

**SEC. 1404. BRAND NAME PHARMACEUTICALS.**

(a) IN GENERAL.—Section 9008 of the Patient Protection and Affordable Care Act is amended—

(1) in subsection (a)(1), by striking “2009” and inserting “2010”;

(2) in subsection (b)—

(A) by striking “\$2,300,000,000” in paragraph (1) and inserting “the applicable amount”; and

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

“(4) APPLICABLE AMOUNT.—For purposes of paragraph (1), the applicable amount shall be determined in accordance with the following table:

<b>“Calendar year</b>	<b>Applicable amount</b>
2011 .....	\$2,500,000,000
2012 .....	\$2,800,000,000
2013 .....	\$2,800,000,000
2014 .....	\$3,000,000,000
2015 .....	\$3,000,000,000
2016 .....	\$3,000,000,000
2017 .....	\$4,000,000,000
2018 .....	\$4,100,000,000
2019 and thereafter .....	\$2,800,000,000.”;

(3) in subsection (d), by adding at the end the following new paragraph:

“(3) JOINT AND SEVERAL LIABILITY.—If more than one person is liable for payment of the fee under subsection (a) with respect to a single covered entity by reason of the application of paragraph (2), all such persons shall be jointly and severally liable for payment of such fee.”; and

(4) by striking subsection (j) and inserting the following new subsection:

“(j) EFFECTIVE DATE.—This section shall apply to calendar years beginning after December 31, 2010.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 9008 of the Patient Protection and Affordable Care Act.

**SEC. 1405. EXCISE TAX ON MEDICAL DEVICE MANUFACTURERS.**

(a) IN GENERAL.—Chapter 32 of the Internal Revenue Code of 1986 is amended—

(1) by inserting after subchapter D the following new subchapter:

**“Subchapter E—Medical Devices**

“Sec. 4191. Medical devices.

**“SEC. 4191. MEDICAL DEVICES.**

“(a) IN GENERAL.—There is hereby imposed on the sale of any taxable medical device by the manufacturer, producer, or importer a tax equal to 2.3 percent of the price for which so sold.

“(b) TAXABLE MEDICAL DEVICE.—For purposes of this section—

“(1) IN GENERAL.—The term ‘taxable medical device’ means any device (as defined in section 201(h) of the Federal Food, Drug, and Cosmetic Act) intended for humans.

“(2) EXEMPTIONS.—Such term shall not include—

- “(A) eyeglasses,
  - “(B) contact lenses,
  - “(C) hearing aids, and
  - “(D) any other medical device determined by the Secretary to be of a type which is generally purchased by the general public at retail for individual use.”, and
- (2) by inserting after the item relating to subchapter D in the table of subchapters for such chapter the following new item:

“SUBCHAPTER E. MEDICAL DEVICES”.

(b) CERTAIN EXEMPTIONS NOT TO APPLY.—

(1) Section 4221(a) of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: “In the case of the tax imposed by section 4191, paragraphs (3), (4), (5), and (6) shall not apply.”

(2) Section 6416(b)(2) of such Code is amended by adding at the end the following: “In the case of the tax imposed by section 4191, subparagraphs (B), (C), (D), and (E) shall not apply.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after December 31, 2012.

(d) REPEAL OF SECTION 9009 OF THE PATIENT PROTECTION AND AFFORDABLE CARE ACT.—Section 9009 of the Patient Protection and Affordable Care Act, as amended by section 10904 of such Act, is repealed effective as of the date of enactment of that Act.

**SEC. 1406. HEALTH INSURANCE PROVIDERS.**

(a) IN GENERAL.—Section 9010 of the Patient Protection and Affordable Care Act, as amended by section 10905 of such Act, is amended—

(1) in subsection (a)(1), by striking “2010” and inserting “2013”;

(2) in subsection (b)(2)—

(A) by striking “For purposes of paragraph (1), the net premiums” and inserting “For purposes of paragraph (1)—

“(A) IN GENERAL.—The net premiums”; and

(B) by adding at the end the following subparagraph:

“(B) PARTIAL EXCLUSION FOR CERTAIN EXEMPT ACTIVITIES.—After the application of subparagraph (A), only 50 percent of the remaining net premiums written with respect to health insurance for any United States health risk that are attributable to the activities (other than activities of an unrelated trade or business as defined in section 513 of the Internal Revenue Code of 1986) of any covered entity qualifying under paragraph (3), (4), (26), or (29) of section 501(c) of such Code and exempt from tax under section 501(a) of such Code shall be taken into account.”;

(3) in subsection (c)—

(A) by inserting “during the calendar year in which the fee under this section is due” in paragraph (1) after “risk”;

(B) in paragraph (2), by striking subparagraphs (C), (D), and (E) and inserting the following new subparagraphs:

“(C) any entity—