) PRE-EXISTING CONDITION DEFINED.—For purposes of this section, the term “pre-existing condition” means, with respect to an individual, a medical or other condition of the individual that exists prior to the date on which such individual attempts to enroll in health insurance coverage, whether or not any medical advice, diagnosis, care, or treatment was recommended or received for such condition before such date.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section for
fiscal year 2014, $5,000,000,000, to be made available to States for calendar year 2014.