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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Small Business and Family Health Tax Relief Act of 2017”.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The Patient Protection and Affordable Care Act established an annual fee on health insurance
providers to be paid by covered entities (as defined
in section 9010 of such Act).

(2) Public Law 114–113 was passed with bipartis-
tian support in 2015 to delay the fee for 1 year
through 2017.

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

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

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

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

(7) This Act would provide relief to these con-
sumers and improve affordability of health care cov-
verage.
(8) Insurance companies have passed the impact of the fee on to consumers in calculating rates for the plan year beginning in 2018.

(9) Given the complexity of a fee that captures such a varied group of consumers, the Department of Health and Human Service, the Centers for Medicare & Medicaid Services, the Department of the Treasury, State insurance commissioners, insurance providers and other entities making payment of benefits, and others should work together to ensure that consumers benefit from the delay of the fee through rebates, premium reductions, supplemental health benefits, or otherwise in both 2018 and 2019.

(10) Making this fee deductible in future years will provide greater stability and minimize the negative impact of the fee on consumers.

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

(a) In General.—Section 9010(j) of the Patient Protection and Affordable Care Act (26 U.S.C. 4001 note prec.) is amended by striking “December 31, 2017” and inserting “December 31, 2019”.

(b) Effective Date.—The amendment made by this section shall apply to calendar years beginning after December 31, 2017.
SEC. 4. DEDUCTIBILITY OF FEE.

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

(b) Effective Date.—The amendment made by this section shall apply to calendar years beginning after December 31, 2019.