

115TH CONGRESS
1ST SESSION

S. 1978

To delay the annual fee on health insurance providers until 2020 and to make such fee tax deductible.

IN THE SENATE OF THE UNITED STATES

OCTOBER 18, 2017

Ms. HEITKAMP (for herself, Mrs. SHAHEEN, and Mr. DONNELLY) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To delay the annual fee on health insurance providers until 2020 and to make such fee tax deductible.

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 “Small Business and
5 Family Health Tax Relief Act of 2017”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) The Patient Protection and Affordable Care
9 Act established an annual fee on health insurance

1 providers to be paid by covered entities (as defined
2 in section 9010 of such Act).

3 (2) Public Law 114–113 was passed with bipar-
4 tisan support in 2015 to delay the fee for 1 year
5 through 2017.

6 (3) Consumers, employers, seniors, States, and
7 tribes benefitted from this fee not being in effect
8 with lower premiums and additional health benefits.

9 (4) Independent analysis by Oliver Wyman
10 found that the average premium reduction from the
11 delay of the fee was approximately 3 percent.

12 (5) This fee affects an estimated 156,000,000
13 consumers with coverage across various markets in-
14 cluding the individual group market, the small group
15 market, the Medicare Advantage program under
16 part C of title XVIII of the Social Security Act, the
17 Medicare prescription drug program under part D of
18 title XVIII of the Social Security Act, Medicaid
19 managed care organizations, and stand-alone dental
20 and vision plans.

21 (6) These consumers face an impact to their
22 premiums due to the fee taking effect in 2018.

23 (7) This Act would provide relief to these con-
24 sumers and improve affordability of health care cov-
25 erage.

1 (8) Insurance companies have passed the im-
2 pact of the fee on to consumers in calculating rates
3 for the plan year beginning in 2018.

4 (9) Given the complexity of a fee that captures
5 such a varied group of consumers, the Department
6 of Health and Human Service, the Centers for Medi-
7 care & Medicaid Services, the Department of the
8 Treasury, State insurance commissioners, insurance
9 providers and other entities making payment of ben-
10 efits, and others should work together to ensure that
11 consumers benefit from the delay of the fee through
12 rebates, premium reductions, supplemental health
13 benefits, or otherwise in both 2018 and 2019.

14 (10) Making this fee deductible in future years
15 will provide greater stability and minimize the nega-
16 tive impact of the fee on consumers.

17 **SEC. 3. DELAY OF APPLICATION OF ANNUAL FEE ON**
18 **HEALTH INSURANCE PROVIDERS.**

19 (a) **IN GENERAL.**—Section 9010(j) of the Patient
20 Protection and Affordable Care Act (26 U.S.C. 4001 note
21 prec.) is amended by striking “December 31, 2017” and
22 inserting “December 31, 2019”.

23 (b) **EFFECTIVE DATE.**—The amendment made by
24 this section shall apply to calendar years beginning after
25 December 31, 2017.

1 **SEC. 4. DEDUCTIBILITY OF FEE.**

2 (a) **IN GENERAL.**—Section 9010(f)(2) of the Patient
3 Protection and Affordable Care Act (26 U.S.C. 4001 note
4 prec.) is amended by striking “shall be considered” and
5 inserting “shall not be considered”.

6 (b) **EFFECTIVE DATE.**—The amendment made by
7 this section shall apply to calendar years beginning after
8 December 31, 2019.

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