

104TH CONGRESS
2D SESSION

H. R. 3787

To amend the Social Security Act to provide for a program of health insurance for children under 13 years of age and for mothers-to-be.

IN THE HOUSE OF REPRESENTATIVES

JULY 11, 1996

Mr. GIBBONS (for himself, Mr. RANGEL, Mr. STARK, Mr. MILLER of California, Mr. LaFALCE, Mr. LANTOS, Mr. HILLIARD, and Ms. NORTON) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Social Security Act to provide for a program of health insurance for children under 13 years of age and for mothers-to-be.

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 “Healthy Start Act of
5 1996”.

1 **SEC. 2. HEALTH INSURANCE FOR CHILDREN AND MOTH-**
 2 **ERS-TO-BE.**

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

5 “TITLE XXI—HEALTHY START
 6 “**SEC. 2100. ESTABLISHMENT OF PROGRAM OF HEALTH IN-**
 7 **SURANCE FOR CHILDREN AND MOTHERS-TO-**
 8 **BE.**

9 “There is hereby established a program of health in-
 10 surance for children under 13 years of age and mothers-
 11 to-be.

12 “PART A—ELIGIBILITY

13 “**SEC. 2101. GENERAL ELIGIBILITY.**

14 “(a) CHILDREN.—

15 “(1) IN GENERAL.—Every individual—

16 “(A) who is a child (as defined in para-
 17 graph (2)),

18 “(B) whose principal place of abode is in
 19 the United States,

20 “(C) who is a citizen or national of the
 21 United States or a permanent resident alien (as
 22 defined in subsection (d)), and

23 “(D) who is not covered under a qualified
 24 health plan (as defined in subsection (e)),

25 is, upon registration under section 2102, entitled to
 26 benefits under this title as a child.

1 “(2) CHILD DEFINED.—In this title, the term
2 ‘child’ means an individual from birth until the end
3 of the month in which the individual attains 13
4 years of age.

5 “(b) MOTHERS.—

6 “(1) IN GENERAL.—Every woman—

7 “(A) who is a pregnant woman (as defined
8 in paragraph (2)),

9 “(B) whose principal place of abode is in
10 the United States,

11 “(C) who is a citizen or national of the
12 United States or a permanent resident alien (as
13 defined in subsection (d)), and

14 “(D) who is not covered under a qualified
15 health plan (as defined in subsection (e)),
16 is entitled to benefits under this title as a pregnant
17 woman.

18 “(2) PREGNANT WOMAN DEFINED.—In this
19 title, the term ‘pregnant woman’ means a woman
20 during the period—

21 “(A) beginning on the date she receives the
22 examination or test which forms the basis for
23 the certification of pregnancy under section
24 2102(b)(1), and

1 “(B) ending on the last day of the month
2 in which the 60-day period (beginning on the
3 date of termination of the pregnancy) ends.

4 “(c) PREGNANT CHILDREN.—In the case of an indi-
5 vidual who is entitled under this section to benefits under
6 this title as a child and as a pregnant woman, the individ-
7 ual is entitled to benefits as both.

8 “(d) PERMANENT RESIDENT ALIEN DEFINED.—In
9 this section, the term ‘permanent resident alien’ means an
10 alien lawfully admitted for permanent residence or other-
11 wise permanently residing in the United States under
12 color of law, and includes an alien granted asylum under
13 section 208 of the Immigration and Nationality Act or
14 lawfully admitted as a temporary resident under section
15 210, 210A, or 245A of such Act.)

16 “(e) QUALIFIED HEALTH PLAN.—In this section, the
17 term ‘qualified health plan’ means a plan of health insur-
18 ance or coverage, an employee welfare benefit plan that
19 provides health benefits, or other plan (other than under
20 this title) under Federal or State law that provides cov-
21 erage of benefits which the Secretary of Health and
22 Human Services determines is substantially equivalent to
23 the coverage of benefits provided under this title.

1 **“SEC. 2102. REGISTRATION; CERTIFICATION OF PREG-**
2 **NANCY.**

3 “(a) REGISTRATION OF CHILDREN.—

4 “(1) IN GENERAL.—The Secretary shall estab-
5 lish a process for the registration of children at the
6 time of birth in the United States or at the time of
7 immigration into the United States or other acquisi-
8 tion of lawful permanent resident status in the Unit-
9 ed States.

10 “(2) TRANSITIONAL REGISTRATION.—The Sec-
11 retary also shall establish a process for the registra-
12 tion of children born before the effective date of ben-
13 efits under this title.

14 “(3) EFFECT OF FAILURE TO REGISTER.—The
15 failure of a child to be registered under this sub-
16 section shall not be considered to deny the child’s
17 entitlement to benefits under this title, but merely to
18 delay payment with respect to such benefits under
19 this title.

20 “(b) CERTIFICATION OF PREGNANCY AND REGISTRA-
21 TION OF PREGNANT WOMEN.—

22 “(1) CERTIFICATION OF PREGNANCY.—A cer-
23 tification of pregnancy for purposes of this title—

24 “(A) may be made by a physician (or such
25 other qualified health professionals as the Sec-

1 retary may designate) on the basis of such tests
2 or procedures as the Secretary may specify,

3 “(B) shall be stated on such form as the
4 Secretary shall specify, and

5 “(C) shall be filed with the Secretary in a
6 manner specified by the Secretary.

7 “(2) REGISTRATION.—The Secretary shall es-
8 tablish a process for the registration of pregnant
9 women in connection with the filing of a certification
10 of pregnancy under paragraph (1)(C).

11 **“SEC. 2103. COVERAGE PERIOD.**

12 “(a) IN GENERAL.—No payments may be made
13 under this part with respect to the expenses of an individ-
14 ual unless such expenses were incurred by such individual
15 during a period which, with respect to the individual, is
16 a coverage period under this section.

17 “(b) CHILDREN.—With respect to an individual enti-
18 tled to benefits under this title as a child, the coverage
19 period shall begin on the first date (on or after the effec-
20 tive date of benefits under this title) on which the individ-
21 ual meets the requirements for such entitlement under
22 section 2101(a) and shall end on the day before the first
23 month in which the individual no longer meets such re-
24 quirements.

1 “(c) PREGNANT WOMEN.—With respect to an indi-
 2 vidual entitled to benefits under this title as a pregnant
 3 woman, the coverage period shall begin on the first date
 4 (on or after the effective date of benefits under this title)
 5 on which the individual meets the requirements for such
 6 entitlement under section 2101(b) and shall end on the
 7 day before the first month in which the individual no
 8 longer meets such requirements.

9 “PART B—BENEFITS

10 “**SEC. 2111. SCOPE OF BENEFITS FOR CHILDREN.**

11 “(a) IN GENERAL.—Except as provided in the suc-
 12 ceeding provisions of this section, the benefits provided to
 13 an individual by the program established by this part shall
 14 consist of the same benefits that are available under title
 15 XVIII to individuals entitled to benefits under part A of
 16 that title and enrolled under part B of that title.

17 “(b) WELL CHILD SERVICES.—

18 “(1) IN GENERAL.—In addition to the benefits
 19 described in subsection (a), in the case of an individ-
 20 ual entitled to benefits under this title as a child, the
 21 benefits under this title shall include entitlement to
 22 have payment made (in the same manner as for phy-
 23 sicians’ services under part B of title XVIII) for the
 24 following, without the application of deductibles, co-
 25 insurance, or copayments, subject to the periodicity

1 schedule established with respect to the services
2 under paragraph (2):

3 “(A) Newborn and well-baby care, includ-
4 ing normal newborn care and pediatrician serv-
5 ices for high-risk deliveries.

6 “(B) Well-child care, including routine of-
7 fice visits, routine immunizations (including the
8 vaccine itself), routine laboratory tests, and pre-
9 ventive dental care.

10 “(2) PERIODICITY SCHEDULE.—The Secretary,
11 in consultation with the American Academy of Pedi-
12 atrics, shall establish a schedule of periodicity which
13 reflects the general, appropriate frequency with
14 which services listed in paragraph (1) should be pro-
15 vided to healthy children.

16 **“SEC. 2112. SCOPE OF BENEFITS FOR PREGNANT WOMEN.**

17 “(a) IN GENERAL.—In the case of an individual enti-
18 tled to benefits under this title as a pregnant woman, the
19 benefits under this title shall consist of entitlement to have
20 payment made for the following, without the application
21 of deductibles, coinsurance, or copayments, subject to the
22 periodicity schedule established with respect to the serv-
23 ices under subsection (b):

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

1 “(2) Inpatient labor and delivery services.

2 “(3) Postnatal care.

3 “(4) Postnatal family planning services.

4 “(b) PERIODICITY SCHEDULE.—The Secretary, in
5 consultation with the American College of Obstetrics and
6 Gynecology, shall establish a schedule of periodicity which
7 reflects the general, appropriate frequency with which
8 services listed in subsection (a) should be provided to preg-
9 nant women without complications of pregnancy.

10 **“SEC. 2113. EXCLUSIONS.**

11 “(a) IN GENERAL.—Except as provided in sub-
12 sections (b) and (c), section 1862 shall apply to expenses
13 incurred for items and services provided under this title
14 the same manner as such section applies to items and
15 services provided under title XVIII.

16 “(b) BENEFITS EXCEPTION.—

17 “(1) CHILDRENS’ SERVICES.—In applying sec-
18 tion 1862(a) with respect to services described in
19 section 2111(b)(1) (relating to well-child services),
20 payment shall not be denied under paragraph (1),
21 (7), or (12) of such section 1862(a) if the services
22 are provided in accordance with the periodicity
23 schedule described in section 2111(b)(2).

24 “(2) SERVICES FOR PREGNANT WOMEN.—In
25 applying section 1862(a) with respect to services de-

1 scribed in section 2112(a) (other than paragraph (2)
2 thereof), payment shall not be denied under para-
3 graph (1) or (7) of such section 1862(a) if the serv-
4 ices are provided in accordance with the periodicity
5 schedule described in section 2112(b).

6 “(c) COORDINATION OF PAYMENTS.—Payment shall
7 not be made under this title with respect to benefits to
8 the extent that payment for such benefits may be made
9 under title XVIII.

10 “PART C—PAYMENT FOR BENEFITS AND FINANCING

11 “**SEC. 2121. PAYMENTS FOR BENEFITS.**

12 “(a) IN GENERAL.—Except as otherwise provided in
13 this section—

14 “(1) payment of benefits under this title with
15 respect to benefits shall be made in the same
16 amounts and on the same basis as payment may be
17 made with respect to such benefits under title
18 XVIII, and

19 “(2) the provisions of sections 1814, 1833,
20 1842, 1848, and 1886 shall apply to payment of
21 benefits under this title in the same manner as they
22 apply to benefits under title XVIII.

23 “(b) NO COST-SHARING FOR CERTAIN SERVICES.—
24 No deductibles, coinsurance, copayments, or other cost-
25 sharing shall be imposed with respect to—

1 “(1) well-child care services described in section
2 2111(b)(1), and

3 “(2) items and services for which an individual
4 is entitled under this title as a pregnant woman.

5 “(c) ADJUSTMENT OF PAYMENTS.—

6 “(1) ESTABLISHMENT OF NEW DRGS AND
7 WEIGHTS.—In making payment under this title with
8 respect to inpatient hospital services, the Secretary
9 shall make such adjustments in the diagnosis-related
10 groups and weighting factors with respect to dis-
11 charges within such groups, otherwise established
12 under section 1886(d)(4) as may be necessary—

13 “(A) to reflect the types of discharges oc-
14 curring under this title which are not occurring
15 under title XVIII, and

16 “(B) to provide for a weighting factor, for
17 cesarean section deliveries, which is 95 percent
18 of the weighting factor that otherwise would be
19 established.

20 “(2) PAYMENT FOR OBSTETRICAL SERVICES.—

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

1 global fee with respect to such group of serv-
 2 ices.

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

9 “(C) DISINCENTIVE FOR CESAREAN SEC-
 10 TIONS.—The fee schedule amount otherwise es-
 11 tablished with respect to a cesarean section
 12 shall be 95 percent of the fee schedule amount
 13 otherwise established.

14 “(c) CONDITIONS OF AND LIMITATIONS ON PAY-
 15 MENTS.—The provisions of sections 1814 and 1835 shall
 16 apply to payment for services under this title in the same
 17 manner as they apply to payment for services under
 18 parts A and B, respectively, of title XVIII.

19 “(d) USE OF TRUST FUND.—In carrying out this
 20 section, any reference in title XVIII to a trust fund shall
 21 be treated as a reference to the Children Health Insurance
 22 Trust Fund established under section 2122.

23 **“SEC. 2122. CHILDREN HEALTH INSURANCE TRUST FUND.**

24 “(a) ESTABLISHMENT.—(1) There is hereby created
 25 on the books of the Treasury of the United States a trust

1 fund to be known as the ‘Children Health Insurance Trust
2 Fund’ (in this section referred to as the ‘Trust Fund’).
3 The Trust Fund shall consist of such gifts and bequests
4 as may be made as provided in section 201(i)(1) and
5 amounts appropriated under paragraph (2).

6 “(2) There are hereby appropriated to the Trust
7 Fund amounts equivalent to 100 percent of the premium
8 taxes imposed by section 59B of the Internal Revenue
9 Code of 1986, and such additional amounts as the Con-
10 gress provides. The amounts appropriated by the preced-
11 ing sentence in relation to premium taxes shall be trans-
12 ferred from time to time from the general fund in the
13 Treasury to the Trust Fund, such amounts to be deter-
14 mined on the basis of estimates by the Secretary of the
15 Treasury of the taxes, paid to or deposited into the Treas-
16 ury; and proper adjustments shall be made in amounts
17 subsequently transferred to the extent prior estimates
18 were in excess of or were less than the taxes specified in
19 such sentence.

20 “(b) INCORPORATION OF PROVISIONS.—

21 “(1) IN GENERAL.—Subject to paragraph (2),
22 the provisions of subsections (b) through (e) and (g)
23 through (j) of section 1817 shall apply to the Trust
24 Fund in the same manner as they apply to the Fed-
25 eral Hospital Insurance Trust Fund.

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

3 “(A) the Board of Trustees and Managing
4 Trustee of the Trust Fund shall be composed of
5 the members of the Board of Trustees and the
6 Managing Trustee, respectively, of the Federal
7 Hospital Insurance Trust Fund; and

8 “(B) any reference in section 1817 to the
9 Federal Hospital Insurance Trust Fund or to
10 title XVIII (or part A thereof) is deemed a ref-
11 erence to the Trust Fund under this section
12 and this title, respectively.

13 **“SEC. 2123. APPLICABLE TITLE XXI PREMIUM.**

14 “For purposes of section 59B of the Internal Revenue
15 Code of 1986, the Secretary shall, during September of
16 each year (beginning with 1997), determine a title XXI
17 applicable premium for months in the succeeding calendar
18 year. Such premium for months in a year shall be such
19 amount as the Secretary estimates so that—

20 “(1) 12 times the product of such amount and
21 the average number of families with individuals enti-
22 tled to benefits under section 2101 in any month in
23 the year, is equal to

24 “(2) the total of the benefits and administrative
25 costs which the Secretary estimates will be payable

1 from the Children Health Insurance Trust Fund for
 2 services performed and related administrative costs
 3 incurred in such year.

4 In calculating the amount under paragraph (2), the Sec-
 5 retary shall include an appropriate amount for a contin-
 6 gency margin.

7 “PART D—GENERAL PROVISIONS

8 “**SEC. 2131. INCORPORATION OF CERTAIN MEDICARE PRO-**
 9 **VISIONS.**

10 “(a) USE OF CARRIERS AND INTERMEDIARIES.—The
 11 Secretary shall provide for the administration of this title
 12 through the use of fiscal intermediaries and carriers in
 13 the same manner as title XVIII is carried out through
 14 the use of such fiscal intermediaries and carriers.

15 “(b) DEFINITIONS.—Except as otherwise provided in
 16 this title, the definitions contained in section 1861 shall
 17 apply for purposes of this title in the same manner as they
 18 apply for purposes of title XVIII.

19 “(c) CERTIFICATION, PROVIDER QUALIFICATION,
 20 ETC.—The provisions of sections 1863 through 1875, sec-
 21 tions 1878 through 1880, section 1883, section 1885, and
 22 sections 1887 through 1892 shall apply to this title in the
 23 same manner as they apply to title XVIII.

24 “(d) HEALTH MAINTENANCE ORGANIZATIONS AND
 25 COMPETITIVE MEDICAL PLANS.—

1 “(1) IN GENERAL.—Except as provided in this
2 subsection, section 1876 shall apply to individuals
3 entitled to benefits under this title in the same man-
4 ner as such section applies to individuals entitled to
5 benefits under part A, and enrolled under part B, of
6 title XVIII.

7 “(2) LIMITATION TO REASONABLE COST REIM-
8 BURSEMENT CONTRACTS FOR PREGNANT WOMEN.—

9 “(A) IN GENERAL.—The provisions of sec-
10 tion 1876 relating only to risk-sharing contracts
11 (and not to reasonable cost reimbursement con-
12 tracts) shall not apply to individuals entitled to
13 benefits under this title only as pregnant
14 women.

15 “(B) REPORT.—Not later than January 1,
16 1997, the Secretary shall submit to the Con-
17 gress a report concerning recommendations on
18 how the provisions of section 1876 relating to
19 risk-sharing contracts may be adapted to apply
20 to benefits provided under this title to pregnant
21 women.

22 “(3) APPLICATION.—In applying section 1876
23 under this section—

1 “(A) the provisions of such section relating
2 only to individuals enrolled under part B of title
3 XVIII shall not apply;

4 “(B) any reference to a Trust Fund estab-
5 lished under title XVIII and to benefits under
6 such title is deemed a reference to the Children
7 Health Insurance Trust Fund and to benefits
8 under this title;

9 “(C) the adjusted average per capita cost
10 and the adjusted community rate shall be deter-
11 mined on the basis of benefits under this title;
12 and

13 “(D) subsection (f) shall not apply.

14 **“SEC. 2132. INCORPORATION OF PEER REVIEW PROVISIONS**
15 **AND FRAUD AND ABUSE PROVISIONS.**

16 “The provisions of sections 1121 through 1126, sec-
17 tions 1128 through 1128B, section 1134, section 1138,
18 and part B of title XI shall apply to this title in the same
19 manner as they apply to title XVIII.”.

20 (b) CONFORMING AMENDMENTS.—

21 (1) Section 201(g)(1)(A) of the Social Security
22 Act (42 U.S.C. 401(g)(1)(A)) is amended by striking
23 “and the Federal Supplementary Medical Insurance
24 Trust Fund” and inserting “, Federal Supple-

1 mentary Medical Insurance Trust Fund, and the
2 Children Health Insurance Trust Fund”.

3 (2) Section 201(i)(1) of such Act (42 U.S.C.
4 401(i)(1)) is amended by striking “and the Federal
5 Supplementary Medical Insurance Trust Fund” and
6 inserting “, Federal Supplementary Medical Insur-
7 ance Trust Fund, and the Children Health Insur-
8 ance Trust Fund”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall take effect on the date of the enactment
11 of this Act, except that no benefits shall be available under
12 title XXI of the Social Security Act for items or services
13 furnished before January 1, 1998.

14 **SEC. 3. PREMIUM FOR COVERAGE OF UNINSURED CHIL-**
15 **DREN AND MOTHERS-TO-BE.**

16 (a) GENERAL RULE.—Subchapter A of chapter 1 of
17 the Internal Revenue Code of 1986 (relating to determina-
18 tion of tax liability) is amended by adding at the end the
19 following new part:

20 **“PART VIII—PREMIUM FOR COVERAGE OF**
21 **UNINSURED CHILDREN AND MOTHERS-TO-BE**

“Sec. 59B. Premium for coverage of uninsured children and
mothers-to-be.

1 **“SEC. 59B. PREMIUM FOR COVERAGE OF UNINSURED CHIL-**
2 **DREN AND MOTHERS-TO-BE.**

3 “(a) IMPOSITION OF TAX.—In the case of an individ-
4 ual, there is hereby imposed (in addition to any other tax
5 imposed by this subtitle) a tax for the taxable year in the
6 amount equal to the title XXI premium liability (if any)
7 of such individual for such taxable year.

8 “(b) EXEMPTION FOR LOW-INCOME INDIVIDUALS.—

9 “(1) IN GENERAL.—No tax shall be imposed by
10 subsection (a) on any taxpayer whose modified ad-
11 justed gross income for the taxable year does not ex-
12 ceed the threshold amount.

13 “(2) PHASE-IN OF TAX.—

14 “(A) IN GENERAL.—If the modified ad-
15 justed gross income of the taxpayer for the tax-
16 able year exceeds the threshold amount by less
17 than \$10,000, the amount of the tax imposed
18 by subsection (a) for such taxable year shall be
19 the phase-in percentage of the title XXI pre-
20 mium liability of such taxpayer for such taxable
21 year.

22 “(B) PHASE-IN PERCENTAGE.—For pur-
23 poses of subparagraph (A), the phase-in per-
24 centage shall be determined under tables pre-
25 scribed by the Secretary which—

1 “(i) shall have income brackets of not
2 more than \$50, and

3 “(ii) provide for a ratable increase in
4 the amount of tax imposed by subsection
5 (a) for modified adjusted gross incomes be-
6 tween the threshold amount and the sum
7 of the threshold amount and \$10,000.

8 “(c) TITLE XXI PREMIUM LIABILITY.—For pur-
9 poses of this section—

10 “(1) IN GENERAL.—The title XXI premium li-
11 ability of any individual for any taxable year is the
12 sum of—

13 “(A) the applicable title XXI premiums for
14 each month of the taxable year as of the first
15 day of which any dependent of the individual is
16 a title XXI covered individual who has not at-
17 tained age 13, and

18 “(B) the applicable title XXI premium for
19 the month of the taxable year during which the
20 taxpayer (or spouse of the taxpayer) gives birth
21 to any child if for such month the individual
22 giving birth is a title XXI covered individual.

23 “(2) APPLICABLE TITLE XXI PREMIUM.—The
24 term ‘applicable title XXI premium’ means, with re-
25 spect to a month, such premium as determined

1 under section 2123 of the Social Security Act for
2 that month.

3 “(d) TITLE XXI COVERED INDIVIDUAL.—For pur-
4 poses of this section—

5 “(1) IN GENERAL.—A dependent shall be treat-
6 ed as a title XXI covered individual for any month
7 unless—

8 “(A) for such month, such dependent is
9 covered under a qualified health plan, and

10 “(B) the taxpayer furnishes to the Sec-
11 retary (at such time and in such manner as the
12 Secretary may prescribe) the required certifi-
13 cation of such coverage for such month.

14 A similar rule shall apply to a woman for the month
15 in which such woman gives birth to a child.

16 “(2) QUALIFIED HEALTH PLAN.—The term
17 ‘qualified health plan’ means a plan of health insur-
18 ance or coverage, an employee welfare benefit plan
19 that provides health benefits, or other plan (other
20 than under title XXI of the Social Security Act)
21 under Federal or State law that provides coverage of
22 benefits which the Secretary of Health and Human
23 Services determines is substantially equivalent to the
24 coverage of benefits provided under title XXI of the
25 Social Security Act.

1 “(e) OTHER DEFINITIONS AND SPECIAL RULES.—

2 For purposes of this section—

3 “(1) THRESHOLD AMOUNT.—

4 “(A) IN GENERAL.—Except as provided in
5 subparagraph (B), the term ‘threshold amount’
6 means—

7 “(i) \$20,000 in the case of a return
8 with respect to which 3 or fewer personal
9 exemptions are allowable under section
10 151, and

11 “(ii) \$25,000 in the case of a return
12 with respect to which 4 or more personal
13 exemptions are allowable under section
14 151.

15 “(B) CERTAIN SEPARATE RETURNS.—The
16 threshold amount shall be zero in the case of a
17 taxpayer who—

18 “(i) is married as of the close of the
19 taxable year but does not file a joint return
20 for such taxable year, and

21 “(ii) does not live apart from his
22 spouse at all times during the last 6
23 months of the taxable year.

24 “(C) INFLATION ADJUSTMENTS.—In the
25 case of a taxable year beginning in a calendar

1 year after 1998, each dollar amount contained
2 in subparagraph (A) shall be increased by an
3 amount equal to—

4 “(i) such dollar amount, multiplied by

5 “(ii) the cost-of-living adjustment de-
6 termined under section 1(f)(3) for the cal-
7 endar year in which the taxable year be-
8 gins, by substituting ‘calendar year 1997’
9 for ‘calendar year 1992’ in subparagraph
10 (B) thereof.

11 “(2) MODIFIED ADJUSTED GROSS INCOME.—

12 The term ‘modified adjusted gross income’ means
13 adjusted gross income—

14 “(A) determined without regard to sections
15 911, 931, and 933, and

16 “(B) increased by the amount of interest
17 received or accrued by the individual during the
18 taxable year which is exempt from tax.

19 The determination under the preceding sentence
20 shall be made without regard to any carryover or
21 carryback.

22 “(3) DEPENDENT.—The term ‘dependent’
23 means, with respect to periods in any calendar year,
24 any individual if an exemption is allowable under
25 section 151(c) with respect to such individual to the

1 taxpayer for a taxable year beginning in such cal-
2 endar year.

3 “(4) REQUIRED CERTIFICATION.—The term ‘re-
4 quired certification’ means the statement required to
5 be provided under section 6050Q(b) (or a copy
6 thereof) or any other statement approved by the
7 Secretary for purposes of this section.

8 “(f) COORDINATION WITH OTHER PROVISIONS.—

9 “(1) TREATMENT AS MEDICAL EXPENSE.—For
10 purposes of section 213, the tax imposed by this sec-
11 tion for any taxable year shall be treated as an ex-
12 pense paid during such taxable year for medical care
13 of the taxpayer.

14 “(2) NOT TREATED AS TAX FOR CERTAIN PUR-
15 POSES.—The tax imposed by this section shall not
16 be treated as a tax imposed by this chapter for pur-
17 poses of determining—

18 “(A) the amount of any credit allowable
19 under this chapter, or

20 “(B) the amount of the minimum tax im-
21 posed by section 55.

22 “(3) TREATMENT UNDER SUBTITLE F.—For
23 purposes of subtitle F, the tax imposed by this sec-
24 tion shall be treated as if it were a tax imposed by
25 section 1.

1 “(g) EXEMPTIONS.—

2 “(1) IN GENERAL.—No tax shall be imposed by
3 this section on any individual for any taxable year
4 if such individual is a nonresident alien.

5 “(2) CERTAIN INDIVIDUALS NOT TAKEN INTO
6 ACCOUNT IN DETERMINING AMOUNT OF TAX.—For
7 purposes of this section, an individual shall be treat-
8 ed as not being a title XXI covered individual for
9 any month if—

10 “(A) the principal place of abode of such
11 individual as of the first day of such month is
12 outside the United States, or

13 “(B) as of the first day of such month,
14 there is in effect for such individual a qualified
15 religious exemption.

16 “(3) QUALIFIED RELIGIOUS EXEMPTION.—For
17 purposes of paragraph (2)—

18 “(A) IN GENERAL.—The term ‘qualified
19 religious exemption’ means an exemption grant-
20 ed by the Secretary of Health and Human
21 Services to an individual—

22 “(i) who is a member of a recognized
23 religious sect or division thereof with re-
24 spect to which such Secretary makes the

findings referred to in subparagraphs (C),
(D), and (E) of section 1402(g)(1),

“(ii) who is an adherent of established
tenets or teachings of such sect or division
as described in such section, and

“(iii) who submits an application for
such exemption which contains or is ac-
companied by the evidence described in
section 1402(g)(1)(A) and a waiver de-
scribed in section 1402(g)(1)(B).

For purposes of the clause (iii), section
1402(g)(1)(B) shall be treated as including a
reference to title XXI of the Social Security
Act.

“(B) LIMITATION.—An exemption granted
under this paragraph shall cease to apply begin-
ning on the date such Secretary determines
that the individual, or the sect or division,
ceased to meet the requirements of subpara-
graph (A).

“(4) SPECIAL RULE FOR INDIVIDUALS RESID-
ING ABROAD WHO RECEIVE TITLE XXI SERVICES.—
Paragraph (2)(A) shall not apply to any individual
for any taxable year if, at any time during such tax-

1 able year, such individual receives services under
2 title XXI of the Social Security Act.

3 “(h) REGULATIONS.—The Secretary may prescribe
4 such regulations as may be appropriate to carry out the
5 purposes of this section, including regulations, prescribed
6 after consultation with the Secretary of Health and
7 Human Services, treating health plans of foreign govern-
8 ments or foreign employers outside the United States as
9 qualified health plans.”

10 (b) TECHNICAL AMENDMENTS.—

11 (1) Subsection (a) of section 6012 of such Code
12 is amended by inserting after paragraph (9) the fol-
13 lowing new paragraph:

14 “(10) Every individual who has a title XXI pre-
15 mium liability (as defined in section 59B) for the
16 taxable year.”

17 (2) Subparagraph (A) of section 1(f)(6) of such
18 Code is amended by inserting “section
19 59B(e)(1)(C),” after paragraph (2)(A),”.

20 (c) CLERICAL AMENDMENT.—The table of parts for
21 subchapter A of chapter 1 is amended by adding at the
22 end the following new item:

“Part VIII. Individual share of title XXI premiums.”

23 (d) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to months beginning after Decem-
25 ber 31, 1997, in taxable years ending after such date.

1 **SEC. 4. REPORTING REQUIREMENTS.**

2 (a) IN GENERAL.—Subpart B of part III of sub-
3 chapter A of chapter 61 of the Internal Revenue Code of
4 1986 (relating to information concerning transactions
5 with others) is amended by adding at the end the following
6 new sections:

7 **“SEC. 6050Q. RETURNS RELATING TO QUALIFIED HEALTH**
8 **PLANS.**

9 “(a) REQUIREMENT OF REPORTING.—The adminis-
10 trator of any qualified health plan (as defined in section
11 59B(d)) shall make a return for each calendar year setting
12 forth—

13 “(1) the name and TIN of each individual cov-
14 ered under such plan or program at any time during
15 such taxable year as a primary insured or as the
16 spouse of a primary insured,

17 “(2) the name and TIN (to the extent avail-
18 able) of each individual covered under such plan or
19 program at any time during such taxable year as a
20 dependent (as defined in section 59B(e)(3)) of a pri-
21 mary insured, and

22 “(3) the months during such calendar year for
23 which such individuals were so covered.

24 Such return shall be made at such time and in such form
25 as the Secretary may by regulations prescribe.

1 “(b) STATEMENTS TO PRIMARY INSURED INDIVID-
2 UALS.—Every administrator required to make a return
3 under subsection (a) shall furnish to each individual whose
4 name is required to be set forth in such return by reason
5 of being a primary insured a written statement showing—

6 “(1) the name of the qualified health plan and
7 the address of its administrator, and

8 “(2) the information required to be shown on
9 the return with respect to such primary insured.

10 The written statement required under the preceding sen-
11 tence shall be furnished to the person on or before Janu-
12 ary 31 of the year following the calendar year for which
13 the return under subsection (a) was required to be made.

14 “(c) STATEMENT TO SPOUSE OR DEPENDENTS OF
15 PRIMARY INSURED ON REQUEST.—At the request of an
16 individual who, at any time during a calendar year, was
17 the spouse or a dependent (as defined in section
18 59B(e)(3)) of a primary insured who is required to receive
19 a statement under subsection (b) from an administrator,
20 such administrator shall furnish to such individual a copy
21 of such statement with respect to such insured for such
22 calendar year.”

23 (b) UNIFORM PENALTY PROVISIONS MADE APPLICA-
24 BLE.—

1 (1) Subparagraph (B) of section 6724(d)(1) of
 2 such Code is amended by inserting after the item re-
 3 lating to clause (viii) the following new item (and re-
 4 designating the following clauses accordingly):

5 “(ix) section 6050Q(a) (relating to re-
 6 turns regarding qualified health plans),”.

7 (2) Paragraph (2) of section 6724(d) of such
 8 Code is amended by inserting after subparagraph
 9 (P) the following new subparagraph (and by redesign-
 10 nating the following subparagraphs accordingly):

11 “(Q) subsection (b) or (c) of section
 12 6050Q (relating to returns regarding qualified
 13 health plans),”.

14 (c) CLERICAL AMENDMENT.—The table of sections
 15 for subpart B of part III of subchapter A of chapter 61
 16 of such Code is amended by adding at the end the follow-
 17 ing new item:

 “Sec. 6050Q. Returns relating to qualified health plans.”

18 (d) EFFECTIVE DATE.—The amendments made by
 19 this section shall apply to calendar years after 1997.

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