S. 499

To amend the Internal Revenue Code of 1986 to expand eligibility for the refundable credit for coverage under a qualified health plan, to improve cost-sharing subsidies under the Patient Protection and Affordable Care Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 1, 2021

Mrs. Shaheen (for herself, Mr. Casey, Mr. Bennet, Ms. Hassan, Ms. Baldwin, Mr. Blumenthal, Mr. Reed, Ms. Cortez Masto, Ms. Stabenow, Ms. Smith, Mr. Tester, Mr. Murphy, Mr. Cardin, Ms. Rosen, Ms. Klobuchar, and Mr. Kaine) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to expand eligibility for the refundable credit for coverage under a qualified health plan, to improve cost-sharing subsidies under the Patient Protection and Affordable Care Act, and for other purposes.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Improving Health In-
surance Affordability Act of 2021”.

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SEC. 2. INCREASE IN ELIGIBILITY FOR CREDIT.

(a) IN GENERAL.—Subparagraph (A) of section 36B(e)(1) of the Internal Revenue Code of 1986 is amended by striking “but does not exceed 400 percent”.

(b) APPLICABLE PERCENTAGES.—

(1) IN GENERAL.—Subparagraph (A) of section 36B(b)(3) of the Internal Revenue Code of 1986 as follows the table headings is amended to read as follows:

(A) APPLICABLE PERCENTAGE.—The applicable percentage for any taxable year shall be the percentage such that the applicable percentage for any taxpayer whose household income is within an income tier specified in the following table shall increase, on a sliding scale in a linear manner, from the initial premium percentage to the final premium percentage specified in such table for such income tier:

<table>
<thead>
<tr>
<th>Income Tier</th>
<th>Initial Premium Percentage</th>
<th>Final Premium Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 150 percent</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>150 percent up to 200 percent</td>
<td>0</td>
<td>2.0</td>
</tr>
<tr>
<td>200 percent up to 250 percent</td>
<td>2.0</td>
<td>4.0</td>
</tr>
<tr>
<td>250 percent up to 300 percent</td>
<td>4.0</td>
<td>6.0</td>
</tr>
<tr>
<td>300 percent up to 400 percent</td>
<td>6.0</td>
<td>8.5</td>
</tr>
<tr>
<td>400 percent and up</td>
<td>8.5</td>
<td>8.5</td>
</tr>
</tbody>
</table>

(2) CONFORMING AMENDMENTS RELATING TO AFFORDABILITY OF COVERAGE.—
(A) Subparagraph (C) of section 36B(c)(2)
of such Code is amended by striking clause (iv).

(B) Paragraph (4) of section 36B(c) of
such Code is amended by striking subparagraph
(F).

(c) LIMITATION ON RECAPTURE.—Clause (i) of sec-
tion 36B(f)(2)(B) of the Internal Revenue Code of 1986
is amended—

(1) by striking “400 percent” and inserting
“800 percent”;

(2) by striking the period at the end of the last
row of the table; and

(3) by adding at the end of the table the fol-
lowing new rows:

| At least 400 percent but less than 600 percent | $3,500 |
| At least 600 percent but less than 800 percent | $4,500 |

(d) PREMIUM COST STANDARD.—

(1) IN GENERAL.—The following provisions of
section 36B of the Internal Revenue Code of 1986
are each amended by striking “silver” each place it
appears and inserting “gold”:

(A) Paragraphs (2)(B)(i), (3)(B), and
(3)(C) of subsection (b).

(B) The heading of subparagraph (B) of
subsection (b)(3).
(C) Subsection (c)(4)(C)(i)(I).

(2) CONFORMING AMENDMENTS TO REDUCED COST-SHARING.—Section 1402(b)(1) of the Patient Protection and Affordable Care Act (42 U.S.C. 18071(b)(1)) is amended by striking “silver” and inserting “gold”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 3. ENHANCEMENTS FOR REDUCED COST-SHARING.

(a) MODIFICATION OF AMOUNT.—

(1) IN GENERAL.—Section 1402(c)(2) of the Patient Protection and Affordable Care Act (42 U.S.C. 18071(c)(2)) is amended—

(A) by striking “150 percent” in subparagraph (A) and inserting “200 percent”,

(B) by striking “94 percent” in subparagraph (A) and inserting “95 percent”,

(C) by striking “150 percent but not more than 200 percent” in subparagraph (B) and inserting “200 percent but not more than 300 percent”,

(D) by striking “87 percent” in subparagraph (B) and inserting “90 percent”,

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(E) by striking “200 percent” in subparagraph (C) and inserting “300 percent”,

(F) by striking “250 percent” in subparagraph (C) and inserting “400 percent”, and

(G) by striking “73 percent” in subparagraph (C) and inserting “85 percent”.

(2) CONFORMING AMENDMENT.—Clause (i) of section 1402(c)(1)(B) of such Act (42 U.S.C. 18071(c)(1)(B)) is amended to read as follows:

“(i) IN GENERAL.—The Secretary shall ensure the reduction under this paragraph shall not result in an increase in the plan’s share of the total allowed costs of benefits provided under the plan above—

“(I) 95 percent in the case of an eligible insured described in paragraph (2)(A);

“(II) 90 percent in the case of an eligible insured described in paragraph (2)(B); and

“(III) 85 percent in the case of an eligible insured described in paragraph (2)(C).”.
(3) **EFFECTIVE DATE.**—The amendments made by this subsection shall apply to plan years beginning after December 31, 2021.

(b) **FUNDING.**—Section 1402 of the Patient Protection and Affordable Care Act (42 U.S.C. 18071) is amended by adding at the end the following new subsection:

“(g) **FUNDING.**—Out of any funds in the Treasury not otherwise appropriated, there are appropriated to the Secretary such sums as may be necessary for payments under this section.”.