

113TH CONGRESS
2D SESSION

H. R. 3851

To repeal sections 1341 and 1342 of the Patient Protection and Affordable Care Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 10, 2014

Mr. LANCE introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To repeal sections 1341 and 1342 of the Patient Protection and Affordable Care Act, 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 “No Bailouts for Insur-
5 ance Industry Act of 2014”.

6 **SEC. 2. FINDINGS; PURPOSE.**

7 (a) FINDINGS.—Congress finds the following:

8 (1) According to the most recent United States
9 Census, employer-based health insurance is the larg-
10 est source of health insurance coverage in the

1 United States. Of those employed, 70 percent receive
2 employment-based health insurance. Of unemployed
3 Americans, 30 percent receive employer-sponsored
4 health insurance.

5 (2) Despite the large percentages of coverage,
6 as health care costs climb, the percentage of Ameri-
7 cans who receive health insurance through employers
8 has fallen significantly over the last decade—from
9 70 percent nationwide in 2000 to 60 percent in
10 2011, according to a report by the Robert Wood
11 Johnson Foundation.

12 (3) According to recent surveys done by the Na-
13 tional Business Group on Health and the Kaiser
14 Family Foundation, most companies continue to
15 provide health insurance for employees and wish to
16 continue doing so into the future.

17 (4) Employers that offer insurance will not con-
18 tribute additional risk to the Health Insurance Ex-
19 changes established in the Patient Protection and
20 Affordable Care Act (in this Act referred to as
21 “PPACA”).

22 (5) The transitional reinsurance program, es-
23 tablished in section 1341 of PPACA, is intended to
24 stabilize risk in the individual health insurance mar-

1 ket during the first three years of the Health Insur-
2 ance Exchanges, as established by that Act.

3 (6) PPACA also requires that the Treasury col-
4 lect a fee for each employer-sponsored covered life in
5 order to pay for the transitional reinsurance pro-
6 gram.

7 (7) This fee is a disincentive for employers to
8 continue offering coverage to all employees, and does
9 not give employers any benefits of the transitional
10 reinsurance program.

11 (b) PURPOSE.—It is the purpose of this Act to re-
12 move the current funding mechanism for the transitional
13 reinsurance program in order that employer-sponsored in-
14 surance is supported so that Americans can sustain qual-
15 ity health coverage.

16 **SEC. 3. REPEAL OF SECTIONS 1341 AND 1342 OF PPACA.**

17 (a) REPEAL OF SECTION 1341.—

18 (1) IN GENERAL.—Section 1341 of PPACA (42
19 U.S.C. 18061) is repealed.

20 (2) EFFECTIVE DATE.—The repeal of such sec-
21 tion shall apply to plan years beginning after the
22 date of the enactment of this Act.

23 (3) APPLICATION.—In applying such section be-
24 fore the effective date of such repeal—

1 (A) any reference in such section to “the
2 3-year period beginning January 1, 2014” or to
3 “the 36-month period beginning January 1,
4 2014” is deemed a reference to the period be-
5 ginning January 1, 2014, and ending on the
6 date of the enactment of this Act;

7 (B) with respect to the amounts specified
8 in clauses (iii) and (iv) of subsection (b)(3)(B)
9 of such section, the amounts for 2014 shall be
10 reduced in a pro-rata manner to reflect only the
11 portion of 2014 occurring before the date of the
12 enactment of this Act and no amounts shall be
13 provided for periods after such date;

14 (C) in applying subsection (b)(4)(A) of
15 such section, amounts collected may only be
16 used for 2014 and, notwithstanding subsection
17 (b)(4)(B) of such section, amounts remaining
18 unexpended as of December 2014 shall be re-
19 turned, in a pro rata manner, to health insur-
20 ance issuers making contributions under such
21 section; and

22 (D) the reference in subsection (c)(1)(A) of
23 such section to the first 3 years of operation
24 shall be deemed a reference to the period of op-

1 eration ending not later than December 31,
2 2014.

3 (4) CONSTRUCTION.—Nothing in this sub-
4 section shall be construed as affecting the authority
5 of a State, without regard to section 1341 of
6 PPACA, to implement reinsurance programs with
7 respect to health insurance coverage offered in the
8 State.

9 (b) REPEAL OF SECTION 1342.—

10 (1) IN GENERAL.—Section 1342 of PPACA (42
11 U.S.C. 18062) is repealed.

12 (2) EFFECTIVE DATE.—The repeal made by
13 paragraph (1) shall apply to calendar years begin-
14 ning after the date of the enactment of this Act.

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