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Offered by M_. _____[Showing the texts of H.R. 2868, 3799, 2813, and 3798, as ordered reported]

TITLE I—ASSOCIATION HEALTH PLANS ACT

SEC. 101. SHORT TITLE.

This title may be cited as the "Association Health Plans Act".

SEC. 102. TREATMENT OF GROUP OR ASSOCIATION OF EMPLOYERS.

(a) IN GENERAL.—Section 3(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(5)) is amended—

(1) by striking "The term" and inserting "(A) The term"; and

(2) by adding at the end the following:

"(B) For purposes of subparagraph (A), a group or association of employers shall be treated as an 'employer', regardless of whether the employers composing such group or association are in the same industry, trade, or profession, if such group or association—

"(i)

(I) has established and maintains an employee welfare benefit plan that is a group health plan (as defined in section 733(a)(1));

"(II) provides coverage under such plan to at least 51 employees after all of the employees employed by all of the employer members of such group or association have been aggregated and counted together as described in subparagraph (D);

"(III) has been actively in existence for at least 2 years prior to establishing and maintaining an employer welfare benefit plan that is a group health plan (as defined in section 733(a)(1));

"(IV) has been formed and maintained in good faith for purposes other than providing medical care (as defined in section 733(a)(2)) through the purchase of insurance or otherwise;

"(V) does not condition membership in the group or association on any health status-related factor (as described in section 702(a)(1)) relating to any individual;

"(VI) makes coverage under such plan available to all employer members of such group or association regardless of any health status-related factor (as described in section 702(a)(1)) relating to such employer members;

"(VII) does not provide coverage under such plan to any individual other than an employee of an employer member of such group or association;

"(VIII) has established a governing board with by-laws or other similar indications of formality to manage and operate such plan in both form and substance, of which at least 75 percent of the board members shall be made up of employer members of such group or association participating in the plan that are duly elected by each participating employer member casting 1 vote during a scheduled election;

"(IX) is not a health insurance issuer (as defined in section 733(b)(2)), and is not owned or controlled by such a health insurance issuer or by a subsidiary or affiliate of such a health insurance issuer, other than to the extent such a health insurance issuer—

"(aa) may participate in the group or association as a member; and

"(bb) may provide services such as assistance with plan development, marketing, and administrative services to such group or association;

"(ii) meets any set of criteria to qualify for such treatment in an advisory opinion issued by the Secretary prior to the date of enactment of the Association Health Plans Act; or

"(iii) meets any other set of criteria to qualify for such treatment that the Secretary by regulation may provide.

"(C)

(i) For purposes of subparagraph (B), a self-employed individual shall be treated as—

"(I) an employer who may become a member of a group or association of employers;

"(II) an employee who may participate in an employee welfare benefit plan established and maintained by such group or association; and

"(III) a participant of such plan subject to the eligibility determination and monitoring requirements set forth in clause (iii).

"(ii) For purposes of this subparagraph, the term 'self-employed individual' means an individual who—

"(I) does not have any common law employees;

"(II) has an ownership right in a trade or business, regardless of whether such trade or business is incorporated or unincorporated;

"(III) earns wages (as defined in section 3121(a) of the Internal Revenue Code of 1986) or self-employment income (as defined in section 1402(b) of such Code) from such trade or business; and

"(IV) works at least 10 hours per week or 40 hours per month providing personal services to such trade or business.

"(iii) The board of a group or association of employers shall—

"(I) initially determine whether an individual meets the requirements under clause (ii) to be considered a self-employed individual for the purposes of being treated as an—

"(aa) employer member of such group or association (in accordance with clause (i)(I)); and

"(bb) employee who may participate in the employee welfare benefit plan established and maintained by such group or association (in accordance with clause (i)(II));

"(II) through reasonable monitoring procedures, periodically determine whether the individual continues to meet such requirements; and

"(III) if the board determines that an individual no longer meets such requirements, not make such plan coverage available to such individual (or dependents thereof) for any plan year following the plan year during which the board makes such determination. If, subsequent to a determination that an individual no longer meets such requirements, such individual furnishes evidence of satisfying such requirements, such individual (and dependents thereof) shall be eligible to receive plan coverage.

"(D) For purposes of subparagraph (B), all of the employees (including self-employed individuals) employed by all of the employer members (including self-employed individuals) of a group or association of employers shall be—

"(i) treated as employed by a single employer; and

"(ii) aggregated and counted together for purposes of any regulation of an employee welfare benefit plan established and maintained by such group or association."

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(b) DETERMINATION OF EMPLOYER OR JOINT EMPLOYER STATUS.—The provision of employee welfare benefit plan coverage by a group or association of employers shall not be construed as evidence for establishing an employer or joint employer relationship under any Federal or State law.

SEC. 103. RULES APPLICABLE TO GROUP HEALTH PLANS ESTABLISHED AND MAINTAINED BY A GROUP OR ASSOCIATION OF EMPLOYERS.

Part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1181, et seq.) is amended by adding at the end the following:

"SEC. 736. RULES APPLICABLE TO GROUP HEALTH PLANS ESTABLISHED AND MAINTAINED BY A GROUP OR ASSOCIATION OF EMPLOYERS.

"(a) PREMIUM RATES FOR A GROUP OR ASSOCIATION OF EMPLOYERS.—

"(1)

(A) In the case of a group health plan established and maintained by a group or association of employers described in section 3(5)(B), such plan may—

"(i) establish base premium rates formed on an actuarially sound, modified community rating methodology that considers the pooling of all plan participant claims; and

"(ii) utilize the specific risk profile of each employer member of such group or association to determine contribution rates for each such employer member's share of a premium by actuarially adjusting above or below the established base premium rates.

"(B) For purposes of paragraph (1), the term 'employer member' means—

"(i) an employer who is a member of such group or association of employers and employs at least 1 common law employee; or

"(ii) a group made up solely of self-employed individuals, within which all of the self-employed individual members of such group or association are aggregated together as a single employer member group, provided the group includes at least 20 self-employed individual members.

"(2) In the event a group or association is made up solely of self-employed individuals (and no employers with at least 1 common law employee are members of such group or association), the group health plan established by such group or association shall—

"(A) treat all self-employed individuals who are members of such group or association as a single risk pool;

"(B) pool all plan participant claims; and

"(C) charge each plan participant the same premium rate.

"(b) DISCRIMINATION AND PRE-EXISTING CONDITION PROTECTIONS.—A group health plan established and maintained by a group or association of employers described in section 3(5)(B) shall be prohibited from—

"(1) establishing any rule for eligibility (including continued eligibility) of any individual (including an employee of an employer member or a self-employed individual, or a dependent of such employee or self-employed individual) to enroll for benefits under the terms of the plan that discriminates based on any health status-related factor that relates to such individual (consistent with the rules under section 702(a)(1));

"(2) requiring an individual (including an employee of an employer member or a self-employed individual, or a dependent of such employee or self-employed individual), as a condition of enrollment or continued enrollment under the plan, to pay a premium or contribution that is greater than the premium or contribution for a similarly situated individual enrolled in the plan based on any health status-related factor that relates to such individual (consistent with the rules under section 702(b)(1)); and

"(3) denying coverage under such plan on the basis of a pre-existing condition (consistent with the rules under section 2704 of the Public Health Service Act)."

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SEC. 104. RULE OF CONSTRUCTION.

Nothing in this title shall be construed to exempt a group health plan which is an employee welfare benefit plan offered through a group or association of employers from the requirements of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1181 et. seq.), including the provisions of part A of title XXVII of the Public Health Service Act as incorporated by reference into this Act through section 715.

TITLE II—CHOICE ARRANGEMENT ACT

~~SECTION 1.~~*SEC. 201.* SHORT TITLE.

This ~~Act~~*title* may be cited as the "Custom Health Option and Individual Care Expense Arrangement Act" or the "CHOICE Arrangement Act".

SEC. *20*2. TREATMENT OF HEALTH REIMBURSEMENT ARRANGEMENTS INTEGRATED WITH INDIVIDUAL MARKET COVERAGE.

(a) IN GENERAL.—Section 9815(b) of the Internal Revenue Code of 1986 is amended—

(1) by striking "EXCEPTION.—Notwithstanding subsection (a)" and inserting the following:"EXCEPTIONS.—

"(1) SELF-INSURED GROUP HEALTH PLANS.—Notwithstanding subsection (a)"

, and

(2) by adding at the end the following new paragraph:

"(2) CUSTOM HEALTH OPTION AND INDIVIDUAL CARE EXPENSE ARRANGEMENTS.—

"(A) IN GENERAL.—For purposes of this subchapter, a custom health option and individual care expense arrangement shall be treated as meeting the requirements of section 2711 and 2713 of title XXVII of the Public Health Service Act.

"(B) CUSTOM HEALTH OPTION AND INDIVIDUAL CARE EXPENSE ARRANGEMENTS DEFINED.—For purposes of this section, the term 'custom health option and individual care expense arrangement' means a health reimbursement arrangement—

"(i) which is an employer-provided group health plan funded solely by employer contributions to provide payments or reimbursements for medical care subject to a maximum fixed dollar amount for a period,

"(ii) under which such payments or reimbursements may only be made for medical care provided during periods during which the individual is covered—

"(I) under individual health insurance coverage (other than coverage that consists solely of excepted benefits), or

"(II) under part A and B of title XVIII of the Social Security Act or part C of such title,

"(iii) which meets the nondiscrimination requirements of subparagraph (C),

"(iv) which meets the substantiation requirements of subparagraph (D), and

"(v) which meets the notice requirements of subparagraph (E).

"(C) NONDISCRIMINATION.—

"(i) IN GENERAL.—An arrangement meets the requirements of this subparagraph if an employer offering such arrangement to an employee within a specified class of employee—

"(I) offers such arrangement to all employees within such specified class on the same terms, and

"(II) does not offer any other group health plan to any employees within such specified class.

"(ii) SPECIFIED CLASS OF EMPLOYEE.—For purposes of this subparagraph, any of the following may be designated as a specified class of employee:

"(I) Full-time employees.

"(II) Part-time employees.

"(III) Salaried employees.

"(IV) Non-salaried employees.

"(V) Employees whose primary site of employment is in the same rating area.

"(VI) Employees who are included in a unit of employees covered under a collective bargaining agreement to which the employer is subject (determined under rules similar to the rules of section 105(h)).

"(VII) Employees who have not met a group health plan, or health insurance issuer offering group health insurance coverage, waiting period requirement that satisfies the of section 2708 of the Public Health Service Act.

"(VIII) Seasonal employees.

"(IX) Employees who are nonresident aliens and who receive no earned income (within the meaning of section 911(d)(2)) from the employer which constitutes income from sources within the United States (within the meaning of section 861(a)(3)).

"(X) Such other classes of employees as the Secretary may designate.

An employer may designate (in such manner as is prescribed by the Secretary) two or more of the classes described in the preceding subclauses as the specified class of employees to which the arrangement is offered for purposes of applying this subparagraph.

"(iii) SPECIAL RULE FOR NEW HIRES.—An employer may designate prospectively so much of a specified class of employees as are hired after a date set by the employer. Such subclass of employees shall be treated as the specified class for purposes of applying clause (i).

"(iv) RULES FOR DETERMINING TYPE OF EMPLOYEE.—For purposes for clause (ii), any determination of full-time, part-time, or seasonal employment status shall be made under rules similar to the rules of section 105(h) or 4980H, whichever the employer elects for the plan year. Such election shall apply with respect to all employees of the employer for the plan year.

"(v) PERMITTED VARIATION.—For purposes of clause (i)(I), an arrangement shall not fail to be treated as provided on the same terms within a specified class merely because the maximum dollar amount of payments and reimbursements which may be made under the terms of the arrangement for the year with respect to each employee within such class—

"(I) increases as additional dependents of the employee are covered under the arrangement, and

"(II) increases with respect to a participant as the age of the participant increases, but not in excess of an amount equal to 300 percent the lowest maximum dollar amount with respect to such a participant determined without regard to age.

"(D) SUBSTANTIATION REQUIREMENTS.—An arrangement meets the requirements of this subparagraph if the arrangement has reasonable procedures to substantiate—

"(i) that the participant is, or will be, enrolled in coverage described in subparagraph (B)(ii) as of the beginning of the plan year of the arrangement (or as of the beginning of coverage under the arrangement in the case of an employee who first becomes eligible to participate in the arrangement after the date notice is given with respect to the plan under subparagraph (E) (determined without regard to clause (iii) thereof), and

"(ii) any requests made for payment or reimbursement of medical care under the arrangement and that the participant remains so enrolled.

"(E) NOTICE.—

"(i) IN GENERAL.—Except as provided in clause (iii), an arrangement meets the requirements of this subparagraph if, under the arrangement, each employee eligible to participate is, not later than 90 days before the beginning of the plan year, given written notice of the employee's rights and obligations under the arrangement which—

"(I) is sufficiently accurate and comprehensive to appraise the employee of such rights and obligations, and

"(II) is written in a manner calculated to be understood by the average employee eligible to participate.

"(ii) NOTICE REQUIREMENTS.—Such notice shall include such information as the Secretary may by regulation prescribe.

"(iii) NOTICE DEADLINE FOR CERTAIN EMPLOYEES.—In the case of an employee—

"(I) who first becomes eligible to participate in the arrangement after the date notice is given with respect to the plan under clause (i) (determined without regard to this clause), or

"(II) whose employer is first established fewer than 120 days before the beginning of the first plan year of the arrangement,

the requirements of this subparagraph shall be treated as met if the notice required under clause (i) is provided not later than the date the arrangement may take effect with respect to such employee."

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(b) NO INFERENCE.—To the extent not inconsistent with the amendments made by this section—

(1) no inference shall be made from such amendments with respect to the rules prescribed in the Federal Register on June 20, 2019, (84 Fed. Reg. 28888) relating to health reimbursement arrangements and other account-based group health plans, and

(2) any reference to custom health option and individual care expense arrangements shall for purposes of such rules be treated as including a reference to individual coverage health reimbursement arrangements.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2023.

TITLE III—SELF-INSURANCE PROTECTION ACT

SEC. 301. SHORT TITLE.

This title may be cited as the "Self-Insurance Protection Act".

SEC. 302. FINDINGS.

Congress finds the following:

(1) Small and large employers offer health benefit plan coverage to employees in self-funded arrangements using company assets or a fund, or by paying premiums to purchase fully-insured coverage from a health insurance company.

(2) Employers that self-fund health benefit plans will often purchase stop-loss insurance as a financial risk management tool to protect against excess or unexpected catastrophic health plan claims losses that arise above projected costs paid out of company assets.

(3) Stop-loss coverage insures the employer sponsoring the health benefit plan against unforeseen health plan claims, does not insure the employee health benefit plan itself, and does not pay health care providers for medical services provided to the employees.

(4) Employer-sponsored health benefit plans are regulated under the Employee Retirement Income Security Act of 1974, however, States regulate the availability and the coverage terms of stop-loss insurance coverage that employers purchase to protect company assets and to protect a fund against excess or unexpected claims losses.

(5) Both large and small employers that choose to self-fund must also be able to protect company assets or a fund against excess or unexpected claims losses and States must reasonably regulate stop-loss insurance to assure its availability to both large and small employers.

SEC. 303. CERTAIN MEDICAL STOP-LOSS INSURANCE OBTAINED BY CERTAIN PLAN SPONSORS OF GROUP HEALTH PLANS NOT INCLUDED UNDER THE DEFINITION OF HEALTH INSURANCE COVERAGE.

Section 733(b)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191b(b)(1)) is amended by adding at the end the following sentence: "Such term shall not include a stop-loss policy obtained by a self-insured group health plan or a plan sponsor of a group health plan that self-insures the health risks of its plan participants to reimburse the plan or sponsor for losses that the plan or sponsor incurs in providing health or medical benefits to such plan participants in excess of a predetermined level set forth in the stop-loss policy obtained by such plan or sponsor.".

SEC. 304. EFFECT ON OTHER LAWS.

Section 514(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144(b)) is amended by adding at the end the following:

"(10) The provisions of this title (including part 7 relating to group health plans) shall preempt State laws insofar as they may now or hereafter prevent an employee benefit plan that is a group health plan from insuring against the risk of excess or unexpected health plan claims losses."

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TITLE IV—SMALL BUSINESS FLEXIBILITY ACT

SEC. 401. SHORT TITLE.

This title may be cited as the "Small Business Flexibility Act".

SEC. 402. NOTIFICATION OF FLEXIBLE HEALTH INSURANCE BENEFITS.

(a) IN GENERAL.—Subchapter C of chapter 100 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

"SEC. 9835. NOTIFICATION OF FLEXIBLE HEALTH INSURANCE BENEFITS.

“(a) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Secretary shall notify employers of the availability of tax-advantaged flexible health insurance benefits, with an initial focus on small businesses.

“(b) DEFINITIONS.—In this section:

“(1) EMPLOYER.—The term ‘employer’ has the meaning given such term in section 3(5) of the Employee Retirement Income Security Act (29 U.S.C. 1002(5)).

“(2) FLEXIBLE HEALTH INSURANCE BENEFITS.—The term ‘flexible health insurance benefits’ means—

“(A) an individual contribution health reimbursement arrangement (as described in the rule entitled ‘Health Reimbursement Arrangements and Other Account-Based Group Health Plans’ (84 Fed. Reg. 28888 (June 20, 2019));

“(B) a qualified small employer health reimbursement arrangement (as defined in section 9831(d)(2)); and

“(C) the small employer health insurance credit determined under section 45R.”

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(b) CLERICAL AMENDMENT.—The table of sections for subchapter C of chapter 100 of such Code is amended by adding at the end the following new item:

“Sec. 9835. Notification of flexible health insurance benefits.”

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~~A BILL~~

~~To amend the Internal Revenue Code of 1986 to provide for health reimbursement arrangements integrated with individual health insurance coverage.~~

~~[[Section moved]]~~

~~[[Section moved]]~~

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