MANAGER’S AMENDMENT (TECHNICAL CHANGES)

OFFERED BY M . __________

[Budget Reconciliation; page and line numbers refer to Budget Rec 2017; March 17, 2017, 10:24; as posted on the Rules Committee website]

Page 12, line 11, strike “FROM EXEMPTION” and insert “FROM REDUCTION”.

Page 20, strike line 12 and all that follows through page 22, line 14.

Page 22, line 15, strike “(D)” and insert “(C)”.

Page 24, line 14, strike “2018 and ending with 2021” and insert “fiscal year 2018 and ending with fiscal year 2022”.

Page 24, lines 16, insert “fiscal” before “year”.

Page 24, line 21, insert “fiscal” before “year”.

Page 24, line 26, insert “so long as the payment adjustment to such an eligible provider does not exceed the provider’s costs in furnishing health care services (as determined by the Secretary and net of payments under this title, other than under this section, and by uninsured patients) to individuals who either are eligible for medical assistance under the State plan (or under a waiver of
such plan) or have no health insurance or health plan
coverage for such services” before the period at the end.

Page 25, beginning on line 7, strike “calendar
years” and insert “fiscal years”.

Page 25, beginning on line 9, strike “calendar year”
and insert “fiscal year”.

Page 25, strike line 11 and all that follows through
page 26, line 15 and insert the following:

“(c) Annual Allotment Limitation.—Payment
under section 1903(a) shall not be made to a State with
respect to any payment adjustment made under this sec-
tion for all calendar quarters in a fiscal year in excess
of the $2,000,000,000 multiplied by the ratio of—
“(1) the population of the State with income
below 138 percent of the poverty line in 2015 (as de-
termined based the table entitled ‘Health Insurance
Coverage Status and Type by Ratio of Income to
Poverty Level in the Past 12 Months by Age’ for the
universe of the civilian noninstitutionalized popu-
lation for whom poverty status is determined based
on the 2015 American Community Survey 1–Year
Estimates, as published by the Bureau of the Cen-
sus), to
“(2) the sum of the populations under paragraph (1) for all non-expansion States.”.

Page 26, line 18, insert “fiscal” before “year”.

Page 26, line 19, insert “fiscal” before “year”.

Page 26, line 21, insert “fiscal” before “years”.

Page 27, strike line 22 and all that follows through page 28, line 11.

Page 28, line 12, strike “(c)” and insert “(b)”.

Page 32, line 16, insert before the period the following: “and includes non-DSH supplemental payments (as defined in subsection (d)(4)(A)(ii)) and payments described in subsection (d)(4)(A)(iii) but shall not be construed as including any expenditures attributable to the program under section 1928”.

Page 32, after line 16, insert the following: “In applying subparagraph (B), non-DSH supplemental payments (as defined in subsection (d)(4)(A)(ii)) and payments described in subsection (d)(4)(A)(iii) shall be treated as fully attributable to 1903A enrollees.”.

Page 32, beginning on line 25 strike “that directly result from providing medical assistance under the State plan (including under a waiver of the plan)”.
Page 59, strike lines 14 through 17, and insert the following:

“(I) The ratio described in sub-clause (II) of clause (v) that would be determined for such State by substituting ‘2015’ for each reference in such subclause to ‘the third preceding year’ and by substituting ‘all such States’ for the reference in item (bb) of such subclause to ‘all States described in clause (vi)’ is greater than the ratio described in such subclause that would be determined for such State by substituting ‘2013’ for each reference in such subclause to ‘the third preceding year’ and by substituting ‘all such States’ for the reference in item (bb) of such subclause to ‘all States described in clause (vi)’.”.

Page 59, line 18, strike “State have” and insert “State has”.

Page 65, line 18, strike “or small group”.

Page 66, line 23, strike “36C” and insert “36B”.
Page 75, line 15, insert “of such Code” before “is amended”.

Page 75, line 18, insert “of such Code” before “is amended”.

Page 75, after line 22, insert the following:

(iii) Section 36B(c)(2)(A)(i) of such Code is amended by striking “that was enrolled in through an Exchange established by the State under section 1311 of the Patient Protection and Affordable Care Act”.

Page 78, strike line 22 and all that follows through page 79, line 23.

Page 80, line 1, strike “204” and insert “203”.

Page 82, line 13, strike “205” and insert “204”.

Page 83, line 1, strike “206” and insert “205”.

Page 83, line 14, strike “207” and insert “206”.

Page 84, line 1, strike “208” and insert “207”.

Page 85, line 1, strike “209” and insert “208”.

Page 85, line 12, strike “210” and insert “209”.

Page 85, line 19, strike “211” and insert “210”.
Page 86, line 1, strike “212” and insert “211”.

Page 86, line 13, strike “213” and insert “212”.

Page 86, line 13, strike “REPEAL OF INCREASE IN” and insert “REDUCTION OF”.

Page 87, line 7, strike “214” and insert “213”.

Page 88, strike line 5 and all that follows through page 119, line 3, and insert the following:

SEC. 214. REFUNDABLE TAX CREDIT FOR HEALTH INSURANCE COVERAGE.

(a) In General.—Section 36B of the Internal Revenue Code of 1986 is amended to read as follows:

“SEC. 36B. REFUNDABLE CREDIT FOR COVERAGE UNDER A QUALIFIED HEALTH PLAN.

“(a) Allowance of Premium Tax Credit.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year the sum of the monthly credit amounts with respect to such taxpayer for calendar months during such taxable year which are eligible coverage months appropriately taken into account under subsection (b)(2) with respect to the taxpayer or any qualifying family member of the taxpayer.

“(b) Monthly Credit Amounts.—
“(1) IN GENERAL.—The monthly credit amount with respect to any taxpayer for any calendar month is the lesser of—

“(A) the sum of the monthly limitation amounts determined under subsection (c) with respect to the taxpayer and the taxpayer’s qualifying family members for such month, or

“(B) the amount paid for a qualified health plan for the taxpayer and the taxpayer’s qualifying family members for such month.

“(2) ELIGIBLE COVERAGE MONTH REQUIREMENT.—No amount shall be taken into account under subparagraph (A) or (B) of paragraph (1) with respect to any individual for any month unless such month is an eligible coverage month with respect to such individual.

“(c) MONTHLY LIMITATION AMOUNTS.—

“(1) IN GENERAL.—The monthly limitation amount with respect to any individual for any eligible coverage month during any taxable year is $2,000 in the case of an individual who has not attained age 30 as of the beginning of such taxable year,
“(B) $2,500 in the case of an individual who has attained age 30 but who has not attained age 40 as of such time,

“(C) $3,000 in the case of an individual who has attained age 40 but who has not attained age 50 as of such time,

“(D) $3,500 in the case of an individual who has attained age 50 but who has not attained age 60 as of such time, and

“(E) $4,000 in the case of an individual who has attained age 60 as of such time.

“(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—The credit allowed under subsection (a) with respect to any taxpayer for any taxable year shall be reduced (but not below zero) by 10 percent of the excess (if any) of—

“(A) the taxpayer’s modified adjusted gross income (as defined in section 36B(d)(2)(B), as in effect for taxable years beginning before January 1, 2020) for such taxable year, over

“(B) $75,000 (twice such amount in the case of a joint return).

“(3) OTHER LIMITATIONS.—
“(A) AGGREGATE DOLLAR LIMITATION.—

The sum of the monthly limitation amounts taken into account under this section with respect to any taxpayer for any taxable year shall not exceed $14,000.

“(B) MAXIMUM NUMBER OF INDIVIDUALS TAKEN INTO ACCOUNT.—With respect to any taxpayer for any month, monthly limitation amounts shall be taken into account under this section only with respect to the 5 oldest individuals with respect to whom monthly limitation amounts could (without regard to this subparagraph) otherwise be so taken into account.

“(d) ELIGIBLE COVERAGE MONTH.—For purposes of this section, the term ‘eligible coverage month’ means, with respect to any individual, any month if, as of the first day of such month, the individual meets the following requirements:

“(1) The individual is covered by a health insurance coverage which is certified by the State in which such insurance is offered as coverage that meets the requirements for qualified health plans under subsection (f).

“(2) The individual is not eligible for—
“(A) coverage under a group health plan
(within the meaning of section 5000(b)(1))
other than coverage under a plan substantially
all of the coverage of which is of excepted bene-
fits described in section 9832(c), or
“(B) coverage described in section
5000A(f)(1)(A).
“(3) The individual is either—
“(A) a citizen or national of the United
States, or
“(B) a qualified alien (within the meaning
of section 431 of the Personal Responsibility
and Work Opportunity Reconciliation Act of
1996 (8 U.S.C. 1641)).
“(4) The individual is not incarcerated, other
than incarceration pending the disposition of
charges.
“(e) QUALIFYING FAMILY MEMBER.—For purposes
of this section, the term ‘qualifying family member’
means—
“(1) in the case of a joint return, the taxpayer’s
spouse,
“(2) any dependent of the taxpayer, and
“(3) with respect to any eligible coverage
month, any child (as defined in section 152(f)(1)) of
the taxpayer who as of the end of the taxable year has not attained age 27 if such child is covered for such month under a qualified health plan which also covers the taxpayer (in the case of a joint return, either spouse).

“(f) QUALIFIED HEALTH PLAN.—For purposes of this section, the term ‘qualified health plan’ means any health insurance coverage (as defined in section 9832(b)) if—

“(1) such coverage is offered in the individual health insurance market within a State (within the meaning of section 5000A(f)(1)(C)),

“(2) substantially all of such coverage is not of excepted benefits described in section 9832(e),

“(3) such coverage does not consist of short-term limited duration insurance (within the meaning of section 2791(b)(5) of the Public Health Service Act),

“(4) such coverage is not a grandfathered health plan (as defined in section 1251 of the Patient Protection and Affordable Care Act) or a grandmothered health plan (as defined in section 36B(e)(3)(C) as in effect for taxable years beginning before January 1, 2020), and
“(5) such coverage does not include coverage for abortions (other than any abortion necessary to save the life of the mother or any abortion with respect to a pregnancy that is the result of an act of rape or incest).

“(g) SPECIAL RULES.—

“(1) MARRIED COUPLES MUST FILE JOINT RETURN.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), if the taxpayer is married (within the meaning of section 7703) at the close of the taxable year, no credit shall be allowed under this section to such taxpayer unless such taxpayer and the taxpayer’s spouse file a joint return for such taxable year.

“(B) EXCEPTION FOR CERTAIN TAXPAYERS.—Subparagraph (A) shall not apply to any married taxpayer who—

“(i) is living apart from the taxpayer’s spouse at the time the taxpayer files the tax return,

“(ii) is unable to file a joint return because such taxpayer is a victim of domestic abuse or spousal abandonment,
“(iii) certifies on the tax return that such taxpayer meets the requirements of clauses (i) and (ii), and
“(iv) has not met the requirements of clauses (i), (ii), and (iii) for each of the 3 preceding taxable years.

“(2) DENIAL OF CREDIT TO DEPENDENTS.—
“(A) IN GENERAL.—No credit shall be allowed under this section to any individual who is a dependent with respect to another taxpayer for a taxable year beginning in the calendar year in which such individual’s taxable year begins.
“(B) COORDINATION WITH RULE FOR OLDER CHILDREN.—In the case of any individual who is a qualifying family member described in subsection (e)(3) with respect to another taxpayer for any month, in determining the amount of any credit allowable to such individual under this section for any taxable year of such individual which includes such month, the monthly limitation amount with respect to such individual for such month shall be zero and no amount paid for any qualified health plan with
respect to such individual for such month shall
be taken into account.

“(3) COORDINATION WITH MEDICAL EXPENSE
deduction.—Amounts described in subsection
(b)(1)(B) with respect to any month shall not be
taken into account in determining the deduction al-
lowed under section 213 except to the extent that
such amounts exceed the amount described in sub-
section (b)(1)(A) with respect to such month.

“(4) COORDINATION WITH ADVANCE PAYMENTS
of credit.—With respect to any taxable year—

“(A) the amount which would (but for this
subsection) be allowed as a credit to the tax-
payer under subsection (a) shall be reduced
(but not below zero) by the aggregate amount
paid on behalf of such taxpayer under section
1412 of the Patient Protection and Affordable
Care Act for months beginning in such taxable
year, and

“(B) the tax imposed by section 1 for such
taxable year shall be increased by the excess (if
any) of—

“(i) the aggregate amount paid on be-
half of such taxpayer under such section
1412 for months beginning in such taxable year, over

“(ii) the amount which would (but for this subsection) be allowed as a credit to the taxpayer under subsection (a).

“(5) SPECIAL RULES FOR QUALIFIED SMALL EMPLOYER HEALTH REIMBURSEMENT ARRANGEMENTS.—

“(A) IN GENERAL.—If the taxpayer or any qualifying family member of the taxpayer is provided a qualified small employer health reimbursement arrangement for an eligible coverage month, the sum determined under subsection (b)(1)(A) with respect to the taxpayer shall be reduced (but not below zero) by \( \frac{1}{12} \) of the permitted benefit (as defined in section 9831(d)(3)(C)) under such arrangement for each such month such arrangement is provided to such taxpayer.

“(B) QUALIFIED SMALL EMPLOYER HEALTH REIMBURSEMENT ARRANGEMENT.—For purposes of this paragraph, the term ‘qualified small employer health reimbursement arrangement’ has the meaning given such term by section 9831(d)(2).
“(C) Coverage for less than entire year.—In the case of an employee who is provided a qualified small employer health reimbursement arrangement for less than an entire year, subparagraph (A) shall be applied by substituting ‘the number of months during the year for which such arrangement was provided’ for ‘12’.

“(6) Certain rules related to non-qualified health plans.—The rules of section 36B(c)(3)(D), as in effect for taxable years beginning before January 1, 2020, shall apply with respect to subsection (f)(5).

“(7) Inflation adjustment.—

“(A) In general.—In the case of any taxable year beginning in a calendar year after 2020, each dollar amount in subsection (c)(1), the $75,000 amount in subsection (c)(2)(B), and the dollar amount in subsection (c)(3)(A), shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined—
“(I) by substituting ‘calendar year 2019’ for ‘calendar year 1992’ in subparagraph (B) thereof, and

“(II) by substituting for the CPI referred to section 1(f)(3)(A) the amount that such CPI would have been if the annual percentage increase in CPI with respect to each year after 2019 had been one percentage point greater.

“(B) TERMS RELATED TO CPI.—

“(i) ANNUAL PERCENTAGE INCREASE.—For purposes of subparagraph (A)(ii)(II), the term ‘annual percentage increase’ means the percentage (if any) by which CPI for any year exceeds CPI for the prior year.

“(ii) OTHER TERMS.—Terms used in this paragraph which are also used in section 1(f)(3) shall have the same meanings as when used in such section.

“(C) Rounding.—Any increase determined under subparagraph (A) shall be rounded to the nearest multiple of $50.
“(8) RULES RELATED TO STATE CERTIFICATION OF QUALIFIED HEALTH PLANS.—A certification shall not be taken into account under subsection (d)(1) unless such certification is made available to the public and meets such other requirements as the Secretary may provide.

“(9) REGULATIONS.—The Secretary may prescribe such regulations and other guidance as may be necessary or appropriate to carry out this section and section 1412 of the Patient Protection and Affordable Care Act.”.

(b) ADVANCE PAYMENT OF CREDIT.—Section 1412 of the Patient Protection and Affordable Care Act is amended by adding at the end the following new subsection:

“(f) APPLICATION TO CERTAIN PLANS.—The Secretary and the Secretary of the Treasury shall prescribe such regulations as each respective Secretary may deem necessary in order to establish and operate the advance payment program established under this section for individuals covered under qualified health plans (whether enrolled in through an Exchange or otherwise) in such a manner that protects taxpayer information (including names, taxpayer identification numbers, and other confidential information), provides robust verification of all
information necessary to establish eligibility of taxpayer
for advance payments under this section, ensures proper
and timely payments to appropriate health providers, and
protects program integrity to the maximum extent fea-
sible.”.

(c) Increased Penalty on Erroneous Claims of
Credit.—Section 6676(a) of the Internal Revenue Code
of 1986 is amended by inserting “(25 percent in the case
of a claim for refund or credit relating to the health insur-
ance coverage credit under section 36B)”.

(d) Reporting by Employers.—Section 6051(a) of
such Code is amended by striking “and” at the end of
paragraph (14), by striking the period at the end of para-
graph (15) and inserting “, and”, and by inserting after
paragraph (15) the following new paragraph:

“(16) each month with respect to which the em-
ployee is eligible for coverage described in section
36B(d)(2) in connection with employment with the
employer.”.

(d) Coordination with Other Tax Benefits.—

(1) Credit for Health Insurance Costs of
Eligible Individuals.—Section 35(g) of such
Code is amended by adding at the end the following
new paragraph:
“(14) COORDINATION WITH HEALTH INSURANCE COVERAGE CREDIT.—

“(A) IN GENERAL.—An eligible coverage month to which the election under paragraph (11) applies shall not be treated as an eligible coverage month (as defined in section 36B(d)) for purposes of section 36B with respect to the taxpayer or any of the taxpayer’s qualifying family members (as defined in section 36B(e)).

“(B) COORDINATION WITH ADVANCE PAYMENTS OF HEALTH INSURANCE COVERAGE CREDIT.—In the case of a taxpayer who makes the election under paragraph (11) with respect to any eligible coverage month in a taxable year or on behalf of whom any advance payment is made under section 7527 with respect to any month in such taxable year—

“(i) the tax imposed by this chapter for the taxable year shall be increased by the excess, if any, of—

“(I) the sum of any advance payments made on behalf of the taxpayer under section 7527 and section 1412 of the Patient Protection and Affordable Care Act, over
“(II) the sum of the credits allowed under this section (determined without regard to paragraph (1)) and section 36B (determined without regard to subsection (g)(5)(A) thereof) for such taxable year, and

“(ii) section 36B(g)(5)(B) shall not apply with respect to such taxpayer for such taxable year.”.

(2) TRADE OR BUSINESS DEDUCTION.—Section 162(l) of such Code is amended by adding at the end the following new paragraph:

“(6) COORDINATION WITH HEALTH INSURANCE COVERAGE CREDIT.—The deduction otherwise allowable to a taxpayer under paragraph (1) for any taxable year shall be reduced (but not below zero) by the amount of the credit allowable to such taxpayer under section 36B (determined without regard to subsection (g)(5)(A) thereof) for such taxable year.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 31, 2019, in taxable years ending after such date.

Page 119, line 4, strike “216” and insert “215”.

Page 120, line 4, strike “217” and insert “216”.

Page 122, line 1, strike “218” and insert “217”.