

SENATE BILL 72

By Kelsey

AN ACT to amend Tennessee Code Annotated, Title 4 and Title 71, Chapter 5, relative to insurance exchanges under the federal Patient Protection and Affordable Care Act.

WHEREAS, the Patient Protection and Affordable Care Act authorizes state and federally facilitated insurance exchanges; and

WHEREAS, the State of Tennessee declined to establish a state exchange and the result was a federally facilitated exchange for this State; and

WHEREAS, *King v. Burwell* (Docket No. 14-114) before the United States Supreme Court raises the issue of whether the Internal Revenue Service may promulgate regulations to extend tax credit subsidies to coverage purchased through exchanges established by the federal government under Section 1321 of the Patient Protection and Affordable Care Act (Pub. L. 111-148); and

WHEREAS, in the event the United States Supreme Court rules that the Internal Revenue Service may not promulgate rules that extend the tax credit subsidies under the Patient Protection and Affordable Care Act, then individuals in this State may ignore the insurance mandate imposed by that Act; and

WHEREAS, in the event the United States Supreme Court rules that the Internal Revenue Service may not promulgate rules that extend the tax credit subsidies under the Patient Protection and Affordable Care Act, then a business may be excused from penalties for not offering health insurance coverage, and a business could move employees back to full-time work who had been transferred to part-time status in order to avoid health insurance costs; and

WHEREAS, these benefits may accrue to the citizens of this State if Tennessee does not operate a state insurance exchange under the Patient Protection and Affordable Care Act; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 71, Chapter 5, Part 1, is amended by adding the following language as a new, appropriately designated section:

Notwithstanding title 4, chapter 4, or any other law to the contrary, the state is prohibited from operating any American Health Benefit Exchange or any other health insurance exchange in this state under the Patient Protection and Affordable Care Act (Pub. L. 111-148), as amended. Pursuant to § 9-4-5108(c), the state's annual appropriations act shall not provide, nor shall it be construed to constitute, legislative authorization required for any health insurance exchange.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it; provided, however, this act shall have no application unless the United States Supreme Court rules in *King v. Burwell* (Docket No. 14-114) that the Internal Revenue Service may not promulgate regulations to extend tax credit subsidies to coverage purchased through exchanges established by the federal government under Section 1321 of the Patient Protection and Affordable Care Act (Pub. L. 111-148), as amended.