

115TH CONGRESS  
1ST SESSION

# S. 761

To amend the Internal Revenue Code of 1986 to allow individuals to receive a premium assistance credit for insurance not purchased on an Exchange, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MARCH 29, 2017

Mr. ALEXANDER (for himself and Mr. CORKER) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to allow individuals to receive a premium assistance credit for insurance not purchased on an Exchange, 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.**

4 This Act may be cited as the “Health Care Options  
5 Act of 2017”.

1 **SEC. 2. PREMIUM ASSISTANCE CREDIT ALLOWED FOR IN-**  
 2 **SURANCE OUTSIDE AN EXCHANGE.**

3 (a) IN GENERAL.—Section 36B of the Internal Rev-  
 4 enue Code of 1986 is amended by redesignating subsection  
 5 (g) as subsection (h) and by inserting after subsection (f)  
 6 the following new subsection:

7 “(g) SPECIAL RULES RELATING TO CERTAIN OFF-  
 8 EXCHANGE PLANS.—

9 “(1) IN GENERAL.—In the case of a taxpayer  
 10 described in paragraph (2) who is covered, or whose  
 11 spouse or dependent is covered, by a plan described  
 12 in paragraph (3) for a coverage month beginning  
 13 after December 31, 2017, and before January 1,  
 14 2020, this section shall be applied with the following  
 15 modifications:

16 “(A) Such plan shall be treated as a quali-  
 17 fied health plan.

18 “(B) Subparagraph (A) of subsection  
 19 (b)(2) shall be applied without regard to so  
 20 much of such subparagraph as follows ‘of the  
 21 taxpayer’ and precedes ‘, or’.

22 “(C) Clause (i) of subsection (b)(3)(B)  
 23 shall be applied by substituting ‘through an Ex-  
 24 change’ for ‘through the same Exchange  
 25 through which the qualified health plans taken

1 into account under paragraph (2)(A) were of-  
 2 fered’.

3 “(D) Clause (i) of subsection (c)(2)(A)  
 4 shall be applied without regard to so much of  
 5 such clause as follows ‘(b)(2)(A)’ and precedes  
 6 ‘, and’.

7 “(E) Subsection (d)(3)(B) shall be applied  
 8 without regard to ‘through an Exchange’.

9 “(2) TAXPAYER DESCRIBED.—For purposes of  
 10 this subsection, a taxpayer is described in this para-  
 11 graph if the taxpayer resides in a rating area or  
 12 county in which the Secretary of Health and Human  
 13 Services certifies that no qualified health plans are  
 14 offered through an Exchange established under Sec-  
 15 tion 1311 of the Patient Protection and Affordable  
 16 Care Act.

17 “(3) PLANS DESCRIBED.—For purposes of this  
 18 subsection, a plan is described in this paragraph if—

19 “(A) enrollment in the plan was not done  
 20 through an Exchange, and

21 “(B) the plan is authorized by the State in  
 22 which the taxpayer resides to be offered in the  
 23 individual market in the State other than  
 24 through an Exchange, or is a not-for-profit  
 25 membership organization organized under State

1 law and authorized under State law to accept  
 2 member contributions to fund health care bene-  
 3 fits for members and their families.”.

4 (b) OFF-EXCHANGE PLANS EXCLUDED FROM AD-  
 5 VANCE PAYMENTS.—Section 1412 of the Patient Protec-  
 6 tion and Affordable Care Act (42 U.S.C. 18082) is amend-  
 7 ed by adding at the end the following new subsection:

8 “(f) NONAPPLICATION TO OFF-EXCHANGE PLANS.—  
 9 This section and section 1411 shall not apply, and no ad-  
 10 vance determination or advance payment shall be made,  
 11 in the case of an individual enrolling in a plan described  
 12 in section 36B(g)(3) of the Internal Revenue Code of  
 13 1986.”.

14 (c) REPORTING.—Subsection (b) of section 6055 of  
 15 the Internal Revenue Code of 1986 is amended by adding  
 16 at the end the following new paragraph:

17 “(3) INFORMATION RELATING TO OFF-EX-  
 18 CHANGE COVERAGE.—If minimum essential coverage  
 19 provided to an individual under subsection (a) con-  
 20 sists of coverage described in section 36B(g)(3), a  
 21 return described in this subsection for taxable years  
 22 beginning before January 1, 2020, shall include—

23 “(A) a statement that such plan is cov-  
 24 erage not enrolled in through an Exchange,

1 “(B) the premiums paid with respect to  
2 such coverage,

3 “(C) the months during which such cov-  
4 erage is provided to the individual,

5 “(D) the adjusted monthly premium for  
6 the applicable second lowest cost silver plan (as  
7 defined in section 36B(b)(3), determined with-  
8 out regard to whether such plan is offered  
9 through an Exchange if the Secretary of Health  
10 and Human Services has made the determina-  
11 tion under section 36B(g)(2) with respect to the  
12 rating area) for each such month with respect  
13 to such individual, and

14 “(E) such other information as the Sec-  
15 retary may prescribe.”.

16 (d) WAIVER OF INDIVIDUAL MANDATE IN AREAS  
17 WITH NO EXCHANGE PLANS.—

18 (1) IN GENERAL.—Paragraph (1) of section  
19 5000A(d) of the Internal Revenue Code of 1986 is  
20 amended by striking “or (4)” and inserting “(4), or  
21 (5)”.

22 (2) INDIVIDUALS RESIDING IN EXEMPTED  
23 AREAS.—Subsection (d) of section 5000A of such  
24 Code is amended by adding at the end the following  
25 new paragraph:

1           “(5) INDIVIDUALS RESIDING IN EXEMPTED  
2       AREAS.—For purposes of months beginning after  
3       December 31, 2017, and before January 1, 2020,  
4       such term shall not include an individual who resides  
5       in a rating area or county in which the Secretary of  
6       Health and Human Services certifies for purposes of  
7       section 36B(g)(2) that no qualified health plans are  
8       offered through an Exchange established under Sec-  
9       tion 1311 of the Patient Protection and Affordable  
10      Care Act.”.

11      (e) EFFECTIVE DATE.—The amendments made by  
12      this section shall apply to taxable and plan years begin-  
13      ning after December 31, 2017.

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