

113TH CONGRESS  
1ST SESSION

# H. R. 1076

To amend the Patient Protection and Affordable Care Act to provide for savings to the Federal Government by permitting pass-through funding for State authorized public entity health benefits pools.

---

## IN THE HOUSE OF REPRESENTATIVES

MARCH 12, 2013

Mr. HALL (for himself and Mr. THORNBERRY) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

---

## A BILL

To amend the Patient Protection and Affordable Care Act to provide for savings to the Federal Government by permitting pass-through funding for State authorized public entity health benefits pools.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SAVINGS FROM STATE AUTHORIZED PUBLIC**  
4 **ENTITY HEALTH BENEFITS POOLS.**

5 The Patient Protection and Affordable Care Act  
6 (Public Law 111–148) is amended by inserting after sec-  
7 tion 1332 (42 U.S.C. 18052) the following new section

1 (and inserting a corresponding item in the table of con-  
2 tents of the Act):

3 **“SEC. 1332A. SAVINGS FROM STATE AUTHORIZED PUBLIC**  
4 **ENTITY BENEFITS POOLS.**

5 “(a) APPLICATION.—

6 “(1) IN GENERAL.—A State authorized public  
7 entity health benefits pool (in this section referred to  
8 as a ‘pool’) may apply to the Secretary for a pass  
9 through of funding described in subsection (b) with  
10 respect to health care benefits provided through that  
11 pool for coverage years beginning on or after Janu-  
12 ary 1, 2014.

13 “(2) APPROVAL OF APPLICATION.—The Sec-  
14 retary shall approve such an application of a pool if  
15 the Secretary determines that health care benefits  
16 provided through the pool—

17 “(A) will provide coverage that is at least  
18 as comprehensive as the coverage defined in  
19 section 1302(b);

20 “(B) will provide coverage and cost sharing  
21 protections against excessive out-of-pocket  
22 spending that are at least as affordable as the  
23 provisions of this title would provide; and

24 “(C) will result in cost savings to the Fed-  
25 eral Government because the cost of providing

1 health care benefits to individuals through the  
2 pool will be less than the cost of providing  
3 health care benefits to such individuals had  
4 they become participants in a qualified health  
5 plan offered through an Exchange, and so the  
6 payment amount under subsection (b) will be  
7 less than the total of premium tax credits, cost-  
8 sharing reductions, or small business credits  
9 that would otherwise be required if individuals  
10 and small employers in the pool were instead  
11 participants in an Exchange.

12 “(3) CONSIDERATION.—Not later than 90 days  
13 after the date of the enactment of this section, the  
14 Secretary shall promulgate regulations relating to  
15 pass through of funding under this section. The Sec-  
16 retary shall begin accepting applications under this  
17 section no later than 180 days after such date of en-  
18 actment.

19 “(4) ADDITIONAL CONSEQUENCES OF AP-  
20 PROVAL.—An individual receiving health care bene-  
21 fits through such a pool for which such an applica-  
22 tion is approved under this section shall be treated,  
23 for purposes of section 5000A of the Internal Rev-  
24 enue Code of 1986, as being covered under min-

1       imum essential coverage described in subsection  
2       (f)(1)(E) of such section.

3       “(b) PASS THROUGH OF FUNDING.—

4               “(1) IN GENERAL.—With respect to a pool ap-  
5       plication under subsection (a)(1), under which indi-  
6       viduals and small employers in the pool would not  
7       qualify for the premium tax credits, cost-sharing re-  
8       ductions, or small business credits under sections  
9       36B or 45R of the Internal Revenue Code of 1986  
10      for which they would otherwise be eligible if they  
11      had entered an Exchange, the Secretary shall pro-  
12      vide for an alternative means by which an aggregate  
13      amount determined under paragraph (2) shall be  
14      paid to the pool for purposes of implementing the  
15      application.

16              “(2) PAYMENT DETERMINATION.—The amount  
17      to be paid under paragraph (1) shall be deter-  
18      mined—

19                      “(A) based on the sum of premium tax  
20                      credits, cost-sharing reductions, and small busi-  
21                      ness credits under sections 36B or 45R of the  
22                      Internal Revenue Code of 1986 that would have  
23                      been provided with respect to individuals in the  
24                      pool had the health care benefits provided by  
25                      the pool been a qualified health plan offered in

1 an Exchange, but taking into account the lower  
2 cost of providing health care benefits to individ-  
3 uals through the pool; and

4 “(B) annually by the Secretary, taking into  
5 consideration the experience of individuals and  
6 small employers participating in Exchanges.

7 “(c) TIMELY DETERMINATION BY SECRETARY.—The  
8 Secretary shall make a determination under subsection  
9 (a)(1) with respect to the application of a pool not later  
10 than 180 days after the date of receipt of such application,  
11 and shall notify the pool involved of such determination.

12 “(d) DEFINITIONS.—In this section:

13 “(1) The term ‘public entity’ means a county,  
14 municipality, special district, school district, junior  
15 college district, housing authority, or other political  
16 subdivision or public entity defined under State law.

17 “(2) The term ‘State authorized public entity  
18 health benefits pool’ means a risk pool authorized or  
19 permitted by State statute or otherwise regulated by  
20 a State agency under which—

21 “(A) a public entity or group of public en-  
22 tities, directly or through a pool, provide health  
23 care benefits primarily for public entity offi-  
24 cials, employees, and retirees and their depend-  
25 ents; and officials, employees, and retirees and

1 dependents of affiliated service contractors of  
2 such public entities; and

3 “(B) such pool may provide health care  
4 benefits from the assets of the pool or its mem-  
5 ber public entities through any combination of  
6 self-funded arrangements or fully insured prod-  
7 ucts.

8 “(3) The term ‘affiliated service contractor’  
9 means an organization that provides governmental  
10 or quasi-governmental services on behalf of a public  
11 entity when such contractor is eligible to obtain  
12 health care benefits through a state authorized pub-  
13 lic entity health benefits pool for its officials, em-  
14 ployees, retirees and their dependents.”.

○