

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:

1 “(c) ANNUAL ALLOTMENT LIMITATION.—Payment
2 under section 1903(a) shall not be made to a State with
3 respect to any payment adjustment made under this sec-
4 tion for all calendar quarters in a fiscal year in excess
5 of the \$2,000,000,000 multiplied by the ratio of—

6 “(1) the population of the State with income
7 below 138 percent of the poverty line in 2015 (as de-
8 termined based the table entitled ‘Health Insurance
9 Coverage Status and Type by Ratio of Income to
10 Poverty Level in the Past 12 Months by Age’ for the
11 universe of the civilian noninstitutionalized popu-
12 lation for whom poverty status is determined based
13 on the 2015 American Community Survey 1–Year
14 Estimates, as published by the Bureau of the Cen-
15 sus), to

1 “(2) the sum of the populations under para-
2 graph (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 fol-
lowing : “and includes non-DSH supplemental payments
(as defined in subsection (d)(4)(A)(ii)) and payments de-
scribed in subsection (d)(4)(A)(iii) but shall not be con-
strued as including any expenditures attributable to the
program under section 1928”.

Page 32, after line 16, insert the following: “In ap-
plying subparagraph (B), non-DSH supplemental pay-
ments (as defined in subsection (d)(4)(A)(ii)) and pay-
ments 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:

1 “(I) The ratio described in sub-
2 clause (II) of clause (v) that would be
3 determined for such State by sub-
4 stituting ‘2015’ for each reference in
5 such subclause to ‘the third preceding
6 year’ and by substituting ‘all such
7 States’ for the reference in item (bb)
8 of such subclause to ‘all States de-
9 scribed in clause (vi)’ is greater than
10 the ratio described in such subclause
11 that would be determined for such
12 State by substituting ‘2013’ for each
13 reference in such subclause to ‘the
14 third preceding year’ and by sub-
15 stituting ‘all such States’ for the ref-
16 erence in item (bb) of such subclause
17 to ‘all States described in clause
18 (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:

1 (iii) Section 36B(c)(2)(A)(i) of such
2 Code is amended by striking “that was en-
3 rolled in through an Exchange established
4 by the State under section 1311 of the Pa-
5 tient 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:

1 **SEC. 214. REFUNDABLE TAX CREDIT FOR HEALTH INSUR-**
2 **ANCE COVERAGE.**

3 (a) IN GENERAL.—Section 36B of the Internal Rev-
4 enue Code of 1986 is amended to read as follows:

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

7 “(a) ALLOWANCE OF PREMIUM TAX CREDIT.—In the
8 case of an individual, there shall be allowed as a credit
9 against the tax imposed by this subtitle for the taxable
10 year the sum of the monthly credit amounts with respect
11 to such taxpayer for calendar months during such taxable
12 year which are eligible coverage months appropriately
13 taken into account under subsection (b)(2) with respect
14 to the taxpayer or any qualifying family member of the
15 taxpayer.

16 “(b) MONTHLY CREDIT AMOUNTS.—

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

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

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

11 “(2) ELIGIBLE COVERAGE MONTH REQUIRE-
12 MENT.—No amount shall be taken into account
13 under subparagraph (A) or (B) of paragraph (1)
14 with respect to any individual for any month unless
15 such month is an eligible coverage month with re-
16 spect to such individual.

17 “(c) MONTHLY LIMITATION AMOUNTS.—

18 “(1) IN GENERAL.—The monthly limitation
19 amount with respect to any individual for any eligi-
20 ble coverage month during any taxable year is $\frac{1}{12}$
21 of—

22 “(A) \$2,000 in the case of an individual
23 who has not attained age 30 as of the begin-
24 ning of such taxable year,

1 “(B) \$2,500 in the case of an individual
2 who has attained age 30 but who has not at-
3 tained age 40 as of such time,

4 “(C) \$3,000 in the case of an individual
5 who has attained age 40 but who has not at-
6 tained age 50 as of such time,

7 “(D) \$3,500 in the case of an individual
8 who has attained age 50 but who has not at-
9 tained age 60 as of such time, and

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

12 “(2) LIMITATION BASED ON MODIFIED AD-
13 JUSTED GROSS INCOME.—The credit allowed under
14 subsection (a) with respect to any taxpayer for any
15 taxable year shall be reduced (but not below zero) by
16 10 percent of the excess (if any) of—

17 “(A) the taxpayer’s modified adjusted
18 gross income (as defined in section
19 36B(d)(2)(B), as in effect for taxable years be-
20 ginning before January 1, 2020) for such tax-
21 able year, over

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

24 “(3) OTHER LIMITATIONS.—

1 “(A) AGGREGATE DOLLAR LIMITATION.—

2 The sum of the monthly limitation amounts
3 taken into account under this section with re-
4 spect to any taxpayer for any taxable year shall
5 not exceed \$14,000.

6 “(B) MAXIMUM NUMBER OF INDIVIDUALS

7 TAKEN INTO ACCOUNT.—With respect to any
8 taxpayer for any month, monthly limitation
9 amounts shall be taken into account under this
10 section only with respect to the 5 oldest individ-
11 uals with respect to whom monthly limitation
12 amounts could (without regard to this subpara-
13 graph) otherwise be so taken into account.

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

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

24 “(2) The individual is not eligible for—

1 “(A) coverage under a group health plan
2 (within the meaning of section 5000(b)(1))
3 other than coverage under a plan substantially
4 all of the coverage of which is of excepted bene-
5 fits described in section 9832(c), or

6 “(B) coverage described in section
7 5000A(f)(1)(A).

8 “(3) The individual is either—

9 “(A) a citizen or national of the United
10 States, or

11 “(B) a qualified alien (within the meaning
12 of section 431 of the Personal Responsibility
13 and Work Opportunity Reconciliation Act of
14 1996 (8 U.S.C. 1641)).

15 “(4) The individual is not incarcerated, other
16 than incarceration pending the disposition of
17 charges.

18 “(e) QUALIFYING FAMILY MEMBER.—For purposes
19 of this section, the term ‘qualifying family member’
20 means—

21 “(1) in the case of a joint return, the taxpayer’s
22 spouse,

23 “(2) any dependent of the taxpayer, and

24 “(3) with respect to any eligible coverage
25 month, any child (as defined in section 152(f)(1)) of

1 the taxpayer who as of the end of the taxable year
2 has not attained age 27 if such child is covered for
3 such month under a qualified health plan which also
4 covers the taxpayer (in the case of a joint return, ei-
5 ther spouse).

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

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

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

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

19 “(4) such coverage is not a grandfathered
20 health plan (as defined in section 1251 of the Pa-
21 tient Protection and Affordable Care Act) or a
22 grandmothers health plan (as defined in section
23 36B(c)(3)(C) as in effect for taxable years beginning
24 before January 1, 2020), and

1 “(5) such coverage does not include coverage
2 for abortions (other than any abortion necessary to
3 save the life of the mother or any abortion with re-
4 spect to a pregnancy that is the result of an act of
5 rape or incest).

6 “(g) SPECIAL RULES.—

7 “(1) MARRIED COUPLES MUST FILE JOINT RE-
8 TURN.—

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

16 “(B) EXCEPTION FOR CERTAIN TAX-
17 PAYERS.—Subparagraph (A) shall not apply to
18 any married taxpayer who—

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

22 “(ii) is unable to file a joint return be-
23 cause such taxpayer is a victim of domestic
24 abuse or spousal abandonment,

1 “(iii) certifies on the tax return that
2 such taxpayer meets the requirements of
3 clauses (i) and (ii), and

4 “(iv) has not met the requirements of
5 clauses (i), (ii), and (iii) for each of the 3
6 preceding taxable years.

7 “(2) DENIAL OF CREDIT TO DEPENDENTS.—

8 “(A) IN GENERAL.—No credit shall be al-
9 lowed under this section to any individual who
10 is a dependent with respect to another taxpayer
11 for a taxable year beginning in the calendar
12 year in which such individual’s taxable year be-
13 gins.

14 “(B) COORDINATION WITH RULE FOR
15 OLDER CHILDREN.—In the case of any indi-
16 vidual who is a qualifying family member de-
17 scribed in subsection (e)(3) with respect to an-
18 other taxpayer for any month, in determining
19 the amount of any credit allowable to such indi-
20 vidual under this section for any taxable year of
21 such individual which includes such month, the
22 monthly limitation amount with respect to such
23 individual for such month shall be zero and no
24 amount paid for any qualified health plan with

1 respect to such individual for such month shall
2 be taken into account.

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

10 “(4) COORDINATION WITH ADVANCE PAYMENTS
11 OF CREDIT.—With respect to any taxable year—

12 “(A) the amount which would (but for this
13 subsection) be allowed as a credit to the tax-
14 payer under subsection (a) shall be reduced
15 (but not below zero) by the aggregate amount
16 paid on behalf of such taxpayer under section
17 1412 of the Patient Protection and Affordable
18 Care Act for months beginning in such taxable
19 year, and

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

23 “(i) the aggregate amount paid on be-
24 half of such taxpayer under such section

1 1412 for months beginning in such taxable
2 year, over

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

6 “(5) SPECIAL RULES FOR QUALIFIED SMALL
7 EMPLOYER HEALTH REIMBURSEMENT ARRANGE-
8 MENTS.—

9 “(A) IN GENERAL.—If the taxpayer or any
10 qualifying family member of the taxpayer is
11 provided a qualified small employer health reim-
12 bursement arrangement for an eligible coverage
13 month, the sum determined under subsection
14 (b)(1)(A) with respect to the taxpayer shall be
15 reduced (but not below zero) by $\frac{1}{12}$ of the per-
16 mitted benefit (as defined in section
17 9831(d)(3)(C)) under such arrangement for
18 each such month such arrangement is provided
19 to such taxpayer.

20 “(B) QUALIFIED SMALL EMPLOYER
21 HEALTH REIMBURSEMENT ARRANGEMENT.—
22 For purposes of this paragraph, the term
23 ‘qualified small employer health reimbursement
24 arrangement’ has the meaning given such term
25 by section 9831(d)(2).

1 “(C) COVERAGE FOR LESS THAN ENTIRE
2 YEAR.—In the case of an employee who is pro-
3 vided a qualified small employer health reim-
4 bursement arrangement for less than an entire
5 year, subparagraph (A) shall be applied by sub-
6 stituting ‘the number of months during the year
7 for which such arrangement was provided’ for
8 ‘12’.

9 “(6) CERTAIN RULES RELATED TO NON-
10 QUALIFIED HEALTH PLANS.—The rules of section
11 36B(c)(3)(D), as in effect for taxable years begin-
12 ning before January 1, 2020, shall apply with re-
13 spect to subsection (f)(5).

14 “(7) INFLATION ADJUSTMENT.—

15 “(A) IN GENERAL.—In the case of any
16 taxable year beginning in a calendar year after
17 2020, each dollar amount in subsection (c)(1),
18 the \$75,000 amount in subsection (c)(2)(B),
19 and the dollar amount in subsection (c)(3)(A),
20 shall be increased by an amount equal to—

21 “(i) such dollar amount, multiplied by

22 “(ii) the cost-of-living adjustment de-
23 termined under section 1(f)(3) for the cal-
24 endar year in which the taxable year be-
25 gins, determined—

1 “(I) by substituting ‘calendar
2 year 2019’ for ‘calendar year 1992’ in
3 subparagraph (B) thereof, and

4 “(II) by substituting for the CPI
5 referred to section 1(f)(3)(A) the
6 amount that such CPI would have
7 been if the annual percentage increase
8 in CPI with respect to each year after
9 2019 had been one percentage point
10 greater.

11 “(B) TERMS RELATED TO CPI.—

12 “(i) ANNUAL PERCENTAGE IN-
13 CREASE.—For purposes of subparagraph
14 (A)(ii)(II), the term ‘annual percentage in-
15 crease’ means the percentage (if any) by
16 which CPI for any year exceeds CPI for
17 the prior year.

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

22 “(C) ROUNDING.—Any increase deter-
23 mined under subparagraph (A) shall be rounded
24 to the nearest multiple of \$50.

1 “(8) RULES RELATED TO STATE CERTIFI-
2 CATION OF QUALIFIED HEALTH PLANS.—A certifi-
3 cation shall not be taken into account under sub-
4 section (d)(1) unless such certification is made avail-
5 able to the public and meets such other require-
6 ments as the Secretary may provide.

7 “(9) REGULATIONS.—The Secretary may pre-
8 scribe such regulations and other guidance as may
9 be necessary or appropriate to carry out this section
10 and section 1412 of the Patient Protection and Af-
11 fordable Care Act.”.

12 (b) ADVANCE PAYMENT OF CREDIT.—Section 1412
13 of the Patient Protection and Affordable Care Act is
14 amended by adding at the end the following new sub-
15 section:

16 “(f) APPLICATION TO CERTAIN PLANS.—The Sec-
17 retary and the Secretary of the Treasury shall prescribe
18 such regulations as each respective Secretary may deem
19 necessary in order to establish and operate the advance
20 payment program established under this section for indi-
21 viduals covered under qualified health plans (whether en-
22 rolled in through an Exchange or otherwise) in such a
23 manner that protects taxpayer information (including
24 names, taxpayer identification numbers, and other con-
25 fidential information), provides robust verification of all

1 information necessary to establish eligibility of taxpayer
2 for advance payments under this section, ensures proper
3 and timely payments to appropriate health providers, and
4 protects program integrity to the maximum extent fea-
5 sible.”.

6 (c) INCREASED PENALTY ON ERRONEOUS CLAIMS OF
7 CREDIT.—Section 6676(a) of the Internal Revenue Code
8 of 1986 is amended by inserting “(25 percent in the case
9 of a claim for refund or credit relating to the health insur-
10 ance coverage credit under section 36B)”.

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

16 “(16) each month with respect to which the em-
17 ployee is eligible for coverage described in section
18 36B(d)(2) in connection with employment with the
19 employer.”.

20 (d) COORDINATION WITH OTHER TAX BENEFITS.—

21 (1) CREDIT FOR HEALTH INSURANCE COSTS OF
22 ELIGIBLE INDIVIDUALS.—Section 35(g) of such
23 Code is amended by adding at the end the following
24 new paragraph:

1 “(14) COORDINATION WITH HEALTH INSUR-
2 ANCE COVERAGE CREDIT.—

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

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

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

21 “(I) the sum of any advance pay-
22 ments made on behalf of the taxpayer
23 under section 7527 and section 1412
24 of the Patient Protection and Afford-
25 able Care Act, over

1 “(II) the sum of the credits al-
2 lowed under this section (determined
3 without regard to paragraph (1)) and
4 section 36B (determined without re-
5 gard to subsection (g)(5)(A) thereof)
6 for such taxable year, and

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

10 (2) TRADE OR BUSINESS DEDUCTION.—Section
11 162(l) of such Code is amended by adding at the
12 end the following new paragraph:

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

20 (e) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to months beginning after Decem-
22 ber 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**”.

