

115<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6311

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## AN ACT

To amend the Internal Revenue Code of 1986 and the Patient Protection and Affordable Care Act to modify the definition of qualified health plan for purposes of the health insurance premium tax credit and to allow individuals purchasing health insurance in the individual market to purchase a lower premium copper plan.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
 5 “Increasing Access to Lower Premium Plans and Expand-  
 6 ing Health Savings Accounts Act of 2018”.

7 (b) TABLE OF CONTENTS.—The table of contents for  
 8 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Carryforward of health flexible spending arrangement account balances.
- Sec. 3. Individuals entitled to part A of Medicare by reason of age allowed to contribute to health savings accounts.
- Sec. 4. Maximum contribution limit to health savings account increased to amount of deductible and out-of-pocket limitation.
- Sec. 5. Allow both spouses to make catch-up contributions to the same health savings account.
- Sec. 6. Special rule for certain medical expenses incurred before establishment of health savings account.
- Sec. 7. Allowance of bronze and catastrophic plans in connection with health savings accounts.
- Sec. 8. Allowing all individuals purchasing health insurance in the individual market the option to purchase a lower premium copper plan.
- Sec. 9. Delay of reimposition of annual fee on health insurance providers.

9 **SEC. 2. CARRYFORWARD OF HEALTH FLEXIBLE SPENDING**  
 10 **ARRANGEMENT ACCOUNT BALANCES.**

11 (a) IN GENERAL.—Section 106 of the Internal Rev-  
 12 enue Code of 1986 is amended by adding at the end the  
 13 following new subsection:

14 “(h) CARRYFORWARD OF HEALTH FLEXIBLE  
 15 SPENDING ARRANGEMENT ACCOUNT BALANCES.—A plan  
 16 shall not fail to be treated as a health flexible spending  
 17 arrangement under this section or section 105 merely be-  
 18 cause the lesser of—

1           “(1) such arrangement’s account balance (or  
2           any portion thereof) determined as of the end of any  
3           plan year, or

4           “(2) the product of the dollar limitation in ef-  
5           fect under section 125(i) for such plan year (deter-  
6           mined without regard to paragraph (2) thereof) mul-  
7           tiplied by 3,

8           may be carried forward to the succeeding plan year.”.

9           (b) COORDINATION WITH LIMITATION ON SALARY  
10          REDUCTION CONTRIBUTIONS.—

11           (1) IN GENERAL.—Section 125(i) of such Code  
12           is amended by redesignating paragraph (2) as para-  
13           graph (3) and by inserting after paragraph (1) the  
14           following new paragraph:

15           “(2) COORDINATION WITH CARRYFORWARD OF  
16           ACCOUNT BALANCES.—The dollar amount otherwise  
17           in effect under paragraph (1) for any plan year shall  
18           be reduced (but not below zero) by the excess (if  
19           any) of—

20           “(A) the amount of any account balance  
21           which is carried forward to such plan year from  
22           the preceding plan year, over

23           “(B) twice the dollar limitation in effect  
24           under paragraph (1) (determined without re-  
25           gard to this paragraph).”.

1           (2) CONFORMING AMENDMENTS.—Section  
2           125(i) of such Code is amended by striking “taxable  
3           year” each place it appears in paragraphs (1) and  
4           (3) (as redesignated by paragraph (1) of this sub-  
5           section) and inserting “plan year”.

6           (c) COORDINATION WITH CAFETERIA PLAN LIMITA-  
7           TION ON DEFERRED COMPENSATION.—Section 125(d)(2)  
8           of such Code is amended by adding at the end the fol-  
9           lowing new subparagraph:

10                   “(E) EXCEPTION FOR HEALTH FLEXIBLE  
11                   SPENDING ARRANGEMENTS.—Subparagraph (A)  
12                   shall not apply to a plan to the extent of  
13                   amounts in a health flexible spending arrange-  
14                   ment which may be carried forward as de-  
15                   scribed in section 106(h).”.

16           (d) EFFECTIVE DATE.—The amendments made by  
17           this section shall apply to plan years beginning after De-  
18           cember 31, 2018.

19           **SEC. 3. INDIVIDUALS ENTITLED TO PART A OF MEDICARE**  
20                   **BY REASON OF AGE ALLOWED TO CON-**  
21                   **TRIBUTE TO HEALTH SAVINGS ACCOUNTS.**

22           (a) IN GENERAL.—Section 223(c)(1)(B) of the Inter-  
23           nal Revenue Code of 1986 is amended by striking “and”  
24           at the end of clause (ii), by striking the period at the end

1 of clause (iii) and inserting “, and”, and by adding at the  
2 end the following new clause:

3 “(iv) entitlement to hospital insurance  
4 benefits under part A of title XVIII of the  
5 Social Security Act by reason of section  
6 226(a) of such Act.”.

7 (b) CONFORMING AMENDMENT.—Section 223(b)(7)  
8 of such Code is amended by inserting “(other than an enti-  
9 tlement to benefits described in subsection (c)(1)(B)(v))”  
10 after “Social Security Act”.

11 (c) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to months beginning after Decem-  
13 ber 31, 2018, in taxable years ending after such date.

14 **SEC. 4. MAXIMUM CONTRIBUTION LIMIT TO HEALTH SAV-**  
15 **INGS ACCOUNT INCREASED TO AMOUNT OF**  
16 **DEDUCTIBLE AND OUT-OF-POCKET LIMITA-**  
17 **TION.**

18 (a) SELF-ONLY COVERAGE.—Section 223(b)(2)(A)  
19 of the Internal Revenue Code of 1986 is amended by strik-  
20 ing “\$2,250” and inserting “the amount in effect under  
21 subsection (c)(2)(A)(ii)(I)”.

22 (b) FAMILY COVERAGE.—Section 223(b)(2)(B) of  
23 such Code is amended by striking “\$4,500” and inserting  
24 “the amount in effect under subsection (c)(2)(A)(ii)(II)”.

1 (c) CONFORMING AMENDMENTS.—Section 223(g)(1)  
2 of such Code is amended—

3 (1) by striking “subsections (b)(2) and” both  
4 places it appears and inserting “subsection”, and

5 (2) in subparagraph (B), by striking “deter-  
6 mined by” and all that follows through “‘calendar  
7 year 2003’.” and inserting “determined by sub-  
8 stituting ‘calendar year 2003’ for ‘calendar year  
9 2016’ in subparagraph (A)(ii) thereof.”.

10 (d) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to taxable years beginning after  
12 December 31, 2018.

13 **SEC. 5. ALLOW BOTH SPOUSES TO MAKE CATCH-UP CON-**  
14 **TRIBUTIONS TO THE SAME HEALTH SAVINGS**  
15 **ACCOUNT.**

16 (a) IN GENERAL.—Section 223(b)(5) of the Internal  
17 Revenue Code of 1986 is amended to read as follows:

18 “(5) SPECIAL RULE FOR MARRIED INDIVIDUALS  
19 WITH FAMILY COVERAGE.—

20 “(A) IN GENERAL.—In the case of individ-  
21 uals who are married to each other, if both  
22 spouses are eligible individuals and either  
23 spouse has family coverage under a high de-  
24 ductible health plan as of the first day of any  
25 month—

1           “(i) the limitation under paragraph  
2           (1) shall be applied by not taking into ac-  
3           count any other high deductible health  
4           plan coverage of either spouse (and if such  
5           spouses both have family coverage under  
6           separate high deductible health plans, only  
7           one such coverage shall be taken into ac-  
8           count),

9           “(ii) such limitation (after application  
10          of clause (i)) shall be reduced by the ag-  
11          gregate amount paid to Archer MSAs of  
12          such spouses for the taxable year, and

13          “(iii) such limitation (after application  
14          of clauses (i) and (ii)) shall be divided  
15          equally between such spouses unless they  
16          agree on a different division.

17          “(B) TREATMENT OF ADDITIONAL CON-  
18          TRIBUTION AMOUNTS.—If both spouses referred  
19          to in subparagraph (A) have attained age 55  
20          before the close of the taxable year, the limita-  
21          tion referred to in subparagraph (A)(iii) which  
22          is subject to division between the spouses shall  
23          include the additional contribution amounts de-  
24          termined under paragraph (3) for both spouses.  
25          In any other case, any additional contribution

1 amount determined under paragraph (3) shall  
2 not be taken into account under subparagraph  
3 (A)(iii) and shall not be subject to division be-  
4 tween the spouses.”.

5 (b) **EFFECTIVE DATE.**—The amendments made by  
6 this section shall apply to taxable years beginning after  
7 December 31, 2018.

8 **SEC. 6. SPECIAL RULE FOR CERTAIN MEDICAL EXPENSES**  
9 **INCURRED BEFORE ESTABLISHMENT OF**  
10 **HEALTH SAVINGS ACCOUNT.**

11 (a) **IN GENERAL.**—Section 223(d)(2) of the Internal  
12 Revenue Code of 1986 is amended by adding at the end  
13 the following new subparagraph:

14 “(D) **TREATMENT OF CERTAIN MEDICAL**  
15 **EXPENSES INCURRED BEFORE ESTABLISHMENT**  
16 **OF ACCOUNT.**—If a health savings account is  
17 established during the 60-day period beginning  
18 on the date that coverage of the account bene-  
19 ficiary under a high deductible health plan be-  
20 gins, then, solely for purposes of determining  
21 whether an amount paid is used for a qualified  
22 medical expense, such account shall be treated  
23 as having been established on the date that  
24 such coverage begins.”.



1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply with respect to coverage beginning  
3 after December 31, 2018.

4 **SEC. 7. ALLOWANCE OF BRONZE AND CATASTROPHIC**  
5 **PLANS IN CONNECTION WITH HEALTH SAV-**  
6 **INGS ACCOUNTS.**

7 (a) IN GENERAL.—Section 223(c)(2) of the Internal  
8 Revenue Code of 1986 is amended by adding at the end  
9 the following new subparagraph:

10 “(E) BRONZE AND CATASTROPHIC PLANS  
11 TREATED AS HIGH DEDUCTIBLE HEALTH  
12 PLANS.—

13 “(i) IN GENERAL.—The term ‘high  
14 deductible health plan’ shall include any  
15 plan described in subsection (d)(1)(A) or  
16 (e) of section 1302 of the Patient Protec-  
17 tion and Affordable Care Act.

18 “(ii) CERTAIN RULES NOT APPLICA-  
19 BLE.—Subparagraphs (C) and (D) shall  
20 not apply with respect to any plan de-  
21 scribed in clause (i).”.

22 (b) EFFECTIVE DATE.—The amendment made by  
23 this section shall apply to months beginning after Decem-  
24 ber 31, 2018, in taxable years ending after such date.

1 **SEC. 8. ALLOWING ALL INDIVIDUALS PURCHASING HEALTH**  
2 **INSURANCE IN THE INDIVIDUAL MARKET**  
3 **THE OPTION TO PURCHASE A LOWER PRE-**  
4 **MIUM COPPER PLAN.**

5 (a) IN GENERAL.—Section 1302(e) of the Patient  
6 Protection and Affordable Care Act (42 U.S.C. 18022(e))  
7 is amended—

8 (1) in paragraph (1)—

9 (A) by redesignating clauses (i) and (ii) of  
10 subparagraph (B) as subparagraphs (A) and  
11 (B), respectively, and adjusting the margins ac-  
12 cordingly;

13 (B) by striking “plan year if—” and all  
14 that follows through “the plan provides—” and  
15 inserting “plan year if the plan provides—”;  
16 and

17 (C) in subparagraph (A), as redesignated  
18 by paragraph (1), by striking “clause (ii)” and  
19 inserting “subparagraph (B)”;

20 (2) by striking paragraph (2); and

21 (3) by redesignating paragraph (3) as para-  
22 graph (2).

23 (b) RISK POOLS.—Section 1312(c)(1) of the Patient  
24 Protection and Affordable Care Act (42 U.S.C.  
25 18032(c)(1)) is amended by inserting “and enrollees in

1 catastrophic plans described in section 1302(e)” after  
2 “Exchange”.

3 (c) CONFORMING AMENDMENT.—Section  
4 1312(d)(3)(C) of the Patient Protection and Affordable  
5 Care Act (42 U.S.C. 18032(d)(3)(C)) is amended by strik-  
6 ing “, except that in the case of a catastrophic plan de-  
7 scribed in section 1302(e), a qualified individual may en-  
8 roll in the plan only if the individual is eligible to enroll  
9 in the plan under section 1302(e)(2)”.

10 (d) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to plan years beginning after De-  
12 cember 31, 2018.

13 **SEC. 9. DELAY OF REIMPOSITION OF ANNUAL FEE ON**  
14 **HEALTH INSURANCE PROVIDERS.**

15 (a) IN GENERAL.—Section 9010(j)(3) of the Patient  
16 Protection and Affordable Care Act is amended by strik-  
17 ing “December 31, 2019” and inserting “December 31,  
18 2021”.

1       (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to calendar years beginning after  
3 December 31, 2019.

Passed the House of Representatives July 25, 2018.

Attest:

*Clerk.*



115<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

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## AN ACT

To amend the Internal Revenue Code of 1986 and the Patient Protection and Affordable Care Act to modify the definition of qualified health plan for purposes of the health insurance premium tax credit and to allow individuals purchasing health insurance in the individual market to purchase a lower premium copper plan.