

117TH CONGRESS  
1ST SESSION

# H. R. 2881

To amend title XVIII of the Social Security Act to provide for an option for individuals who are ages 50 to 64 to buy into Medicare, to provide for health insurance market stabilization, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2021

Mr. HIGGINS of New York (for himself, Mr. LARSON of Connecticut, Mr. COURTNEY, and Mr. WELCH) 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

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## A BILL

To amend title XVIII of the Social Security Act to provide for an option for individuals who are ages 50 to 64 to buy into Medicare, to provide for health insurance market stabilization, 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 “Medicare Buy-In and  
5 Health Care Stabilization Act of 2021”.

1 **SEC. 2. FINDINGS.**

2 Congress finds as follows:

3 (1) Medicare has coverage gaps and should pro-  
4 vide more comprehensive coverage, including increas-  
5 ing coverage for the medical needs of beneficiaries  
6 relating to hearing, dental, and vision care.

7 (2) Special needs populations face financial  
8 challenges to secure coverage for Medicare’s out of  
9 pocket costs and other hurdles.

10 (3) Medicare Buy-In is a step in the right di-  
11 rection as Congress considers additional needed leg-  
12 islation to address these and other coverage issues  
13 and beneficiary financial challenges in Medicare and  
14 Medicare Buy-In.

15 **SEC. 3. MEDICARE BUY-IN OPTION.**

16 (a) IN GENERAL.—Title XVIII of the Social Security  
17 Act (42 U.S.C. 1395c et seq.) is amended by adding at  
18 the end the following new section:

19 “MEDICARE BUY-IN OPTION

20 “SEC. 1899C. (a) OPTION.—

21 “(1) IN GENERAL.—Every individual who meets  
22 the requirements described in paragraph (2) shall be  
23 eligible to enroll under this section.

24 “(2) ELIGIBILITY.—An individual who meets  
25 the following requirements is eligible to enroll under  
26 this section:

1           “(A) AGE.—The individual has attained 50  
2           years of age, but has not attained 65 years of  
3           age.

4           “(B) MEDICARE ELIGIBILITY (BUT FOR  
5           AGE).—The individual is not otherwise entitled  
6           to benefits under part A or eligible to enroll  
7           under part A or part B but would be eligible for  
8           benefits under part A or part B if the indi-  
9           vidual were 65 years of age.

10          “(3) PART A, B, AND D BENEFITS AND PROTEC-  
11          TIONS.—An individual enrolled under this section is  
12          entitled to the same benefits (and shall receive the  
13          same protections) under this title as an individual  
14          who is entitled to benefits under part A and enrolled  
15          under parts B and D, including the ability to enroll  
16          in a Medicare Advantage plan that provides qualified  
17          prescription drug coverage (an MA–PD plan) and  
18          including access to the Medicare Beneficiary Om-  
19          budsman under section 1808(c).

20          “(b) ENROLLMENT AND COVERAGE PERIODS.—The  
21          Secretary shall establish enrollment and coverage periods  
22          for individuals who enroll under this section. Such periods  
23          shall be established in coordination with the enrollment  
24          and coverage periods for plans offered under an Exchange  
25          established under title I of the Patient Protection and Af-

1 fordable Care Act. The Secretary shall establish such peri-  
 2 ods so that coverage under this section shall first begin  
 3 on January 1 of the first year beginning at least one year  
 4 after the date of the enactment of this section and shall  
 5 include special enrollment periods, in accordance with sec-  
 6 tion 155.420 of title 45 of the Code of Federal Regula-  
 7 tions, that are applicable to qualified health plans offered  
 8 through an Exchange.

9 “(c) BUY-IN PREMIUM.—

10 “(1) AMOUNT OF MONTHLY PREMIUMS.—The  
 11 Secretary shall (beginning for the first year that be-  
 12 gins more than 1 year after the date of the enact-  
 13 ment of this section), during September of the pre-  
 14 ceding year, determine a monthly premium for indi-  
 15 viduals enrolled under this section. Such monthly  
 16 premium shall be equal to  $\frac{1}{12}$  of the annual pre-  
 17 mium computed under paragraph (2)(B), which  
 18 shall apply with respect to coverage provided under  
 19 this section for any month in such year.

20 “(2) ANNUAL PREMIUM.—

21 “(A) COMBINED NATIONAL, PER CAPITA  
 22 AVERAGE FOR PARTS A, B, AND D BENEFITS.—  
 23 The Secretary shall estimate the average, an-  
 24 nual per capita amount for benefits and admin-  
 25 istrative expenses that will be payable under

1 parts A, B, and D in the year for all individuals  
2 enrolled under this section.

3 “(B) ANNUAL PREMIUM.—Subject to sub-  
4 paragraphs (C) and (D), the annual premium  
5 under this subsection for months in a year is  
6 equal to the average, annual per capita amount  
7 estimated under subparagraph (A) for the year.

8 “(C) ADJUSTMENTS.—The Secretary shall  
9 adjust the annual premium under this sub-  
10 section as necessary—

11 “(i) to ensure that expenditures under  
12 this title for any year are not increased by  
13 reason of this section; and

14 “(ii) by a geographic adjustment fac-  
15 tor to address regional affordability con-  
16 cerns.

17 “(D) AUTHORITY TO CALCULATE  
18 AMOUNTS OF MONTHLY PREMIUMS SEPARATELY  
19 FOR DIFFERENT AGES.—In determining the an-  
20 nual premium amount under this paragraph for  
21 months in a year, the Secretary may make sep-  
22 arate determinations of such amount for indi-  
23 viduals by age, if the Secretary determines that  
24 making such separate determinations would in-

1           crease enrollment under this section and reduce  
2           the risk of adverse selection.

3           “(3) ADDITIONAL PREMIUM FOR CERTAIN PART  
4           D PLANS.—Nothing in this section shall preclude an  
5           individual from choosing a prescription drug plan  
6           which requires the individual to pay an additional  
7           amount (because of the inclusion of supplemental  
8           prescription drug benefits or because the plan is a  
9           more expensive plan, pursuant to section 1860D–  
10          13(a)(1)). In such case, the monthly premium under  
11          paragraph (1) shall be increased with respect to  
12          such individual.

13          “(d) PAYMENT OF PREMIUMS.—

14                 “(1) PAYMENT.—Premiums for enrollment  
15                 under this section shall be paid to the Secretary at  
16                 such times, and in such manner, as the Secretary  
17                 determines appropriate.

18                 “(2) DEPOSIT.—Amounts collected by the Sec-  
19                 retary under this section shall be deposited in the  
20                 Medicare Buy-In Trust Fund established under sub-  
21                 section (e).

22          “(e) MEDICARE BUY-IN TRUST FUND.—

23                 “(1) IN GENERAL.—There is hereby created on  
24                 the books of the Treasury of the United States a  
25                 trust fund to be known as the ‘Medicare Buy-In

1       Trust Fund’ (in this subsection referred to as the  
 2       ‘Trust Fund’). The Trust Fund shall consist of such  
 3       gifts and bequests as may be made as provided in  
 4       section 201(i)(1) and such amounts as may be de-  
 5       posited in, or appropriated to, such fund as provided  
 6       in this title.

7               “(2) PREMIUMS.—Premiums collected under  
 8       subsection (d) shall be transferred to the Trust  
 9       Fund.

10              “(3) INCORPORATION OF PROVISIONS.—Sub-  
 11       sections (b) through (i) of section 1841 shall apply  
 12       with respect to the Trust Fund and this title in the  
 13       same manner as they apply with respect to the Fed-  
 14       eral Supplementary Medical Insurance Trust Fund  
 15       and part B, respectively, except that in applying  
 16       such section 1841, any reference in such section to  
 17       ‘this part’ shall be construed to be a reference to  
 18       this section and any reference in section 1841(h) to  
 19       section 1840(d) and in section 1841(i) to sections  
 20       1840(b)(1) and 1842(g) are deemed to be references  
 21       to comparable authority exercised under this section.

22              “(f) CLARIFICATION.—Nothing in this section shall  
 23       affect the benefits or eligibility under this title of individ-  
 24       uals who would otherwise be entitled to or eligible for ben-  
 25       efits under this title or title XIX, or both.

1 “(g) ELIGIBILITY FOR FINANCIAL ASSISTANCE.—

2 “(1) IN GENERAL.—Individuals enrolled in cov-  
3 erage under this section shall, from amounts trans-  
4 ferred under paragraph (2), receive financial assist-  
5 ance for such coverage that is substantially similar  
6 to the assistance the individual would have received  
7 if the individual were enrolled in a qualified health  
8 plan through an Exchange.

9 “(2) TRANSFER OF FUNDS TO MEDICARE BUY-  
10 IN TRUST FUND.—

11 “(A) IN GENERAL.—The Secretary shall  
12 transfer to the Medicare Buy-In Trust Fund  
13 under subsection (d) for each plan year the  
14 amount determined under paragraph (C) for  
15 such year.

16 “(B) USE OF FUNDS.—The amounts  
17 transferred to the Medicare Buy-In Trust Fund  
18 under subparagraph (A) shall only be used to  
19 reduce the premiums and cost-sharing for cov-  
20 erage under this section of individuals enrolled  
21 under such coverage who would be eligible for  
22 cost-sharing reductions under section 1402 of  
23 the Patient Protection and Affordable Care Act  
24 and premium assistance under section 36B of

1 the Internal Revenue Code of 1986 if such indi-  
2 vidual were enrolled in a qualified health plan.

3 “(C) AMOUNT OF TRANSFER.—

4 “(i) IN GENERAL.—The amount de-  
5 termined under this subparagraph for any  
6 plan year is the aggregate amount the Sec-  
7 retary determines is equal to 100 percent  
8 of the premium tax credits under section  
9 36B of the Internal Revenue Code of  
10 1986, and 100 percent of the cost-sharing  
11 reductions under section 1402 of the Pa-  
12 tient Protection and Affordable Care Act,  
13 that would have been provided for the plan  
14 year to eligible individuals who meet speci-  
15 fied income criteria and are enrolled for  
16 such plan year in coverage provided  
17 through enrollment under this section if  
18 such individuals were enrolled for such  
19 year in a qualified health plan through an  
20 Exchange.

21 “(ii) SPECIFIC REQUIREMENTS.—The  
22 Secretary shall make the determination  
23 under clause (i) on a per enrollee basis and  
24 shall take into account all relevant factors  
25 necessary to determine the value of the

1 premium tax credits and cost-sharing re-  
2 ductions that would have been provided to  
3 eligible individuals described in section  
4 1331 of the Patient Protection and Afford-  
5 able Care Act, including the age and in-  
6 come of the enrollee, geographic differences  
7 in average spending for health care across  
8 rating areas, the health status of the en-  
9 rollee for purposes of determining risk ad-  
10 justment payments and reinsurance pay-  
11 ments that would have been made if the  
12 enrollee had enrolled in a qualified health  
13 plan through an Exchange, and whether  
14 any reconciliation of the credit or cost-  
15 sharing reductions would have occurred if  
16 the enrollee had been so enrolled. This de-  
17 termination shall take into consideration  
18 the experience of other States with respect  
19 to participation in an Exchange and such  
20 credits and reductions provided to resi-  
21 dents of the other States, with a special  
22 focus on enrollees with income below 200  
23 percent of poverty.

24 “(D) CERTIFICATION.—

1           “(i) IN GENERAL.—The Chief Actuary  
2           of the Centers for Medicare & Medicaid  
3           Services, in consultation with the Office of  
4           Tax Analysis of the Department of the  
5           Treasury, shall certify whether the method-  
6           ology used to make determinations under  
7           subparagraph (C), and such determina-  
8           tions, meet the requirements of this para-  
9           graph. Such certifications shall be based  
10          on sufficient data from the federal ex-  
11          change and from comparable States about  
12          their experience with programs created by  
13          the Basic Health Plan.

14          “(ii) CORRECTIONS.—The Secretary  
15          shall adjust the payment to the Trust  
16          Fund for any plan year to reflect any error  
17          in the determinations under subparagraph  
18          (C) for any preceding plan year.

19          “(iii) APPLICATION.—Coverage pro-  
20          vided through enrollment under this part  
21          and parts B and D pursuant to this sec-  
22          tion shall be treated as coverage under a  
23          qualified health plan in the silver level of  
24          coverage in the individual market offered

1 through an Exchange and the Secretary  
2 shall be treated as the issuer of such plan.

3 “(h) TREATMENT IN RELATION TO THE AFFORD-  
4 ABLE CARE ACT.—

5 “(1) TREATMENT AS MINIMUM ESSENTIAL COV-  
6 ERAGE.—For purposes of applying section 5000A of  
7 the Internal Revenue Code of 1986, the coverage  
8 provided through enrollment under this section con-  
9 stitutes minimum essential coverage under sub-  
10 section (f)(1)(A)(i) of such section.

11 “(2) USE OF EXCHANGES.—Coverage provided  
12 through enrollment under this section shall be  
13 deemed to be coverage under a qualified health plan  
14 for purposes of section 1311(d)(4)(C) of the Patient  
15 Protection and Affordable Care Act and shall be  
16 made available for enrollment, information compari-  
17 son, and otherwise as such a plan through any inter-  
18 net website maintained by an Exchange established  
19 under title I of such Act (as described in such sec-  
20 tion).

21 “(3) MEDICAID MANAGED CARE.—States are  
22 prohibited from buying their Medicaid beneficiaries  
23 ages 50 to 64 into Medicare under this section, and  
24 individuals otherwise eligible for enrollment under a  
25 State plan under title XIX are prohibited from cov-

1       erage under this title pursuant to enrollment under  
2       this section. The preceding sentence shall not apply  
3       to Medicaid beneficiaries whose Medicaid coverage or  
4       eligibility does not meet the definition of minimum  
5       essential coverage under a government-sponsored  
6       program under section 1.5000A–2 of title 26, Code  
7       of Federal Regulations (or any successor regulation).

8               “(4) ACCESS TO MEDIGAP.—Coverage provided  
9       through medicare supplemental policies certified  
10       under section 1882 shall be made available to indi-  
11       viduals eligible for enrollment pursuant to this sec-  
12       tion for enrollment, information, comparison, and  
13       otherwise as such a policy through any internet  
14       website described in paragraph (2).

15              “(i) OVERSIGHT.—There is established an advisory  
16       committee to be known as the ‘Medicare Buy In Oversight  
17       Board’ to monitor and oversee the implementation of this  
18       section, including the experience of the individuals enroll-  
19       ing under this section. The Medicare Buy In Oversight  
20       Board shall make periodic recommendations for the con-  
21       tinual improvement of the implementation of this section  
22       as well as the relationship of enrollment under this section  
23       to other health care programs.

24              “(j) OUTREACH AND ENROLLMENT.—

1           “(1) IN GENERAL.—During the period that be-  
2           gins on January 1, 2021, and ends on December 31,  
3           2023, the Secretary shall award grants to eligible  
4           entities for the following purposes:

5                   “(A) OUTREACH AND ENROLLMENT.—To  
6                   carry out outreach, public education activities,  
7                   and enrollment activities to raise awareness of  
8                   the availability of, and encourage, enrollment  
9                   under this section.

10                   “(B) ASSISTING INDIVIDUALS TRANSITION  
11                   UNDER THIS SECTION.—To provide assistance  
12                   to individuals to enroll under this section.

13                   “(C) RAISING AWARENESS OF PREMIUM  
14                   ASSISTANCE AND COST-SHARING REDUC-  
15                   TIONS.—To distribute fair and impartial infor-  
16                   mation concerning enrollment under this section  
17                   and the availability of premium assistance tax  
18                   credits under section 36B of the Internal Rev-  
19                   enue Code of 1986 and cost-sharing reductions  
20                   under section 1402 of the Patient Protection  
21                   and Affordable Care Act, and to assist eligible  
22                   individuals in applying for such tax credits and  
23                   cost-sharing reductions.

24           “(2) ELIGIBLE ENTITIES.—

1           “(A) IN GENERAL.—In this subsection, the  
2           term ‘eligible entity’ means—

3                   “(i) a State; or

4                   “(ii) a nonprofit community-based or-  
5           ganization.

6           “(B) ENROLLMENT AGENTS.—Such term  
7           includes a licensed independent insurance agent  
8           or broker that has an arrangement with a State  
9           or nonprofit community-based organization to  
10          enroll eligible individuals under this section.

11          “(C) EXCLUSIONS.—Such term does not  
12          include an entity that—

13                   “(i) is a health insurance issuer; or

14                   “(ii) receives any consideration, either  
15                  directly or indirectly, from any health in-  
16                  surance issuer in connection with the en-  
17                  rollment of any individuals under this sec-  
18                  tion.

19          “(3) PRIORITY.—In awarding grants under this  
20          subsection, the Secretary shall give priority to  
21          awarding grants to States or eligible entities in  
22          States that have geographic rating areas at risk of  
23          having no qualified health plans in the individual  
24          market.

1           “(4) FUNDING.—Out of any moneys in the  
2       Treasury not otherwise appropriated, \$500,000,000  
3       is appropriated to the Secretary for each of calendar  
4       years 2021 through 2023, to carry out this sub-  
5       section.

6       “(k) IMPLEMENTATION.—

7           “(1) CONSULTATION.—In carrying out this sec-  
8       tion, the Secretary shall—

9           “(A) consult with other Federal agencies,  
10       including the Department of the Treasury, the  
11       Department of Labor, the Department of Vet-  
12       erans Affairs, the Department of Defense, and  
13       the Office of Personnel Management; and

14          “(B) incorporate significant public con-  
15       sultation and feedback, through public forums,  
16       notice and comment rulemaking, and any other  
17       appropriate mediums.

18          “(2) REPORT.—No later than one year after  
19       the date of the enactment of this section, the Sec-  
20       retary shall submit to Congress a report establishing  
21       the administrative parameters for the implementa-  
22       tion of this section.

23          “(l) FEASIBILITY STUDY.—The Secretary shall con-  
24       duct a study on the feasibility of applying this section with

1 respect to individuals residing in States that are not with-  
2 in the 50 States or the District of Columbia.”.

3 (b) MEDIGAP.—Section 1882 of the Social Security  
4 Act is amended by adding at the end the following new  
5 subsection:

6 “(aa) DEVELOPMENT OF NEW STANDARDS FOR CER-  
7 TAIN MEDICARE SUPPLEMENTAL POLICIES RELATING TO  
8 BUY-IN OPTION.—The Secretary shall request the Na-  
9 tional Association of Insurance Commissioners to review  
10 and revise the standards for benefit packages described  
11 in subsection (p)(1), to otherwise update standards to in-  
12 clude requirements for each medicare supplemental policy  
13 that offers such a policy in a State, with respect to each  
14 year, to accept every individual in the State who is eligible  
15 for enrollment pursuant to section 1899C and who applies  
16 for such coverage for such year if the individual applies  
17 for enrollment in such policy during the 30-day period fol-  
18 lowing the date of enrollment pursuant to section 1899C  
19 and to accept every such individual during a period of  
20 transition from enrollment pursuant to such section to en-  
21 rollment under this title pursuant to eligibility other than  
22 under such section. Such revisions shall be made con-  
23 sistent with the rules applicable under subsection  
24 (p)(1)(E) with the reference to the ‘1991 NAIC Model  
25 Regulation’ deemed a reference to the NAIC Model Regu-

1 lation as published in the Federal Register on December  
 2 4, 1998, and as subsequently updated by the National As-  
 3 sociation of Insurance Commissioners to reflect previous  
 4 changes in law and the reference to ‘date of enactment  
 5 of this subsection’ deemed a reference to the date of enact-  
 6 ment of this subsection (aa).”.

7 **SEC. 4. MEDICARE DIRECT SUPPLEMENTAL INSURANCE**  
 8 **OPTION.**

9 (a) IN GENERAL.—Title XVIII of the Social Security  
 10 Act is amended by inserting after section 1882 (42 U.S.C.  
 11 1395ss) the following new section:

12 **“SEC. 1882A. MEDICARE DIRECT SUPPLEMENTAL INSUR-**  
 13 **ANCE OPTION.**

14 “(a) IN GENERAL.—The Secretary shall provide for  
 15 the offering under this section of a voluntary program to  
 16 supplement the benefits provided to individuals under  
 17 parts A and B of this title.

18 “(b) ELIGIBILITY; ENROLLMENT.—The Secretary  
 19 shall provide procedures for the enrollment under the pro-  
 20 gram under this section of individuals who are entitled to  
 21 benefits under part A and enrolled under part B, but who  
 22 are not enrolled in a Medicare Advantage plan (or in a  
 23 plan under section 1876). Such procedures shall be con-  
 24 sistent with the following:

1           “(1) There shall be an initial enrollment period  
2           during the last calendar quarter of 2022 that per-  
3           mits all individuals who are eligible to enroll at that  
4           time under this subsection to enroll and obtain bene-  
5           fits effective on January 1, 2023.

6           “(2) For individuals who are not eligible to en-  
7           roll at such time but who subsequently become eligi-  
8           ble, there shall be an individual enrollment period  
9           which is the 6-month period described in section  
10          1882(s)(2)(A).

11          “(3) The Secretary shall permit eligible individ-  
12          uals to enroll at other times (and not less frequently  
13          than annually) in a uniform manner, but such en-  
14          rollment shall be subject to a late enrollment penalty  
15          under subsection (d)(2)(B).

16          “(c) BENEFITS.—

17                 “(1) IN GENERAL.—The benefits provided  
18                 under the program under this section shall consist of  
19                 payment of the cost of deductibles, copayments, and  
20                 other cost-sharing amounts (including amounts at-  
21                 tributable to and permitted as balance billing) other-  
22                 wise imposed or permitted under this title, subject to  
23                 an annual deductible of \$100.

24                 “(2) ADMINISTRATION.—The Secretary shall  
25                 coordinate payment of benefits under this part with

1       those under parts A and B and may, for such pur-  
2       pose, enter into appropriate arrangements with  
3       qualified entities (which may include fiscal inter-  
4       mediaries and carriers).

5           “(3) NO PRE-EXISTING CONDITION LIMITA-  
6       TIONS.—The benefits under this section shall not be  
7       subject to any pre-existing condition or similar un-  
8       derwriting limitation.

9       “(d) PREMIUMS.—

10           “(1) ACTUARIAL COST.—The Secretary shall,  
11       during September of each year beginning with 2022,  
12       determine a monthly actuarial rate for all enrollees  
13       under this section, which rate shall be applicable for  
14       months in the succeeding calendar year. Such actu-  
15       arial rate shall be the amount the Secretary esti-  
16       mates to be necessary so that the aggregate amount  
17       for such calendar year with respect to those enrollees  
18       will equal the total amount which the Secretary esti-  
19       mates will be payable under this section for benefits  
20       accrued (including services performed and related  
21       administrative costs incurred) in such calendar year  
22       under the program under this section. In calculating  
23       the monthly actuarial rate, the Secretary shall make  
24       adjustments to take into account errors in esti-  
25       mations under this paragraph for previous years and

1 shall include an appropriate amount for a contin-  
2 gency margin.

3 “(2) PREMIUM.—

4 “(A) IN GENERAL.—The monthly premium  
5 of each individual enrolled under this section  
6 for a month in a year shall be the monthly ac-  
7 tuarial rate determined under paragraph (1) for  
8 months in such year. Such premium shall be  
9 community-rated and shall not vary among en-  
10 rollees based upon the age, place of residence,  
11 or any other factors, except as provided under  
12 subparagraph (B).

13 “(B) PENALTY FOR LATE ENROLLMENT.—

14 In the case of an individual who does not enroll  
15 under this section in a period provided under  
16 paragraph (1) or (2) of subsection (b), the Sec-  
17 retary shall increase the monthly premium (in  
18 a manner similar to that applied under part B  
19 pursuant to section 1839(b)) of 10 percent for  
20 each full 12 months in which the individual  
21 could have been but was not so enrolled. In ap-  
22 plying such an increase—

23 “(i) the aggregate percentage increase  
24 may not exceed 100 percent; and

1 “(ii) periods of time in which an indi-  
2 vidual is enrolled under an employee wel-  
3 fare benefit plan described in section  
4 1882(s)(3)(B)(i), under a Medicare Advan-  
5 tage plan, with an organization described  
6 in section 1882(s)(3)(B)(iii), or under a  
7 PACE program under section 1894 shall  
8 not be taken into account.

9 “(3) COLLECTION.—The Secretary shall pro-  
10 vide for the collection of premiums for enrollees  
11 under this part in the same manner as premiums  
12 under part B are collected under section 1840, ex-  
13 cept that any reference in such section to the Fed-  
14 eral Supplementary Medical Insurance Trust Fund  
15 shall be deemed a reference to an account (to be  
16 known as the ‘Direct Medicare Supplemental Insur-  
17 ance Account’) to be established in the Treasury by  
18 the Secretary to carry out the program under this  
19 section. Amounts in such account may be invested  
20 and draw interest in the same manner as such Trust  
21 Fund under section 1840(c).

22 “(4) USE OF FUNDS.—Premium amounts de-  
23 posited into the account established under paragraph  
24 (3) shall be available without regard to appropria-  
25 tions to the Secretary to make payment for benefits

1 and administrative costs incurred in carrying out  
2 this section.

3 “(e) NONDUPLICATION OF COVERAGE.—For pur-  
4 poses of applying section 1882(d)(3)(A), coverage under  
5 this section shall be treated as coverage under a Medicare  
6 supplemental policy.”.

7 (b) EFFECTIVE DATE.—The amendment made by  
8 subsection (a) shall take effect on the date of the enact-  
9 ment of this Act and shall apply to benefits for months  
10 beginning with January 2022.

11 **SEC. 5. NEGOTIATION OF LOWER COVERED PART D DRUG**  
12 **PRICES ON BEHALF OF MEDICARE BENE-**  
13 **FICIARIES.**

14 (a) NEGOTIATION BY SECRETARY.—Section 1860D–  
15 11 of the Social Security Act (42 U.S.C. 1395w–111) is  
16 amended by striking subsection (i) (relating to noninter-  
17 ference) and inserting the following:

18 “(i) NEGOTIATION OF LOWER DRUG PRICES.—

19 “(1) IN GENERAL.—Notwithstanding any other  
20 provision of law, the Secretary shall negotiate with  
21 pharmaceutical manufacturers the prices (including  
22 discounts, rebates, and other price concessions) that  
23 may be charged to PDP sponsors and MA organiza-  
24 tions for covered part D drugs for part D eligible in-

dividuals who are enrolled under a prescription drug plan or under an MA–PD plan.

“(2) NO CHANGE IN RULES FOR FORMULARIES.—

“(A) IN GENERAL.—Nothing in paragraph (1) shall be construed to authorize the Secretary to establish or require a particular formulary.

“(B) CONSTRUCTION.—Subparagraph (A) shall not be construed as affecting the Secretary’s authority to ensure appropriate and adequate access to covered part D drugs under prescription drug plans and under MA–PD plans, including compliance of such plans with formulary requirements under section 1860D–4(b)(3).

“(3) CONSTRUCTION.—Nothing in this subsection shall be construed as preventing the sponsor of a prescription drug plan, or an organization offering an MA–PD plan, from obtaining a discount or reduction of the price for a covered part D drug below the price negotiated under paragraph (1).

“(4) SEMI-ANNUAL REPORTS TO CONGRESS.—Not later than June 1, 2024, and every 6 months thereafter, the Secretary shall submit to the Com-

1 mittees on Ways and Means, Energy and Commerce,  
 2 and Oversight and Reform of the House of Rep-  
 3 resentatives and the Committee on Finance of the  
 4 Senate a report on negotiations conducted by the  
 5 Secretary to achieve lower prices for Medicare bene-  
 6 ficiaries, and the prices and price discounts achieved  
 7 by the Secretary as a result of such negotiations.”.

8 (b) EFFECTIVE DATE.—The amendment made by  
 9 subsection (a) shall take effect on the date of the enact-  
 10 ment of this Act and shall first apply to negotiations and  
 11 prices for plan years beginning on January 1, 2024.

12 **SEC. 6. INDIVIDUAL MARKET REINSURANCE FUND.**

13 (a) ESTABLISHMENT OF FUND.—

14 (1) IN GENERAL.—There is established the “In-  
 15 dividual Market Reinsurance Fund” (in this section  
 16 referred to as the “Fund”) to be administered by  
 17 the Secretary to provide funding for an individual  
 18 market stabilization reinsurance program in each  
 19 State that complies with the requirements of this  
 20 section.

21 (2) FUNDING.—Amounts made available to the  
 22 Fund shall consist of the funds deposited into the  
 23 Fund under paragraph (3) and shall be used to  
 24 carry out this section (other than subsection (c)) for  
 25 each calendar year beginning with 2023. Amounts

1       made available to the Fund shall remain available  
2       without fiscal or calendar year limitation to carry  
3       out this section.

4           (3) COST-SHARING IN COSTS OF PROGRAM.—

5               (A) IN GENERAL.—A qualified health plan  
6       that participates in the reinsurance program es-  
7       tablished under subsection (b) shall pay the fee  
8       established under subparagraph (B).

9               (B) AUTHORIZATION.—The Secretary is  
10      authorized to charge a fee to each qualified  
11      health plan that participates in the reinsurance  
12      program established under subsection (b). Any  
13      amounts collected pursuant to this paragraph  
14      shall be deposited into the Fund for purposes of  
15      payments under subsection (b).

16              (C) REQUIREMENTS.—In establishing the  
17      fee under subparagraph (B)—

18                      (i) the Secretary shall consult with in-  
19                      terested parties; and

20                      (ii) shall ensure that the amount of  
21                      such fee is not excessive so as to unduly  
22                      discourage qualified health plans from par-  
23                      ticipating in the reinsurance program.

24           (b) INDIVIDUAL MARKET REINSURANCE PRO-  
25      GRAM.—

1           (1) USE OF FUNDS.—The Secretary shall use  
2           amounts in the Fund to establish a reinsurance pro-  
3           gram under which the Secretary shall make reinsur-  
4           ance payments, subject to subsection (a)(3), to  
5           health insurance issuers with respect to high-cost in-  
6           dividuals enrolled in qualified health plans offered by  
7           such issuers that are not grandfathered health plans  
8           or transitional health plans for any plan year begin-  
9           ning with the 2020 plan year. This subsection con-  
10          stitutes budget authority in advance of appropria-  
11          tions Acts and represents the obligation of the Sec-  
12          retary to provide payments from the Fund in ac-  
13          cordance with this subsection.

14          (2) AMOUNT OF PAYMENT.—The payment  
15          made to a health insurance issuer under paragraph  
16          (1) with respect to each high-cost individual enrolled  
17          in a qualified health plan issued by the issuer that  
18          is not a grandfathered health plan or a transitional  
19          health plan shall equal 80 percent of the lesser of—

20                  (A) the amount (if any) by which the indi-  
21          vidual's claims incurred during the plan year  
22          exceeds—

23                          (i) in the case of the 2021, 2022, or  
24                          2023 plan year, \$50,000; and

1 (ii) in the case of any other plan year,  
 2 \$100,000; or

3 (B) for plan years described in—

4 (i) subparagraph (A)(i), \$450,000;

5 and

6 (ii) subparagraph (A)(ii), \$400,000.

7 (3) INDEXING.—In the case of plan years be-  
 8 ginning after 2021, the dollar amounts that appear  
 9 in subparagraphs (A) and (B) of paragraph (2) shall  
 10 each be increased by an amount equal to—

11 (A) such amount; multiplied by

12 (B) the premium adjustment percentage  
 13 specified under section 1302(c)(4) of the Af-  
 14 fordable Care Act, but determined by sub-  
 15 stituting “2019” for “2013”.

16 (4) PAYMENT METHODS.—

17 (A) IN GENERAL.—Payments under this  
 18 subsection shall be based on such a method as  
 19 the Secretary determines. The Secretary may  
 20 establish a payment method by which interim  
 21 payments of amounts under this subsection are  
 22 made during a plan year based on the Sec-  
 23 retary’s best estimate of amounts that will be  
 24 payable after obtaining all of the information.

1 (B) REQUIREMENT FOR PROVISION OF IN-  
2 FORMATION.—

3 (i) REQUIREMENT.—Payments under  
4 this subsection to a health insurance issuer  
5 are conditioned upon the furnishing to the  
6 Secretary, in a form and manner specified  
7 by the Secretary, of such information as  
8 may be required to carry out this sub-  
9 section.

10 (ii) RESTRICTION ON USE OF INFOR-  
11 MATION.—Information disclosed or ob-  
12 tained pursuant to clause (i) is subject to  
13 the HIPAA privacy and security law, as  
14 defined in section 3009(a) of the Public  
15 Health Service Act (42 U.S.C. 300jj–  
16 19(a)).

17 (5) SECRETARY FLEXIBILITY FOR BUDGET  
18 NEUTRAL REVISIONS TO REINSURANCE PAYMENT  
19 SPECIFICATIONS.—If the Secretary determines ap-  
20 propriate, the Secretary may substitute higher dollar  
21 amounts for the dollar amounts specified under sub-  
22 paragraphs (A) and (B) of paragraph (2) (and ad-  
23 justed under paragraph (3), if applicable) if the Sec-  
24 retary certifies that such substitutions, considered

1 together, neither increase nor decrease the total pro-  
2 jected payments under this subsection.

3 (c) REPORTS TO CONGRESS.—

4 (1) ANNUAL REPORT.—The Secretary shall  
5 submit a report to Congress, not later than January  
6 21, 2021, and each year thereafter, that contains  
7 the following information for the most recently  
8 ended year:

9 (A) The number and types of plans in each  
10 State’s individual market, specifying the num-  
11 ber that are qualified health plans, grand-  
12 fathered health plans, or health insurance cov-  
13 erage that is not a qualified health plan.

14 (B) The impact of the reinsurance pay-  
15 ments provided under this section on the avail-  
16 ability of coverage, cost of coverage, and cov-  
17 erage options in each State.

18 (C) The amount of premiums paid by indi-  
19 viduals in each State by age, family size, geo-  
20 graphic area in the State’s individual market,  
21 and category of health plan (as described in  
22 subparagraph (A)).

23 (D) The process used to award funds for  
24 outreach and enrollment activities awarded to  
25 eligible entities under subsection (c), the

1 amount of such funds awarded, and the activi-  
2 ties carried out with such funds.

3 (E) Such other information as the Sec-  
4 retary deems relevant.

5 (2) EVALUATION REPORT.—Not later than Jan-  
6 uary 31, 2024, the Secretary shall submit to Con-  
7 gress a report that—

8 (A) analyzes the impact of the funds pro-  
9 vided under this section on premiums and en-  
10 rollment in the individual market in all States;  
11 and

12 (B) contains a State-by-State comparison  
13 of the design of the programs carried out by  
14 States with funds provided under this section.

15 (d) DEFINITIONS.—In this section:

16 (1) SECRETARY.—The term “Secretary” means  
17 the Secretary of the Department of Health and  
18 Human Services.

19 (2) FUND.—The term “Fund” means the Indi-  
20 vidual Market Reinsurance Fund established under  
21 subsection (a).

22 (3) GRANDFATHERED HEALTH PLAN.—The  
23 term “grandfathered health plan” has the meaning  
24 given that term in section 1251(e) of the Patient  
25 Protection and Affordable Care Act.

1           (4) HIGH-COST INDIVIDUAL.—The term “high-  
2           cost individual” means an individual enrolled in a  
3           qualified health plan (other than a grandfathered  
4           health plan or a transitional health plan) who incurs  
5           claims in excess of \$50,000 during a plan year.

6           (5) STATE.—The term “State” means each of  
7           the 50 States and the District of Columbia.

8           (6) TRANSITIONAL HEALTH PLAN.—The term  
9           “transitional health plan” means a plan continued  
10          under the letter issued by the Centers for Medicare  
11          & Medicaid Services on November 14, 2013, to the  
12          State Insurance Commissioners outlining a transi-  
13          tional policy for coverage in the individual and small  
14          group markets to which section 1251 of the Patient  
15          Protection and Affordable Care Act does not apply,  
16          and under the extension of the transitional policy for  
17          such coverage set forth in the Insurance Standards  
18          Bulletin Series guidance issued by the Centers for  
19          Medicare & Medicaid Services on March 5, 2014,  
20          February 29, 2016, and February 13, 2017.

21 **SEC. 7. REAUTHORIZATION OF RISK CORRIDORS.**

22          Section 1342(a) of the Patient Protection and Af-  
23          fordable Care Act (42 U.S.C. 18062(a)) is amended by  
24          inserting “and calendar years 2023 through 2026” after  
25          “2016”.

1 **SEC. 8. INTEGRATION OF INDIVIDUALS AGED 50 TO 64 INTO**  
 2 **HEALTH DEMONSTRATIONS.**

3 The Center for Medicare and Medicaid Innovation  
 4 under section 1115A of the Social Security Act (42 U.S.C.  
 5 1315a) is authorized to include the individuals enrolled  
 6 under title XVIII of the Social Security Act pursuant to  
 7 section 1899C of such Act, as added by section 3, into  
 8 existing and future demonstrations conducted by such  
 9 Center.

10 **SEC. 9. QUALIFIED HEALTH PLAN TAX CREDIT EXPANSION**  
 11 **MADE PERMANENT.**

12 (a) IN GENERAL.—Section 36B of the Internal Rev-  
 13 enue Code of 1986 is amended—

14 (1) in subsection (b)(3)(A)(iii)—

15 (A) by striking the header and inserting  
 16 “PERCENTAGES FOR TAXABLE YEARS BEGIN-  
 17 NING AFTER 2020”, and

18 (B) by striking “beginning in 2021 or  
 19 2022” and inserting “beginning after 2020”,  
 20 and

21 (2) in subsection (c)(1)(E)—

22 (A) by striking the header and inserting  
 23 “RULE FOR TAXABLE YEARS AFTER 2020”, and

24 (B) by striking “beginning in 2021 or  
 25 2022” and inserting “beginning after 2020”.

1       (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2020.

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