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(Original Signature of Member)

111TH CONGRESS  
1ST SESSION

# H. R. \_\_\_\_\_

To amend the Social Security Act and the Internal Revenue Code of 1986 to provide for an AmeriCare that assures the provision of health insurance coverage to all residents, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. STARK introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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## A BILL

To amend the Social Security Act and the Internal Revenue Code of 1986 to provide for an AmeriCare that assures the provision of health insurance coverage to all residents, and for other purposes.

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. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “AmeriCare Health Care Act of 2009”.

6 (b) **TABLE OF CONTENTS.**—The table of contents of  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—HEALTH CARE ELIGIBILITY AND BENEFITS

Sec. 101. Eligibility and benefits.

“TITLE XXII—AMERICARE HEALTH BENEFITS

“PART A—ELIGIBILITY

“Sec. 2201. Eligibility.

“Sec. 2202. Enrollment and AmeriCare Cards.

“PART B—BENEFITS

“Sec. 2221. Scope of benefits.

“Sec. 2222. Exclusions.

“PART C—PAYMENT FOR BENEFITS AND FINANCING

“Sec. 2241. Payments for benefits.

“Sec. 2242. AmeriCare trust fund.

“PART D—ENTITLEMENT VERIFICATION SYSTEM

“Sec. 2251. Requirement for entitlement verification system.

“PART E—GENERAL PROVISIONS

“Sec. 2261. Definitions relating to beneficiaries and income.

“Sec. 2262. Incorporation of certain medicare provisions and other provisions.

“Sec. 2263. State maintenance of effort payments.

“Sec. 2264. Modification of medicaid and other programs to avoid duplication of benefits.

“Sec. 2265. Construction regarding continuation of obligations under current group health plan contracts and provision of additional benefits.

“Sec. 2266. Standards and requirements for AmeriCare supplemental policies.

TITLE II—FINANCING PROVISIONS

Subtitle A—Individual Contributions

Sec. 201. General obligation for individuals.

Sec. 202. Additional premium subsidies.

Sec. 203. Effective date.

Subtitle B—Employer Contributions

Sec. 211. General obligation for employers.

Sec. 212. Effective date.

1           **TITLE I—HEALTH CARE**  
2           **ELIGIBILITY AND BENEFITS**

3   **SEC. 101. ELIGIBILITY AND BENEFITS.**

4           (a) IN GENERAL.—The Social Security Act is amend-  
5 ed by adding at the end the following new title:

6           **“TITLE XXII—AMERICARE**  
7           **HEALTH BENEFITS**

8                   **“PART A—ELIGIBILITY**

9           **“SEC. 2201. ELIGIBILITY.**

10           “(a) UNIVERSAL ELIGIBILITY FOR RESIDENTS.—

11                   “(1) IN GENERAL.—Except as provided in sec-  
12 tion 2263(a), each individual who is a resident of  
13 the United States is entitled to health insurance  
14 benefits under this title.

15                   “(2) EFFECTIVE DATE FOR BENEFITS.—This  
16 title shall apply to items and services furnished on  
17 or after January 1, 2011.

18           “(b) SPECIAL ELIGIBILITY GROUPS.—For purposes  
19 of this title, an individual described in subsection (a) may  
20 obtain special benefits under this title on the basis of one  
21 or more of the following special eligibility groups:

22                   “(1) Children (as defined in section  
23 2261(a)(1)).

24                   “(2) Low-income individuals (as defined in sec-  
25 tion 2261(a)(2)).

1           “(3) Pregnant women (as defined in section  
2           2261(a)(3)).

3           “(c) **RECIPROCAL COVERAGE OF NONRESIDENTS.**—

4           An individual who—

5           “(1) is not a resident of the United States,

6           “(2) is in the United States, and

7           “(3) is a national of a foreign state which pro-  
8           vides health benefits to nationals of the United  
9           States who are nonresidents in that state,

10          is entitled to such health insurance benefits under this  
11          title, but only to the extent the Secretary determines that  
12          such benefits would be available to nationals of the United  
13          States similarly situated as a nonresident in the foreign  
14          state.

15          **“SEC. 2202. ENROLLMENT AND AMERICARE CARDS.**

16          “(a) **ENROLLMENT.**—The Secretary shall provide a  
17          mechanism for the enrollment of individuals entitled to  
18          benefits under this title and, in conjunction with such en-  
19          rollment, the issuance of an AmeriCare card which may  
20          be used for purposes of identification and processing of  
21          claims for benefits under this title. AmeriCare cards shall  
22          identify (as appropriate) the date of birth (for purposes  
23          of identifying children) and provide a coded means for  
24          identifying whether the individual is a low-income indi-  
25          vidual for the year involved.

1           “(b) CLASSES OF ENROLLMENT.—The mechanism  
2 under subsection (a) shall provide for individuals to be en-  
3 rolled on the basis of the following classes of enrollment:

4           “(1) 1) Coverage only of an individual.

5           “(2) Coverage of a married couple without chil-  
6 dren.

7           “(3) Coverage of an unmarried individual and  
8 one or more children.

9           “(4) Coverage of a married couple and one or  
10 more children.

11          “(c) ENROLLMENT AT BIRTH.—The mechanism  
12 under subsection (a) shall include a process for the auto-  
13 matic enrollment of individuals at the time of birth in the  
14 United States.

15          “(d) OPT FOR THOSE COVERED UNDER GROUP  
16 HEALTH PLAN.—Notwithstanding any other provision of  
17 this title, an individual may elect not to be enrolled for  
18 benefits under this title if the individual demonstrates to  
19 the satisfaction of the Secretary that the individual has  
20 health benefits coverage under a group health plan (as de-  
21 fined in section 5000(b)(1) of the Internal Revenue Code  
22 of 1986) that is at least equivalent to the coverage other-  
23 wise provided under this title, as certified by the Sec-  
24 retary.

1                                   **“PART B—BENEFITS**

2   **“SEC. 2221. SCOPE OF BENEFITS.**

3           “(a) IN GENERAL.—Except as provided in the suc-  
4 ceeding provisions of this part, the benefits provided to  
5 an individual described in section 2201(a) by the program  
6 established by this title shall consist of entitlement to the  
7 same benefits as are provided under parts A and B of title  
8 XVIII to individuals entitled to benefits under part A, and  
9 enrolled under part B, of title XVIII.

10           “(b) CHANGE IN THE COST-SHARING.—

11                   “(1) DEDUCTIBLE.—Except as provided in the  
12 succeeding provisions of this part, the amount of ex-  
13 penses (other than expenses for benefits described in  
14 subsection (c)) with respect to which an individual is  
15 entitled to have payment made under this title for  
16 any year shall first be reduced by a deductible of  
17 \$350, except that in no case shall the amount of the  
18 deductible for all the members of a family exceed  
19 \$500. Such deductible shall be instead of the deduct-  
20 ible for inpatient hospital services under the first  
21 sentence of section 1813(a)(1) and the deductible  
22 under section 1833(b).

23                   “(2) COINSURANCE.—After the application of  
24 the deductible under paragraph (1), the expenses re-  
25 ferred to in such paragraph shall be subject to a co-

1 insurance of 20 percent until the limit on out-of-  
2 pocket expenses under paragraph (3) is met.

3 “(3) LIMIT ON OUT-OF-POCKET EXPENSES AND  
4 TOTAL EXPENSES.—

5 “(A) LIMITATION ON COST-SHARING.—

6 Subject to subparagraph (B), whenever in a cal-  
7 endar year an individual’s expenses for the de-  
8 ductible and coinsurance with respect to serv-  
9 ices covered under this title (including expenses  
10 for benefits described in subsection (e)) and  
11 furnished during the year equals \$2,500, or  
12 \$4,000 for all the members of a family, pay-  
13 ment of benefits under this title for the indi-  
14 vidual (or for the members of such family, re-  
15 spectively) for services furnished during the re-  
16 mainder of the year shall be paid without the  
17 application of any coinsurance.

18 “(B) LIMITATION ON PREMIUMS AND  
19 COST-SHARING FOR CERTAIN INDIVIDUALS  
20 BASED ON INCOME.—

21 “(i) INCOME BETWEEN 200 AND 300  
22 PERCENT OF POVERTY LINE.—In the case  
23 of a family whose applicable modified gross  
24 income (expressed as a percentage of the  
25 poverty level, as defined in section

1 2261(b)(2)) is equal to or exceeds 200 per-  
2 cent, but does not exceed 300 percent, of  
3 the poverty level applicable to a family of  
4 the size involved, whenever in a calendar  
5 year an individual's expenses in the family  
6 for premiums under this title and for the  
7 deductible and coinsurance with respect to  
8 services covered under this title (including  
9 expenses for benefits described in sub-  
10 section (c)) and furnished during the year  
11 equals 5 percent of the amount of such ap-  
12 plicable modified gross income for the fam-  
13 ily—

14 “(I) no additional premiums shall  
15 be imposed for remaining months in  
16 the year; and

17 “(II) payment of benefits under  
18 this title for members of such family  
19 for services furnished during the re-  
20 mainder of the year shall be paid  
21 without the application of any deduct-  
22 ible or coinsurance.

23 “(ii) INCOME BETWEEN 300 AND 500  
24 PERCENT OF POVERTY LINE.—In the case  
25 of a family whose applicable modified gross



1 income (expressed as a percentage of the  
2 poverty level, as defined in section  
3 2261(b)(2)) exceeds 300 percent, but does  
4 not exceed 500 percent, of such poverty  
5 level applicable to a family of the size in-  
6 volved, whenever in a calendar year an in-  
7 dividual's expenses in the family for pre-  
8 miums under this title and for the deduct-  
9 ible and coinsurance with respect to serv-  
10 ices covered under this title (including ex-  
11 penses for benefits described in subsection  
12 (c)) and furnished during the year equals  
13 7.5 percent of the amount of such applica-  
14 ble modified gross income for the family—

15 “(I) no additional premiums shall  
16 be imposed for remaining months in  
17 the year; and

18 “(II) payment of benefits under  
19 this title for members of such family  
20 for services furnished during the re-  
21 mainder of the year shall be paid  
22 without the application of any deduct-  
23 ible or coinsurance.

24 “(C) COUNTING ALL EXPENSES FOR PRE-  
25 MIUMS, DEDUCTIBLES AND COINSURANCE

1           WITHOUT REGARD TO TRUE OUT-OF-POCKET  
2           COSTS.—In applying subparagraphs (A) and  
3           (B), expenses for an individual’s premiums, de-  
4           ductible, and coinsurance shall be counted with-  
5           out regard to whether such expenses are paid,  
6           payable, reimbursed, or reimbursable by an-  
7           other person, including through a group health  
8           plan, insurance or otherwise, or other third  
9           party payment arrangement.

10           “(4) INDEXING DOLLAR AMOUNTS BY CPI.—  
11           Each dollar amount specified in paragraphs (1) and  
12           (3)(A) shall be increased to the year involved by the  
13           compounded sum of the increase in the consumer  
14           price index for all urban consumers (U.S. City aver-  
15           age, as published by the Bureau of Labor Statistics  
16           of the Department of Labor) for each year after  
17           2009 and up to the year involved. Any increase  
18           under this paragraph for a year shall be rounded,  
19           with respect to paragraph (1), to the nearest mul-  
20           tiple of \$5 and, with respect to paragraph (2), to the  
21           nearest multiple of \$100.

22           “(c) PRESCRIPTION DRUGS.—Benefits shall also be  
23           made available under this title (as specified by the Sec-  
24           retary) for prescription drugs and biologicals which are  
25           not less than the benefits for such drugs and biologicals

1 under the standard option for the service benefit plan de-  
2 scribed in section 8903(1) of title 5, United States Code,  
3 offered during 2008.

4 “(d) CHILDREN.—

5 “(1) NO DEDUCTIBLES OR COINSURANCE.—In  
6 the case of children (as defined in section  
7 2261(a)(1)), there shall be no deductible or coinsur-  
8 ance applicable to covered benefits (including bene-  
9 fits described in paragraphs (2) and (3)).

10 “(2) ADDITIONAL PREVENTIVE BENEFITS.—

11 “(A) IN GENERAL.—Subject to the perio-  
12 dicity schedule established with respect to the  
13 services under subparagraph (B), for children  
14 benefits shall be available under this title for  
15 the following items and services:

16 “(i) Newborn and well-baby care, in-  
17 cluding normal newborn care and pediatri-  
18 cian services for high-risk deliveries.

19 “(ii) Well-child care, including routine  
20 office visits, routine immunizations (includ-  
21 ing the vaccine itself), routine laboratory  
22 tests, and preventive dental care.

23 “(B) PERIODICITY SCHEDULE.—The Sec-  
24 retary, in consultation with the American Acad-  
25 emy of Pediatrics and the American Dental As-

1           sociation, shall establish a schedule of perio-  
2           dicity which reflects the general, appropriate  
3           frequency with which services listed in subpara-  
4           graph (A) should be provided to healthy chil-  
5           dren.

6           “(3) COVERAGE OF EPSDT.—For children, ben-  
7           efits also shall be available under this title for early  
8           and periodic screening, diagnostic, and treatment  
9           services (as defined in section 1905(r)) not otherwise  
10          covered under paragraph (2).

11          “(4) OTHER ADDITIONAL SERVICES FOR CHIL-  
12          DREN.—For children, benefits also shall be available  
13          under this title for the following:

14                 “(A) Inpatient hospital services (without  
15                 regard to the restrictions described in sub-  
16                 sections (a)(1) and (b)(1) of section 1812 and  
17                 the coinsurance described in section  
18                 1813(a)(1)).

19                 “(B) Eyeglasses and hearing aids, and ex-  
20                 aminations therefor.

21          “(e) PREGNANCY-RELATED SERVICES.—In the case  
22          of a pregnant woman (as defined in section 2261(a)(3)),  
23          benefits under this title shall include entitlement to have  
24          payment made for the following, without the application  
25          of a deductible or coinsurance:

1           “(1) Prenatal care, including care for all com-  
2           plications of pregnancy.

3           “(2) Inpatient labor and delivery services.

4           “(3) Postnatal care.

5           “(f) LOWER-INCOME INDIVIDUALS.—

6           “(1) LIMITATIONS ON DEDUCTIBLES AND COIN-  
7           SURANCE.—

8           “(A) NONE FOR LOW-INCOME INDIVID-  
9           UALS.—In the case of a low-income individual,  
10           there shall be no deductible or coinsurance  
11           under this title.

12           “(B) PHASE-IN FOR OTHER LOWER-IN-  
13           COME INDIVIDUALS.—In the case of an indi-  
14           vidual whose applicable modified gross income  
15           (as defined in section 2261(b)(1)) exceeds twice  
16           the poverty level (as defined in section  
17           2261(b)(2)) but does not exceed three times the  
18           poverty level, the deductible and coinsurance  
19           applicable under this title shall bear the same  
20           ratio to the deductible or coinsurance otherwise  
21           applicable as—

22                   “(i) the excess of the applicable modi-  
23                   fied gross income over the poverty level,  
24                   bears to

25                   “(ii) the poverty level.

1           If the ratio determined under the preceding  
2           sentence is not a multiple of 25 percentage  
3           points, such ratio shall be rounded to the near-  
4           est 25 percentage points.

5           “(2) ADDITIONAL BENEFITS FOR LOW-INCOME  
6           INDIVIDUALS.—In the case of low-income individuals  
7           (as defined in section 2261(a)(2)), benefits under  
8           this title shall also include entitlement to have pay-  
9           ment made for the following, without the application  
10          of a deductible or coinsurance:

11                   “(A) Inpatient hospital services (without  
12                   regard to the restrictions described in sub-  
13                   sections (a)(1) and (b)(1) of section 1812 and  
14                   the coinsurance described in section  
15                   1813(a)(1)).

16                   “(B) Eyeglasses and hearing aids and ex-  
17                   aminations therefor.

18          “(g) PREVENTIVE BENEFITS.—Benefits shall also be  
19          made available under this title, without the application of  
20          any deductible or coinsurance for preventive services that  
21          are recommended by the United States Preventive Serv-  
22          ices Task Force.

23          “(h) MENTAL HEALTH PARITY AND SUBSTANCE  
24          ABUSE BENEFITS.—Benefits shall be made available  
25          under this title for mental health services and for sub-

1 stance abuse treatment in the same manner as such bene-  
2 fits are made available for medical and surgical services.

3 “(i) FAMILY PLANNING SERVICES.—Benefits shall be  
4 made available under this title for family planning serv-  
5 ices.

6 “(j) CONFORMING MEDICARE BENEFITS.—Notwith-  
7 standing any other provision of law, benefits under title  
8 XVIII shall be expanded and conformed to the benefits  
9 made available under this title (including the application  
10 of a single deductible and uniform coinsurance amounts,  
11 a limitation on the coinsurance, and additional benefits for  
12 low-income individuals under subsection (f)), but nothing  
13 in this subsection shall be construed as providing for any  
14 such additional benefits under this title rather than under  
15 such title.

16 “(k) ENROLLMENT IN HEALTH PLANS.—The Sec-  
17 retary shall provide for the offering of benefits under this  
18 title through enrollment in a health benefit plan that  
19 meets the same (or similar) requirements as the require-  
20 ments that apply to Medicare Advantage plans under part  
21 C of title XVIII (other than any such requirements that  
22 relate to part D of such title). In the case of individuals  
23 enrolled under this title in such a plan, the payment rate  
24 to the plan under this title shall be based on adjusted aver-  
25 age per capita cost (AAPCC) payment rate methodology

1 described in section 1853(c)(1)(D) for benefits under this  
2 title and for individuals entitled to benefits under this title  
3 who are not enrolled in such a plan.

4 **“SEC. 2222. EXCLUSIONS.**

5       “(a) IN GENERAL.—Except as provided in this sec-  
6 tion, section 1862 shall apply to expenses incurred for  
7 items and services provided under this title the same man-  
8 ner as such section applies to items and services provided  
9 under title XVIII.

10       “(b) BENEFITS EXCEPTION.—

11               “(1) CHILDREN’S SERVICES.—In applying sec-  
12 tion 1862(a) with respect to services described in  
13 section 2221(d)(2)(A) (relating to well-child serv-  
14 ices), payment shall not be denied under paragraph  
15 (1), (7), or (12) of such section 1862(a) if the serv-  
16 ices are provided in accordance with the periodicity  
17 schedule described in section 2221(d)(2)(B).

18               “(2) TREATMENT OF EYEGLASSES AND HEAR-  
19 ING AIDS FOR CHILDREN AND LOW-INCOME INDIVID-  
20 UALS.—Payment shall not be denied under this title  
21 under section 1862(a)(7) with respect to eyeglasses  
22 and hearing aids and examinations therefor in the  
23 case of children and low-income individuals.

24       “(c) COORDINATION OF PAYMENTS.—





1 charges for services other than on an assignment-related  
2 basis, the Secretary may apply sanctions against such en-  
3 tity in accordance with section 1842(j)(2).

4 “(c) ADJUSTMENT OF PAYMENTS.—

5 “(1) ESTABLISHMENT OF NEW DRGS AND  
6 WEIGHTS.—In making payment under this title with  
7 respect to inpatient hospital services, the Secretary  
8 shall establish such additional diagnosis-related  
9 groups (and weighting factors with respect to dis-  
10 charges within such groups) and make such adjust-  
11 ments in the diagnosis-related groups and weighting  
12 factors with respect to discharges within such groups  
13 otherwise established under section 1886(d)(4) as  
14 may be necessary to reflect the types of discharges  
15 occurring under this title which are not occurring  
16 under title XVIII.

17 “(2) PAYMENT FOR OBSTETRICAL SERVICES.—

18 “(A) GLOBAL FEE.—In making payment  
19 under this title with respect to the group of ob-  
20 stetrical services typical of treatment through-  
21 out a course of pregnancy, the Secretary shall  
22 establish, as a schedule under section 1848, a  
23 global fee with respect to such group of serv-  
24 ices.

1           “(B) BONUS FOR EARLY PRESEN-  
2           TATION.—The fee schedule amount with respect  
3           to obstetrical services under this title shall be  
4           increased by 5 percent in the case of services  
5           furnished to women who have presented for pre-  
6           natal care during the first trimester.

7           “(d) CONDITIONS OF AND LIMITATIONS ON PAY-  
8           MENTS.—The provisions of sections 1814 and 1835 shall  
9           apply to payment for services under this title in the same  
10          manner as they apply to payment for services under parts  
11          A and B, respectively, of title XVIII.

12          “(e) USE OF TRUST FUND.—In carrying out this sec-  
13          tion, any reference in title XVIII to a trust fund shall be  
14          treated as a reference to the AmeriCare Trust Fund estab-  
15          lished under section 2242.

16          “(f) PAYMENT FOR OUTPATIENT PRESCRIPTION  
17          DRUGS AND BIOLOGICALS.—The Secretary shall establish  
18          a fee schedule for the payment for outpatient prescription  
19          drugs and biologicals under this title and, notwithstanding  
20          section 1860D–11(i)(1), under title XVIII. The Secretary  
21          shall negotiate with pharmaceutical manufacturers with  
22          respect to the purchase price of such drugs and biologicals  
23          and shall encourage the use of more affordable therapeutic  
24          equivalents to the extent such practices do not override  
25          medical necessity, as determined by the prescribing physi-

1 cian. To the extent practicable and consistent with the  
2 previous sentence, the Secretary shall implement strate-  
3 gies similar to those used by other Federal purchasers of  
4 prescription drugs, and other strategies, to reduce the pur-  
5 chase cost of outpatient prescription drugs and biologicals.

6 **“SEC. 2242. AMERICARE TRUST FUND.**

7 **“(a) ESTABLISHMENT.—**

8 **“(1)** There is hereby created on the books of  
9 the Treasury of the United States a trust fund to  
10 be known as the ‘AmeriCare Trust Fund’ (in this  
11 section referred to as the ‘Trust Fund’). The Trust  
12 Fund shall consist of such gifts and bequests as may  
13 be made as provided in section 201(i)(1) and  
14 amounts appropriated under paragraph (2).

15 **“(2)** There are hereby appropriated to the  
16 Trust Fund amounts equivalent to 100 percent of  
17 the increase in revenues to the Treasury by reason  
18 of the provisions of and amendments made by title  
19 II of the AmeriCare Health Care Act of 2009. The  
20 amounts appropriated by the preceding sentence  
21 shall be transferred from time to time from the gen-  
22 eral fund in the Treasury to the Trust Fund, such  
23 amounts to be determined on the basis of estimates  
24 by the Secretary of the Treasury of the increase in  
25 revenues which are paid to or deposited into the

1 Treasury; and proper adjustments shall be made in  
2 amounts subsequently transferred to the extent prior  
3 estimates were in excess of or were less than such  
4 increase.

5 “(b) INCORPORATION OF PROVISIONS.—

6 “(1) IN GENERAL.—Subject to paragraph (2),  
7 the provisions of subsections (b) through (e) and (g)  
8 through (i) of section 1817 shall apply to the Trust  
9 Fund in the same manner as they apply to the Fed-  
10 eral Hospital Insurance Trust Fund.

11 “(2) EXCEPTIONS.—In applying paragraph  
12 (1)—

13 “(A) the Board of Trustees and Managing  
14 Trustee of the Trust Fund shall be composed of  
15 the members of the Board of Trustees and the  
16 Managing Trustee, respectively, of the Federal  
17 Hospital Insurance Trust Fund; and

18 “(B) any reference in section 1817 to the  
19 Federal Hospital Insurance Trust Fund or to  
20 title XVIII (or part A thereof) is deemed a ref-  
21 erence to the Trust Fund under this section  
22 and this title, respectively.

1 **“PART D—ENTITLEMENT VERIFICATION SYSTEM**

2 **“SEC. 2251. REQUIREMENT FOR ENTITLEMENT**  
3 **VERIFICATION SYSTEM.**

4 **“(a) IN GENERAL.—**

5 **“(1) REQUIREMENT.—**The Secretary with re-  
6 spect to the plan provided under this title, and each  
7 AmeriCare supplemental plan (as defined in section  
8 2279(3)), shall provide for an electronic system, that  
9 is certified by the Secretary as meeting the stand-  
10 ards established under subsection (b), for the  
11 verification of an individual’s entitlement to benefits  
12 under such plan.

13 **“(2) DEADLINE FOR APPLICATION OF REQUIRE-**  
14 **MENT.—**The deadline specified under this paragraph  
15 for the requirement under paragraph (1) is 6  
16 months after the date the standards are established  
17 under subsection (b).

18 **“(b) STANDARDS FOR ENTITLEMENT VERIFICATION**  
19 **SYSTEMS.—**

20 **“(1) IN GENERAL.—**The Secretary shall estab-  
21 lish standards consistent with this subsection re-  
22 specting the requirements for certification of entitle-  
23 ment verification systems.

24 **“(2) INFORMATION AVAILABLE.—**Such stand-  
25 ards shall require a system to provide information,  
26 with respect to individuals, concerning the following:

1           “(A) The specific benefits to which the in-  
2           dividual is entitled under the plan.

3           “(B) Current status of the individual with  
4           respect to fulfillment of deductibles, coinsur-  
5           ance, and out-of-pocket limits on cost-sharing.

6           “(C) Restrictions on providers who may  
7           provide covered services, including utilization  
8           controls (such as preadmission certification).

9           “(3) FORM OF INQUIRY.—Each verification sys-  
10          tem shall be capable of accepting inquiries under  
11          this subsection from health care providers in a vari-  
12          ety of electronic forms. The system shall also pro-  
13          vide, for an additional fee, for the acceptance of in-  
14          quiries in a nonelectronic form.

15          “(4) FORM OF RESPONSE.—Each such system  
16          shall be capable of responding to such inquiries  
17          under this subsection in a variety of electronic and  
18          other forms, including—

19                 “(A) through modem transmission of infor-  
20                 mation,

21                 “(B) through computer synthesized voice  
22                 communication, and

23                 “(C) through transmission of information  
24                 to a facsimile (fax) machine.

1 The system shall also provide, for an additional fee,  
2 for the response to inquiries in a nonelectronic form.

3 “(5) LIMITATION ON FEES.—Neither the Sec-  
4 retary nor an AmeriCare supplemental plan may im-  
5 pose a fee for the acceptance or response to an in-  
6 quiry under this subsection except where the accept-  
7 ance or response is in a nonelectronic form.

8 “(6) WEBSITE AVAILABILITY TO PROVIDERS.—  
9 The Secretary shall establish and maintain a website  
10 through which—

11 “(A) health service providers may make in-  
12 quiries, and receive responses, with respect to  
13 the eligibility and benefits of an individual  
14 under plans; and

15 “(B) AmeriCare supplemental plans may  
16 make inquiries, and receive responses, to deter-  
17 mine the liability of other plans for the provi-  
18 sion or payment of benefits.

19 “(7) DEADLINE.—The Secretary shall first es-  
20 tablish the standards under this subsection (and  
21 shall establish the website under paragraph (6)) by  
22 not later than 12 months after the date of the enact-  
23 ment of this title.

24 “(c) HEALTH SERVICE PROVIDER DEFINED.—In  
25 this section, the term ‘health service provider’ includes a



1 provider of services (as defined in section 1861(u)), physi-  
2 cian, supplier, and other entity furnishing health care  
3 services.

4 **“PART E—GENERAL PROVISIONS**

5 **“SEC. 2261. DEFINITIONS RELATING TO BENEFICIARIES**  
6 **AND INCOME.**

7 **“(a) TERMS RELATING TO BENEFICIARIES.—**In this  
8 title:

9 **“(1) CHILD.—**The term ‘child’ means an indi-  
10 vidual who throughout a month has not attained 24  
11 years of age.

12 **“(2) LOW-INCOME INDIVIDUAL.—**The term  
13 ‘low-income individual’ means an individual whose  
14 applicable modified gross income (as defined in sub-  
15 section (b)(1)) is less than 200 percent of the pov-  
16 erty level (as defined in subsection (b)(2)). The de-  
17 termination that an individual is a low-income indi-  
18 vidual shall be effective for a period of one year and  
19 shall be redetermined on an annual basis.

20 **“(3) PREGNANT WOMAN.—**The term ‘pregnant  
21 woman’ means a woman (regardless of age) who has  
22 been certified by a physician (in a manner specified  
23 by the Secretary) as being pregnant, until the last  
24 day of the month in which the 60-day period (begin-

1       ning on the date of termination of the pregnancy)  
2       ends.

3       “(b) TERMS RELATING TO INCOME.—In this title:

4           “(1) APPLICABLE MODIFIED GROSS INCOME.—

5               “(A) IN GENERAL.—Except as provided in  
6           this paragraph, the term ‘applicable modified  
7           gross income’ means, for a calendar year for an  
8           individual, the modified gross income (as de-  
9           fined in section 202(a)(3)(B) of the AmeriCare  
10          Health Care Act of 2009) of the taxpayer (or  
11          the taxpayer for whom the individual may be  
12          claimed as a dependent) for the taxable year  
13          ending in the second previous calendar year.

14           “(B) APPLICATION OF CURRENT YEAR  
15          MODIFIED GROSS INCOME.—

16               “(i) IN GENERAL.—Subject to clause  
17           (ii), the Secretary shall establish a proce-  
18           dure under which an individual may file a  
19           declaration of estimated modified gross in-  
20           come for a taxable year ending in a cal-  
21           endar year, which modified gross income  
22           will apply under this subsection as the ap-  
23           plicable modified gross income for the cal-  
24           endar year. Subject to clause (ii), such pro-  
25           cedure shall be applicable regardless of

1           whether or not the individual filed a tax  
2           return for the taxable year ending in the  
3           second previous calendar year.

4           “(ii) LIMITATION ON APPLICATION.—  
5           The Secretary may limit the application of  
6           clause (i), in the case of individuals who  
7           have filed tax returns for the taxable year  
8           ending in the second previous calendar  
9           year, to individuals with respect to whom  
10          the applicable modified gross income will  
11          be reduced by at least 20 percent as a re-  
12          sult of the application of such clause.

13          “(iii) REQUIREMENT FOR RETURN.—  
14          Any individual who has filed a declaration  
15          under clause (i) for a calendar year is re-  
16          quired to file an income tax return for the  
17          taxable year in the calendar year, regard-  
18          less of whether any income tax is actually  
19          owed for the year. The failure of the indi-  
20          vidual to file such a return makes the indi-  
21          vidual liable for overpayments under this  
22          title under clause (iv) in the same manner  
23          as if this paragraph had not applied.

24          “(iv) COLLECTION FOR OVERPAY-  
25          MENTS.—If a declaration of estimated

1 modified gross income is made applicable  
2 to a calendar year under clause (i) and the  
3 actual modified gross income for that tax-  
4 able year exceeds such estimated modified  
5 gross income, the individual shall be liable  
6 to the United States for 110 percent of the  
7 amount of additional payments made  
8 under this title as a result of the use of  
9 such estimated modified gross income in-  
10 stead of the actual modified gross income  
11 for that taxable year.

12 “(C) TRANSMITTAL OF INFORMATION.—By  
13 not later than October 1 of each year, the Sec-  
14 retary of the Treasury shall transmit to the  
15 Secretary such information relating to the ap-  
16 plicable modified gross income of individuals for  
17 the taxable year ending in the previous year as  
18 may be necessary to apply this title in the suc-  
19 ceeding calendar year.

20 “(2) POVERTY LEVEL.—The term ‘poverty  
21 level’ means, for an individual in a family, the offi-  
22 cial poverty line (as defined by the Office of Man-  
23 agement and Budget, and revised annually in ac-  
24 cordance with section 673(2) of the Omnibus Budget

1 Reconciliation Act of 1981) applicable to a family of  
2 the size involved.

3 **“SEC. 2262. INCORPORATION OF CERTAIN MEDICARE PRO-**  
4 **VISIONS AND OTHER PROVISIONS.**

5 **“(a) USE OF MEDICARE ADMINISTRATIVE CONTRAC-**  
6 **TORS.—**The Secretary shall provide for the administration  
7 of this title through the use of medicare administrative  
8 contractors in the same manner as title XVIII is carried  
9 out through the use of such contractors, except that no  
10 payment shall be made under this title except on the basis  
11 of bills or charges that are submitted electronically in a  
12 manner specified by the Secretary.

13 **“(b) DEFINITIONS.—**

14 **“(1) IN GENERAL.—**Except as otherwise pro-  
15 vided in this title, the definitions contained in sec-  
16 tion 1861 shall apply for purposes of this title in the  
17 same manner as they apply for purposes of title  
18 XVIII.

19 **“(2) STATE; UNITED STATES.—(A)** The term  
20 ‘State’ means the 50 States and includes the Dis-  
21 trict of Columbia, Puerto Rico, the Virgin Islands,  
22 Guam, American Samoa, and the Northern Mariana  
23 Islands.

24 **“(B)** The term ‘United States’ means all  
25 the States.

1       “(c) CERTIFICATION, PROVIDER QUALIFICATION,  
2 ETC.—The provisions of sections 1863 through 1875, sec-  
3 tions 1877 through 1880, section 1883, section 1885, and  
4 sections 1887 through 1895 shall apply to this title in the  
5 same manner as they apply to title XVIII.

6       “(d) TITLE XI PROVISIONS.—The following provi-  
7 sions shall apply to this title in the same manner as they  
8 apply to title XVIII:

9           “(1) Sections 1124, 1126, and 1128 through  
10       1128E (relating to fraud and abuse).

11           “(2) Section 1134 (relating to nonprofit hos-  
12       pital philanthropy).

13           “(3) Section 1138 (relating to hospital proto-  
14       cols for organ procurement and standards for organ  
15       procurement agencies).

16           “(4) Section 1142 (relating to research on out-  
17       comes of health care services and procedures), ex-  
18       cept that any reference in such section to a Trust  
19       Fund is deemed a reference to the AmeriCare Trust  
20       Fund.

21           “(5) Part B of title XI (relating to peer review  
22       of the utilization and quality of health care services).

23           “(6) Part C of title XI (relating to administra-  
24       tive simplification).

1           “(e) OTHER PROVISIONS.—The provisions of section  
2 201(i) shall apply to this title and the AmeriCare Trust  
3 Fund in the same manner as they apply to title XVIII  
4 and the Federal Hospital Insurance Trust Fund.

5           “SEC. 2263. STATE MAINTENANCE OF EFFORT PAYMENTS.

6           “(a) CONDITION OF COVERAGE.—Notwithstanding  
7 any other provision of this title, no individual who is a  
8 resident of a State is eligible for benefits under this title  
9 for a month in a calendar year, unless the State provides  
10 (in a manner and at a time specified by the Secretary)  
11 for payment to the AmeriCare Trust Fund of 1/12th of  
12 the amount specified in subsection (b) for the year. Such  
13 funds shall be used offset the costs of providing subsidies  
14 for low-income individuals under section 202 of the  
15 AmeriCare Health Care Act of 2009.

16           “(b) MAINTENANCE OF EFFORT AMOUNT.—

17           “(1) IN GENERAL.—Subject to paragraph (3),  
18 the amount of payment specified in this subsection  
19 for a State for a year is equal to the amount of pay-  
20 ment (net of Federal payments) made by a State  
21 under its State plans under titles XIX and XXI for  
22 2008 for medical assistance for benefits described in  
23 paragraph (2).

24           “(2) BENEFITS DESCRIBED.—The benefits de-  
25 scribed in this paragraph with respect to State plans

1 of a State under titles XIX and XXI are benefits  
2 which—

3 “(A) would be available under this title for  
4 low-income individuals if this title had been in  
5 effect in 2008; and

6 “(B) are for low-income individuals who—

7 “(i) with respect to the State plan  
8 under title XIX, were required to be fur-  
9 nished medical assistance under such title  
10 XIX; or

11 “(ii) with respect to a State child  
12 health plan under title XXI, were low-in-  
13 come children.

14 **“SEC. 2264. MODIFICATION OF MEDICAID AND OTHER PRO-**  
15 **GRAMS TO AVOID DUPLICATION OF BENE-**  
16 **FITS.**

17 “(a) IN GENERAL.—Notwithstanding any other pro-  
18 vision of law—

19 “(1) a State plan under title XIX and a State  
20 child health plan under title XXI shall not provide  
21 any medical assistance for benefits with respect to  
22 which any payments may be made under this title;  
23 and

24 “(2) a health benefits plan under chapter 89 of  
25 title 5, United States Code, shall not provide bene-



1 fits for which any payment may be made under this  
2 title.

3 “(b) REVIEW OF APPLICATION TO OTHER PRO-  
4 GRAMS.—The Secretary shall conduct a review of the fea-  
5 sibility of applying the policy described in subsection (a)  
6 to additional Federal programs, such as the TRICARE  
7 program under title 10, United States Code. Not later  
8 than January 1, 2011, the Secretary submit to Congress  
9 on such review and shall include in such report such rec-  
10 ommendations for extending such policy to other Federal  
11 programs as the Secretary deems appropriate.

12 **“SEC. 2265. CONSTRUCTION REGARDING CONTINUATION**  
13 **OF OBLIGATIONS UNDER CURRENT GROUP**  
14 **HEALTH PLAN CONTRACTS AND PROVISION**  
15 **OF ADDITIONAL BENEFITS.**

16 “Nothing in this title shall be construed as—

17 “(1) affecting obligations for health care bene-  
18 fits under group health plans as in effect on the date  
19 of the enactment of this title, including such plans  
20 established or maintained under or pursuant to one  
21 or more collective bargaining agreements;

22 “(2) limiting the additional benefits that may  
23 be provided under a group health plan to employees  
24 or their dependents, or to former employees or their  
25 dependents; or

1           “(3) limiting the benefits that may be made  
2           available under a State program to residents of the  
3           State at the expense of the State.

4   **“SEC. 2266. STANDARDS AND REQUIREMENTS FOR**  
5           **AMERICARE SUPPLEMENTAL POLICIES.**

6           “(a) CERTIFICATION REQUIRED.—

7           “(1) IN GENERAL.—The Secretary shall estab-  
8           lish rules and procedures consistent with this section  
9           under which AmeriCare supplemental policies may  
10          only be issued if they are certified by the Secretary  
11          or under a State regulatory program approved by  
12          the Secretary as meeting standards established  
13          under subsection (b).

14          “(2) ENFORCEMENT.—Any person who issues  
15          an AmeriCare supplemental policy in violation of  
16          paragraph (1) is subject to a civil money penalty of  
17          not to exceed \$25,000 for each such violation. The  
18          provisions of section 1128A (other than the first  
19          sentence of subsection (a) and other than subsection  
20          (b)) shall apply to a civil money penalty under the  
21          previous sentence in the same manner as such provi-  
22          sions apply to a penalty or proceeding under section  
23          1128A(a).

24          “(3) AMERICARE SUPPLEMENTAL POLICY.—For  
25          purposes of this section, the term ‘AmeriCare sup-

1       plemental policy’ is a health insurance policy or  
2       other health benefit plan offered by a private entity  
3       to individuals who are entitled to have payment  
4       made under this title, which provides reimbursement  
5       for expenses incurred for services and items for  
6       which payment may be made under this title but  
7       which are not reimbursable by reason of the applica-  
8       tion of deductibles, coinsurance amounts, or other  
9       limitations imposed pursuant to this title; but does  
10      not include—

11               “(A) any such policy or plan of the trust-  
12               ees of a fund established by one or more em-  
13               ployers or labor organizations (or combination  
14               thereof) if the policy or plan offers benefits as  
15               a direct service organization under section  
16               1833, or

17               “(B) a policy or plan of a health mainte-  
18               nance organization which offers benefits under  
19               this title under section 2221(k).

20      For purposes of this section, the term ‘policy’ in-  
21      cludes a certificate issued under such policy.

22      “(b) CERTIFICATION STANDARDS.—

23               “(1) ISSUANCE.—The Secretary shall develop  
24               and publish specific standards consistent with this  
25               section for AmeriCare supplemental policies and

1 shall consult with the Secretary of Labor regarding  
2 the application of such standards to employee wel-  
3 fare benefit plans under title I of the Employee Re-  
4 tirement Income Security Act of 1974.

5 “(2) MORE STRINGENT STATE STANDARDS PER-  
6 MITTED.—In the case of insured AmeriCare supple-  
7 mental policies (as defined in subsection (d)(3)), a  
8 State may implement standards that are more strin-  
9 gent than the standards established under para-  
10 graph (1), including—

11 “(A) additional limitations on pre-existing  
12 exclusion limitations described in subsection  
13 (c)(1)(B);

14 “(B) additional restrictions on the groups  
15 of benefits described in subsection (c)(2) that  
16 may be offered in AmeriCare supplemental poli-  
17 cies in the State, so long as a core-only benefit  
18 package described in subparagraph (A)(i) of  
19 such subsection may be offered in the State;  
20 and

21 “(C) requiring a higher loss-ratios than  
22 those specified in subsection (c)(3);

23 “(c) STANDARDS.—The Secretary shall establish  
24 standards for AmeriCare supplemental policies consistent  
25 with the following:

1           “(1) NO DISCRIMINATION BASED ON HEALTH  
2 STATUS.—

3           “(A) IN GENERAL.—Except as provided  
4 under subparagraph (B), an AmeriCare supple-  
5 mental policy may not deny, limit, or condition  
6 the coverage under (or benefits of) the policy,  
7 or vary premiums charged, based on the health  
8 status, claims experience, receipt of health care,  
9 medical history, or lack of evidence of insur-  
10 ability, of an individual.

11           “(B) LIMITATION ON USE OF PRE-EXIST-  
12 ING CONDITION EXCLUSIONS.—An AmeriCare  
13 supplemental policy may exclude coverage with  
14 respect to services related to treatment of a  
15 pre-existing condition, except that—

16           “(i) the period of such exclusion may  
17 not exceed 6 months;

18           “(ii) such exclusion shall not apply to  
19 services furnished to newborns; and

20           “(iii) the period of exclusion under  
21 clause (i) shall be reduced by 1 month for  
22 each month in a period of continuous  
23 health benefits coverage (as defined by the  
24 Secretary) for the services involved.

1 For purposes of this subparagraph, a condition  
2 is not pre-existing unless it was diagnosed or  
3 treated during the 3-month period ending on  
4 the day before the first date of such coverage.

5 “(2) SIMPLIFICATION OF BENEFITS.—

6 “(A) IN GENERAL.—Each AmeriCare sup-  
7 plemental policy shall only offer benefits con-  
8 sistent with the standards, promulgated by the  
9 Secretary, that provide—

10 “(i) limitations on the groups or pack-  
11 ages of benefits, including a core group of  
12 basic benefits and not to exceed 9 other  
13 different benefit packages, that may be of-  
14 fered under an AmeriCare supplemental  
15 policy;

16 “(ii) that a person may not issue an  
17 AmeriCare supplemental policy without of-  
18 fering such a policy with only the core-  
19 group of basic benefits and without pro-  
20 viding an outline of coverage in a standard  
21 form approved by the Secretary;

22 “(iii) uniform language and defini-  
23 tions to be used with respect to such bene-  
24 fits, and

1                   “(iv) uniform format to be used in the  
2                   policy with respect to such benefits.

3                   “(B) INNOVATION.—The Secretary may  
4                   approve the offering of new or innovative and  
5                   cost-effective benefit packages in addition to  
6                   those provided under subparagraph (A).

7                   “(3) MINIMUM LOSS RATIO REQUIRED.—An  
8                   AmeriCare supplemental policy, a specific disease  
9                   policy (as defined by the Secretary), or a hospital  
10                  confinement indemnity policy (as defined by the Sec-  
11                  retary) may not be issued or renewed unless the pol-  
12                  icy—

13                  “(A) can be expected (in accordance with  
14                  a uniform methodology developed by the Sec-  
15                  retary and for periods beginning 24 months  
16                  after the date of original issue) to return to pol-  
17                  icyholders in the form of aggregate benefits at  
18                  least 85 percent of the aggregate amount of  
19                  premiums collected in the case of group policies  
20                  or at least 75 percent in the case of individual  
21                  policies (as defined by the Secretary); and

22                  “(B) provides refunds and credits (in a  
23                  manner specified by the Secretary) for pre-  
24                  miums collected in excess of those consistent  
25                  with subparagraph (A).

1           “(4) GUARANTEED RENEWABILITY AND CON-  
2           VERTIBILITY.—Each AmeriCare supplemental pol-  
3           icy—

4                   “(A) shall be guaranteed renewable and  
5                   may not be cancelled or nonrenewed solely on  
6                   the ground of health status of the individual or  
7                   for any reason other than nonpayment of pre-  
8                   mium or material misrepresentation; and

9                   “(B) shall provide for—

10                           “(i) a right of conversion to an indi-  
11                           vidual policy (with continuation of bene-  
12                           fits) in the case of termination by a group  
13                           policyholder or termination by a  
14                           certificateholder of membership in a group  
15                           through which the individual obtained cov-  
16                           erage;

17                           “(ii) a right of continued coverage in  
18                           the case of a group policy that succeeds  
19                           another group policy; and

20                           “(iii) suspension of coverage (for up  
21                           to 24 months and in a manner specified)  
22                           in the case of a policyholder who becomes  
23                           entitled to benefits under this title as a  
24                           low-income individual and who provides a



1                   timely notice of election of such suspen-  
2                   sion.

3                   “(5) ADDITIONAL STANDARDS APPLICABLE  
4                   ONLY TO INSURED POLICIES.—A carrier that offers  
5                   an insured AmeriCare supplemental policy (as de-  
6                   fined in paragraph (6)) to individuals and groups in  
7                   a State shall also comply with the following require-  
8                   ments:

9                   “(A) OPEN ENROLLMENT.—The carrier  
10                  must offer the same policy to any other indi-  
11                  vidual or group in the State on a continuous,  
12                  year-round basis; except that—

13                  “(i) in the case of policies offered  
14                  through an association which is composed  
15                  exclusively of employers (which may in-  
16                  clude self-employed individuals) and which  
17                  has been formed for purposes other than  
18                  obtaining health insurance, such require-  
19                  ment shall only apply to such employers  
20                  (and individuals) who are members of the  
21                  association; and

22                  “(ii) a health maintenance organiza-  
23                  tion may deny enrollment with respect to  
24                  an individual based on the uniform appli-  
25                  cation of a geographic service area or over-

1 all enrollment limitation based on its finan-  
2 cial or administrative capacity.

3 “(B) NOTICES AND RENEWAL PERIODS.—

4 The carrier shall provide advance notice of  
5 terms for policy renewal, which terms shall—

6 “(i) be the same as the terms of  
7 issuance, except for rates and administra-  
8 tive changes;

9 “(ii) provide the same premium rates  
10 as for a new issue; and

11 “(iii) provide a period of renewal of  
12 not less than 12 months.

13 “(c) ADDITIONAL REQUIREMENTS.—

14 “(1) PROHIBITION OF DUPLICATION.—The Sec-  
15 retary shall—

16 “(A) establish requirements that prohibit  
17 (other than as required under Federal or State  
18 law) the knowing sale or issuance to an indi-  
19 vidual entitled to benefits under this title of  
20 health insurance that duplicates benefits under  
21 this title, of an AmeriCare supplemental policy  
22 that duplicates another AmeriCare supple-  
23 mental policy, or of another health insurance  
24 policy that duplicates other benefits to which  
25 the individual is entitled; and

1           “(B) provide exceptions to the prohibition  
2           in subparagraph (A) for enrollment in group  
3           health plans and similar employment-based poli-  
4           cies and for policies which provide benefits di-  
5           rectly and without regard to other coverage and  
6           notice of such duplication.

7           “(2) DISCLOSURE REQUIREMENT.—The Sec-  
8           retary shall establish a requirement that prohibits  
9           the sale or issuance of an AmeriCare supplemental  
10          policy to an individual, other than as a replacement  
11          policy, without obtaining a statement (in a form  
12          specified by the Secretary) that discloses other  
13          health benefits coverage and that acknowledges limi-  
14          tations on the need for an AmeriCare supplemental  
15          policy, particularly in the case of a low-income indi-  
16          vidual.

17          “(3) APPLICATION OF FALSE STATEMENT  
18          SANCTIONS.—The provisions of paragraphs (1) and  
19          (2) of section 1882(d) shall apply to an AmeriCare  
20          supplemental policy under this section in the same  
21          manner as they apply to medicare supplemental poli-  
22          cies under such section.

23          “(4) LIMITATIONS ON SALES COMMISSIONS.—

24                 “(A) IN GENERAL.—It is unlawful for a  
25                 person who provides for a commission or other

1 compensation to an agent or other representa-  
2 tives with respect to the sale of an AmeriCare  
3 supplemental policy (or certificate)—

4 “(i) to provide for a first year com-  
5 mission or other first year compensation  
6 that exceeds 200 percent of the commis-  
7 sion or other compensation for the selling  
8 or servicing of the policy or certificate in  
9 a second or subsequent year; or

10 “(ii) to provide for compensation with  
11 respect to replacement of such a policy or  
12 certificate that is greater than the com-  
13 pensation that would apply to the renewal  
14 of the policy or certificate.

15 “(B) DEFINITION.—In subparagraph (A),  
16 the term ‘compensation’ includes pecuniary and  
17 nonpecuniary compensation of any kind relating  
18 to the sale or renewal of a policy or certificate  
19 and specifically includes bonuses, gifts, prizes,  
20 awards, and finders’ fees.

21 “(d) INFORMATION DISCLOSURE.—The Secretary  
22 shall provide, to all individuals entitled to benefits under  
23 this title, such information as will permit such individuals  
24 to evaluate the value of AmeriCare supplemental policies  
25 to them and the relationship of any such policies to bene-

1 fits provided under this title. Such information shall in-  
2 clude information on—

3 “(1) the requirements and prohibitions under  
4 this section;

5 “(2) State and Federal agencies responsible for  
6 compliance with such requirements and enforcement  
7 of such prohibitions; and

8 “(3) the manner of submitting complaints re-  
9 garding violations of such requirements and prohibi-  
10 tions.

11 “(e) DEFINITIONS.—In this section:

12 “(1) CARRIER.—The term ‘carrier’ means any  
13 person that offers an AmeriCare supplemental pol-  
14 icy.

15 “(2) GROUP.—The term ‘group’ means 2 or  
16 more employees of the same employer who normally  
17 perform on a monthly basis at least 171/2 hours of  
18 service per week for that employer.

19 “(3) HEALTH MAINTENANCE ORGANIZATION.—  
20 The term ‘health maintenance organization’ has the  
21 meaning given the term ‘eligible organization’ in sec-  
22 tion 1876(b).

23 “(4) INSURED AMERICARE SUPPLEMENTAL  
24 POLICY.—The term ‘insured AmeriCare supple-

1       mental policy’ means any AmeriCare supplemental  
2       policy provided through insurance.”.

3                   **TITLE II—FINANCING**  
4                   **PROVISIONS**  
5                   **Subtitle A—Individual**  
6                   **Contributions**

7       **SEC. 201. GENERAL OBLIGATION FOR INDIVIDUALS.**

8               (a) **PAYMENT OF PLAN PREMIUM.—**

9                   (1) **IN GENERAL.—**Each individual eligible for  
10                  coverage under title XXII of the Social Security Act  
11                  is liable for payment of the premium established  
12                  under this section for such coverage of the individual  
13                  and family members. An individual who is not re-  
14                  ceiving such coverage due to coverage under a group  
15                  health plan described in section 2202(d) of such Act  
16                  is not liable for payment of such premium with re-  
17                  spect to such individual.

18                  (2) **DETERMINATION OF PREMIUM.—**Such pre-  
19                  mium shall be established by the Secretary of Health  
20                  and Human Services on the basis of the cost of cov-  
21                  erage (determined on a State by State basis and in-  
22                  cluding administrative costs) and shall be deter-  
23                  mined separately based on the class of enrollment  
24                  for the individual (as determined under section 2202  
25                  of the Social Security Act).

1           (3) JOINT AND SEVERAL LIABILITY.—If more  
2           than one individual is liable under this subsection  
3           for payment of a premium for coverage of the same  
4           individual under title XXII of the Social Security  
5           Act, such individual shall be jointly and severally lia-  
6           ble with each other individual who is so liable.

7           (b) REDUCTION FOR EMPLOYER CONTRIBUTIONS  
8           AND LOW INCOME SUBSIDIES.—An individual's liability  
9           under subsection (a) is reduced by—

10           (1) the amount of any contributions made by  
11           the individual's employer (or employers) under sub-  
12           title B or otherwise (including voluntary employer  
13           contributions) with respect to coverage of the indi-  
14           vidual and family members, and

15           (2) the amount of any premium subsidies pro-  
16           vided with respect to the individual under section  
17           202.

18           (c) TIMING AND MANNER OF PAYMENT.—Each indi-  
19           vidual that is liable for a premium under subsection (a)  
20           shall pay such premium in such form and manner as the  
21           Secretary of the Treasury may specify. Except as other-  
22           wise provided by the Secretary of the Treasury, for pur-  
23           poses of subtitle F of such Code, the liabilities imposed  
24           under subsection (a) shall be treated as if they were a  
25           tax imposed under section 1 of such Code. The Secretary

1 of the Treasury shall provide for the withholding of such  
2 payments from wages under rules similar to the rules of  
3 chapter 24 of such Code. The Secretary of the Treasury  
4 may prescribe special rules for withholding payments from  
5 wages of individuals who work seasonally, part-time, or for  
6 more than one employer.

7 **SEC. 202. ADDITIONAL PREMIUM SUBSIDIES.**

8 (a) **ELIGIBILITY FOR ADDITIONAL PREMIUM SUB-**  
9 **SIDIES.—**

10 (1) **IN GENERAL.—**Each premium subsidy eligi-  
11 ble individual is entitled to a premium subsidy in ac-  
12 cordance with this section.

13 (2) **PREMIUM SUBSIDY ELIGIBLE INDI-**  
14 **VIDUAL.—**In this section, the term “premium sub-  
15 sidy eligible individual” means an individual receiv-  
16 ing coverage under title XXII of the Social Security  
17 Act who—

18 (A) with respect to premiums for a taxable  
19 year ending in a year, has family income (as de-  
20 fined in paragraph (3)(A)) that is less than 300  
21 percent of the applicable poverty level, or

22 (B) with respect to a premium for a  
23 month, is an TANF or SSI recipient for the  
24 month.

25 (3) **ADDITIONAL DEFINITIONS.—**In this section:



1 (A) FAMILY INCOME.—The term “family  
2 income” means, with respect to an individual  
3 who—

4 (i) is not a dependent of another indi-  
5 vidual, the sum of the modified adjusted  
6 gross incomes (as defined in subparagraph  
7 (B)) for the individual, the individual’s  
8 spouse, and children who are dependents of  
9 the individual, or

10 (ii) is a dependent of another indi-  
11 vidual, the sum of the modified adjusted  
12 gross incomes (as defined in subparagraph  
13 (B)) for the other individual, the other in-  
14 dividual’s spouse, and children who are de-  
15 pendents of the other individual.

16 (B) MODIFIED ADJUSTED GROSS IN-  
17 COME.—The term “modified adjusted gross in-  
18 come” means adjusted gross income (as defined  
19 in the Internal Revenue Code of 1986)—

20 (i) determined without regard to sec-  
21 tions 911, 931, and 933 of such Code, and

22 (ii) increased by—

23 (I) the amount of interest re-  
24 ceived or accrued by the individual

1 during the taxable year which is ex-  
2 empt from tax, and

3 (II) the amount of the social se-  
4 curity benefits (as defined in section  
5 86(d) of such Code) received during  
6 the taxable year to the extent not in-  
7 cluded in gross income under section  
8 86 of such Code.

9 The determination under the preceding  
10 sentence shall be made without regard to  
11 any carryover or carryback.

12 (C) APPLICABLE POVERTY LEVEL.—

13 (i) IN GENERAL.—The term “applica-  
14 ble poverty level” means, for a family for  
15 a year, the official poverty line (as defined  
16 by the Secretary of Health and Human  
17 Services) applicable to a family of the size  
18 involved for 2011 adjusted by the percent-  
19 age increase or decrease described in  
20 clause (ii) for the year involved.

21 (ii) PERCENTAGE ADJUSTMENT.—The  
22 percentage increase or decrease described  
23 in this clause for a year is the percentage  
24 increase or decrease by which the average  
25 Consumer Price Index for all urban con-

1           sumers (U.S. city average), as published by  
2           the Bureau of Labor Statistics, for the 12-  
3           month-period ending with August 31 of the  
4           preceding year exceeds such average for  
5           the 12-month period ending with August  
6           31, 2011.

7                   (iii) ROUNDING.—Any adjustment  
8           made under clause (ii) for a year shall be  
9           rounded to the nearest multiple of \$100.

10                   (D) TANF RECIPIENT.—The term “TANF  
11           recipient” means, for a month, an individual  
12           who is receiving aid or assistance under any  
13           plan of the State approved under title I, X,  
14           XIV, or XVI, or part A or part E of title IV,  
15           of the Social Security Act, for the month.

16                   (E) SSI RECIPIENT.—The term “SSI re-  
17           cipient” means, for a month, an individual—

18                           (i) with respect to whom supplemental  
19           security income benefits are being paid  
20           under title XVI of the Social Security Act  
21           for the month,

22                           (ii) who is receiving a supplementary  
23           payment under section 1616 of such Act or  
24           under section 212 of Public Law 93–66 for  
25           the month, or

1 (iii) who is receiving monthly benefits  
2 under section 1619(a) of the Social Secu-  
3 rity Act (whether or not pursuant to sec-  
4 tion 1616(e)(3) of such Act) for the  
5 month.

6 (b) AMOUNT OF PREMIUM SUBSIDY.—

7 (1) LOWEST INCOME INDIVIDUALS.—

8 (A) IN GENERAL.—In the case of an indi-  
9 vidual described in subparagraph (B), the pre-  
10 mium subsidy under this section is the amount  
11 which would (without regard to this section) re-  
12 duce the premium obligation of the individual  
13 (and family members) under section 201 to  
14 zero.

15 (B) LOWEST INCOME INDIVIDUALS DE-  
16 SCRIBED.—An individual described in this sub-  
17 paragraph is a premium subsidy eligible indi-  
18 vidual who would still be such an individual  
19 under subsection (a)(2) if “200 percent” were  
20 substituted for “300 percent” in subparagraph  
21 (A) of such subsection.

22 (2) OTHER INDIVIDUALS.—

23 (A) IN GENERAL.—In the case of a pre-  
24 mium subsidy eligible individual not described

1 in paragraph (1), the premium subsidy under  
2 this section is the product of—

3 (i) the premium obligation of the indi-  
4 vidual (and family members) under section  
5 201, multiplied by

6 (ii) the number of percentage points  
7 by which the individual's family income  
8 (expressed as a percent of the applicable  
9 poverty level) is less than 300 percent.

10 (B) TABLE.—The Secretary may provide  
11 for a table which establishes the values for pre-  
12 mium subsidies under this paragraph.

13 (c) GENERAL REVENUE FINANCING FOR LOW IN-  
14 COME SUBSIDIES.—There are authorized to be appro-  
15 priated to the AmeriCare Trust Fund from amounts in  
16 the Treasury not otherwise appropriated, such sums as  
17 may be necessary to cover the costs of premium subsidies  
18 provided under this section.

19 SEC. 203. EFFECTIVE DATE.

20 The provisions of this subtitle shall apply with respect  
21 to periods beginning on or after January 1, 2011.

## 22 **Subtitle B—Employer** 23 **Contributions**

24 SEC. 211. GENERAL OBLIGATION FOR EMPLOYERS.

25 (a) GENERAL OBLIGATION.—

1           (1) IN GENERAL.—Subject to the succeeding  
2 provisions of this subsection, each employer shall  
3 make a financial contribution toward the cost of  
4 health insurance coverage for employees in accord-  
5 ance with this section.

6           (2) ELIMINATION OF LIABILITY IN CASE OF  
7 CERTAIN GROUP HEALTH PLAN COVERAGE.—

8           (A) IN GENERAL.—Subject to subpara-  
9 graph (B), an employer shall not be liable for  
10 any contribution under this section with respect  
11 to any employee who is covered under a group  
12 health plan of the employer described in section  
13 2202(d) if such employer pays at least 80 per-  
14 cent of the cost of such health plan, as deter-  
15 mined by the Secretary of Health and Human  
16 Services.

17           (B) SURCHARGE PERMISSIBLE TO PRE-  
18 VENT ADVERSE SELECTION.—The Secretary  
19 may impose liability for a contribution under  
20 this section with respect to an employee de-  
21 scribed in subparagraph (A) in an amount (not  
22 to exceed the amount specified under subsection  
23 (b)) insofar as the Secretary determines it nec-  
24 essary to prevent adverse selection of the indi-

1           viduals enrolled under this title as a result of  
2           the operation of such subparagraph.

3           (b) AMOUNT OF CONTRIBUTION.—

4           (1) FULL-TIME EMPLOYEES.—In the case of an  
5           employee receiving coverage under title XXII of the  
6           Social Security Act, the amount of the financial con-  
7           tribution is equal to at least 80 percent of the pre-  
8           mium determined with respect to such employee and  
9           family members under section 201 (based on class of  
10          enrollment and without regard to subsection (b)  
11          thereof) or at least 80 percent of the cost of cov-  
12          erage under such group health plan, respectively.

13          (2) REDUCTION FOR PART-TIME EMPLOYEES.—  
14          In the case of a part-time employee, the employer  
15          contribution requirements of paragraph (1) shall be  
16          treated as satisfied if the employer contribution with  
17          respect to such employee is not less than the part-  
18          time employment ratio of the contribution required  
19          under paragraph (1).

20          (3) RULES RELATED TO PART-TIME EMPLOY-  
21          MENT.—For purposes of this subsection—

22                  (A) PART-TIME EMPLOYEE.—The term  
23                  “part-time employee” means, with respect to  
24                  any month, an employee who works on average  
25                  fewer than 40 hours per week.

1 (B) PART-TIME EMPLOYMENT RATIO.—

2 The term “part-time employment ratio” means,  
3 with respect to a part-time employee of an em-  
4 ployer in a month, a fraction—

5 (i) the numerator of which is the  
6 number of hours in the employee’s normal  
7 work week, and

8 (ii) the denominator of which is 40  
9 hours.

10 (C) SPECIAL RULES.—Under rules pre-  
11 scribed by the Secretary of Health and Human  
12 Services, in consultation with the Secretary of  
13 the Treasury, in the case of an employee for an  
14 employer whose defined work week for full-time  
15 employees is less than 40 hours, any reference  
16 in this subsection to 40 hours is deemed a ref-  
17 erence to the number of hours in the work week  
18 so defined.

19 (D) CONVERSION TO HOURS OF EMPLOY-  
20 MENT.—The Secretary of Health and Human  
21 Services, in consultation with the Secretary of  
22 the Treasury, shall establish rules for the con-  
23 version of compensation to hours of employ-  
24 ment, for purposes of this subsection in the  
25 case of employees that receive compensation on



1           a salaried basis, or on the basis of a commis-  
2           sion, or other contingent or bonus basis, rather  
3           than based on an hourly wage.

4           (c) **TIMING AND MANNER.**—

5           (1) **IN GENERAL.**—Each employer that is re-  
6           quired to make a financial contribution with respect  
7           to an employee under this section (other than with  
8           respect to coverage under a group health plan) or a  
9           surcharge under subsection (a)(2)(B) shall pay such  
10          contribution or surcharge in a form and manner,  
11          specified by the Secretary of the Treasury, based  
12          upon the form and manner in which employer excise  
13          taxes are required to be paid under section 3111 of  
14          the Internal Revenue Code of 1986.

15          (2) **NON-ENROLLING EMPLOYERS.**—In the case  
16          of an employee who is covered under the class of en-  
17          rollment of a family member, the Secretary of the  
18          Treasury shall provide that the financial contribu-  
19          tion of the employer with respect to such employee  
20          is paid directly or indirectly to the employer of such  
21          family member.

22       **SEC. 212. EFFECTIVE DATE.**

23          (a) **IN GENERAL.**—Subject to subsection (b), the pro-  
24          visions of this subtitle shall apply with respect to periods  
25          beginning on or after January 1, 2011.

1           (b) ADDITIONAL PERIOD FOR SMALL EMPLOYERS.—  
2 The provisions of this subtitle shall not apply with respect  
3 to an employer that has fewer than 100 employees (as de-  
4 termined by the Secretary of the Treasury in consultation  
5 with the Secretary of Health and Human Services) for pe-  
6 riods beginning before January 1, 2014.