

strip away the penalties for violating. That would allow a majority to fundamentally undermine a nonbudgetary law in a reconciliation bill.

I have enormous respect for the Parliamentarian and her staff. They work diligently to serve the Senate, and they have to make some tough calls. I will say that this one leaves me disappointed and perplexed.

With so many issues—as I touched on earlier—I would hope that the Senate would spend more time doing what Chairman GRASSLEY and I did somewhere in the vicinity of 9 hours or 10 hours ago. We said there was an important issue. It happened to be a health care issue as well—prescription drugs. We spent 18 months with our very dedicated staffs, Democrats and Republicans working together, to try to find some common ground. It is a hugely important issue, important to the people of Colorado, Oregon, and everywhere else. In effect, we said it was important because it was about the future. The drugs of the future are going to be specialty drugs, exciting drugs with the opportunity for real cures. People are going to have to be able to afford them, and using the companies' own documents, this morning Chairman GRASSLEY and I pointed out how affordability and accessibility weren't actually the issue; the issue was maximizing revenue.

But most important—whether you agree with the two of us or not—it was bipartisan. It was Democrats and Republicans coming together on a hugely important issue.

This reconciliation proposal we will deal with on the floor of this Senate is a rejection of the kind of bipartisanship that I was part of something like 8 hours or 10 hours ago. It is part of what I believe the Senate is all about—what the Senate is at its best—as an institution that functions in a bipartisan way. That is why I felt compelled to come to the floor tonight and lay out my concerns about a very troubling precedent, and that is the one that is being set with the reconciliation bill.

With that, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DAINES). Without objection, it is so ordered.

Mr. McCONNELL. Mr. President, I move to proceed to Calendar No. 299, H.R. 3762.

#### RESTORING AMERICANS' HEALTHCARE FREEDOM RECONCILIATION ACT OF 2015

The PRESIDING OFFICER. The clerk will report the motion.

The senior assistant legislative clerk read as follows:

Motion to proceed to Calendar No. 299, H.R. 3762, a bill to provide for reconciliation pursuant to section 2002 of the concurrent resolution on the budget for fiscal year 2016.

The PRESIDING OFFICER. The motion is not debatable.

The question occurs on agreeing to the motion.

The motion was agreed to.

The PRESIDING OFFICER. The clerk will report the bill.

The senior assistant legislative clerk read as follows:

A bill (H.R. 3762) to provide for reconciliation pursuant to section 2002 of the concurrent resolution on the budget for fiscal year 2016.

#### AMENDMENT NO. 2874

Mr. McCONNELL. Mr. President, I send a substitute amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The senior assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. McCONNELL] proposes an amendment numbered 2874.

Mr. McCONNELL. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: In the nature of a substitute)

Strike all after the enacting clause and insert the following:

#### TITLE I—FINANCE

##### SEC. 101. FEDERAL PAYMENT TO STATES.

(a) IN GENERAL.—Notwithstanding section 504(a), 1902(a)(23), 1903(a), 2002, 2005(a)(4), 2102(a)(7), or 2105(a)(1) of the Social Security Act (42 U.S.C. 704(a), 1396a(a)(23), 1396b(a), 1397a, 1397d(a)(4), 1397bb(a)(7), 1397ee(a)(1)), or the terms of any Medicaid waiver in effect on the date of enactment of this Act that is approved under section 1115 or 1915 of the Social Security Act (42 U.S.C. 1315, 1396n), for the 1-year period beginning on the date of enactment of this Act, no Federal funds provided from a program referred to in this subsection that is considered direct spending for any year may be made available to a State for payments to a prohibited entity, whether made directly to the prohibited entity or through a managed care organization under contract with the State.

(b) DEFINITIONS.—In this section:

(1) PROHIBITED ENTITY.—The term “prohibited entity” means an entity, including its affiliates, subsidiaries, successors, and clinics—

(A) that, as of the date of enactment of this Act—

(i) is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code;

(ii) is an essential community provider described in section 156.235 of title 45, Code of Federal Regulations (as in effect on the date of enactment of this Act), that is primarily engaged in family planning services, reproductive health, and related medical care; and

(iii) provides for abortions, other than an abortion—

(I) if the pregnancy is the result of an act of rape or incest; or

(II) in the case where a woman suffers from a physical disorder, physical injury, or physical illness that would, as certified by a physician, place the woman in danger of death unless an abortion is performed, including a life-endangering physical condition caused by or arising from the pregnancy itself; and

(B) for which the total amount of Federal and State expenditures under the Medicaid program under title XIX of the Social Security Act in fiscal year 2014 made directly to the entity and to any affiliates, subsidiaries, successors, or clinics of the entity, or made to the entity and to any affiliates, subsidiaries, successors, or clinics of the entity as part of a nationwide health care provider network, exceeded \$350,000,000.

(2) DIRECT SPENDING.—The term “direct spending” has the meaning given that term under section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)).

##### SEC. 102. INDIVIDUAL MANDATE.

(a) IN GENERAL.—Section 5000A(c) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (2)(B) by striking clauses (ii) and (iii) and inserting the following:

“(ii) Zero percent for taxable years beginning after 2014.”, and

(2) in paragraph (3)—

(A) by striking “\$695” in subparagraph (A) and inserting “\$0”,

(B) by striking “and \$325 for 2015” in subparagraph (B), and

(C) by striking subparagraph (D).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 31, 2014.

##### SEC. 103. EMPLOYER MANDATE.

(a) LARGE EMPLOYERS NOT OFFERING HEALTH COVERAGE.—Paragraph (1) of section 4980H(c) of the Internal Revenue Code of 1986 is amended by inserting “(\$0 in the case of months beginning after December 31, 2014)” after “\$2,000”.

(b) LARGE EMPLOYERS OFFERING COVERAGE WITH EMPLOYEES WHO QUALIFY FOR PREMIUM TAX CREDITS OR COST-SHARING REDUCTIONS.—Paragraph (1) of section 4980H(b) of the Internal Revenue Code of 1986 is amended by inserting “(\$0 in the case of months beginning after December 31, 2014)” after “\$3,000”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 31, 2014.

##### SEC. 104. REPEAL OF MEDICAL DEVICE EXCISE TAX.

(a) IN GENERAL.—Chapter 32 of the Internal Revenue Code of 1986 is amended by striking subchapter E.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales in calendar quarters beginning after the date of the enactment of this Act.

##### SEC. 105. REPEAL OF THE TAX ON EMPLOYEE HEALTH INSURANCE PREMIUMS AND HEALTH PLAN BENEFITS.

(a) EXCISE TAX.—Chapter 43 of the Internal Revenue Code of 1986 is amended by striking section 4980L.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2017.

(c) REINSTATEMENT.—The amendment made by subsection (a) shall not apply to taxable years beginning after December 31, 2024, and chapter 43 of the Internal Revenue Code of 1986 is amended to read as such chapter would read if such subsection had never been enacted.

##### SEC. 106. RECAPTURE OF EXCESS ADVANCE PAYMENTS OF PREMIUM TAX CREDITS.

(a) IN GENERAL.—Paragraph (2) of section 36B(f) of the Internal Revenue Code of 1986 is amended by striking subparagraph (B).

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.