

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—115th Cong., 1st Sess.

H. R. 1628

To provide for reconciliation pursuant to title II of the concurrent resolution on the budget for fiscal year 2017.

Referred to the Committee on _____ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended to be proposed by _____

Viz:

1 Strike all after the enacting clause and insert the following:
2

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Health Care Freedom
5 Act”.

6 **TITLE I**

7 **SEC. 101. INDIVIDUAL MANDATE.**

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

10 (1) in paragraph (2)(B)(iii), by striking “2.5
11 percent” and inserting “Zero percent”, and

12 (2) in paragraph (3)—

1 (A) by striking “\$695” in subparagraph

2 (A) and inserting “\$0”, and

3 (B) by striking subparagraph (D).

4 (b) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to months beginning after Decem-
6 ber 31, 2015.

7 **SEC. 102. EMPLOYER MANDATE.**

8 (a) IN GENERAL.—

9 (1) Paragraph (1) of section 4980H(c) of the
10 Internal Revenue Code of 1986 is amended by in-
11 sserting “(\$0 in the case of months beginning after
12 December 31, 2015, and before January 1, 2025)”
13 after “\$2,000”.

14 (2) Paragraph (1) of section 4980H(b) of the
15 Internal Revenue Code of 1986 is amended by in-
16 sserting “(\$0 in the case of months beginning after
17 December 31, 2015, and before January 1, 2025)”
18 after “\$3,000”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to months beginning after Decem-
21 ber 31, 2015.

1 **SEC. 103. EXTENSION OF MORATORIUM ON MEDICAL DE-**
2 **VICE EXCISE TAX.**

3 (a) IN GENERAL.—Section 4191(c) of the Internal
4 Revenue Code of 1986 is amended by striking “December
5 31, 2017” and inserting “December 31, 2020”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to sales after December 31, 2017.

8 **SEC. 104. MAXIMUM CONTRIBUTION LIMIT TO HEALTH SAV-**
9 **INGS ACCOUNT INCREASED TO AMOUNT OF**
10 **DEDUCTIBLE AND OUT-OF-POCKET LIMITA-**
11 **TION.**

12 (a) IN GENERAL.—Subsection (b) of section 223 of
13 the Internal Revenue Code of 1986 is amended by adding
14 at the end the following new paragraph:

15 “(9) INCREASED LIMITATION.—In the case of
16 any month beginning after December 31, 2017, and
17 before January 1, 2021—

18 “(A) paragraph (2)(A) shall be applied by
19 substituting ‘the amount in effect under sub-
20 section (c)(2)(A)(ii)(I)’ for ‘\$2,250’, and

21 “(B) paragraph (2)(B) shall be applied by
22 substituting ‘the amount in effect under sub-
23 section (c)(2)(A)(ii)(II)’ for ‘\$4,500’.”.

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

1 **SEC. 105. FEDERAL PAYMENTS TO STATES.**

2 (a) IN GENERAL.—Notwithstanding section 504(a),
3 1902(a)(23), 1903(a), 2002, 2005(a)(4), 2102(a)(7), or
4 2105(a)(1) of the Social Security Act (42 U.S.C. 704(a),
5 1396a(a)(23), 1396b(a), 1397a, 1397d(a)(4),
6 1397bb(a)(7), 1397ee(a)(1)), or the terms of any Med-
7 icaid waiver in effect on the date of enactment of this Act
8 that is approved under section 1115 or 1915 of the Social
9 Security Act (42 U.S.C. 1315, 1396n), for the 1-year pe-
10 riod beginning on the date of enactment of this Act, no
11 Federal funds provided from a program referred to in this
12 subsection that is considered direct spending for any year
13 may be made available to a State for payments to a pro-
14 hibited entity, whether made directly to the prohibited en-
15 tity or through a managed care organization under con-
16 tract with the State.

17 (b) DEFINITIONS.—In this section:

18 (1) PROHIBITED ENTITY.—The term “prohib-
19 ited entity” means an entity, including its affiliates,
20 subsidiaries, successors, and clinics—

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

23 (i) is an organization described in sec-
24 tion 501(c)(3) of the Internal Revenue
25 Code of 1986 and exempt from tax under
26 section 501(a) of such Code;

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

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

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

12 (II) in the case where a woman
13 suffers from a physical disorder, phys-
14 ical injury, or physical illness that
15 would, as certified by a physician,
16 place the woman in danger of death
17 unless an abortion is performed, in-
18 cluding a life-endangering physical
19 condition caused by or arising from
20 the pregnancy itself; and

21 (B) for which the total amount of Federal
22 and State expenditures under the Medicaid pro-
23 gram under title XIX of the Social Security Act
24 in fiscal year 2014 made directly to the entity
25 and to any affiliates, subsidiaries, successors, or

1 **SEC. 203. WAIVERS FOR STATE INNOVATION.**

2 Section 1332 of the Patient Protection and Afford-
3 able Care Act (42 U.S.C. 18052) is amended—

4 (1) in subsection (a)(3)—

5 (A) in the first sentence, by inserting “or
6 would qualify for a reduction in” after “would
7 not qualify for”;

8 (B) by adding after the second sentence
9 the following: “A State may request that all of,
10 or any portion of, such aggregate amount of
11 such credits or reductions be paid to the State
12 as described in the first sentence.”;

13 (C) in the paragraph heading, by striking
14 “PASS THROUGH OF FUNDING” and inserting
15 “FUNDING”;

16 (D) by striking “With respect” and insert-
17 ing the following:

18 “(A) PASS THROUGH OF FUNDING.—With
19 respect”; and

20 (E) by adding at the end the following:

21 “(B) ADDITIONAL FUNDING.—There is au-
22 thorized to be appropriated, and is appro-
23 priated, to the Secretary of Health and Human
24 Services, out of monies in the Treasury not oth-
25 erwise obligated, \$2,000,000,000, to remain
26 available until the end of fiscal year 2019. Such

1 amounts shall be used to provide grants to
2 States that request financial assistance for the
3 purpose of—

4 “(i) submitting an application for a
5 waiver granted under this section; or

6 “(ii) implementing the State plan
7 under such waiver.”;

8 (2) in subsection (b)(1), in the matter pre-
9 ceding subparagraph (A)—

10 (A) by striking “may” and inserting
11 “shall”; and

12 (B) by striking “only”;

13 (3) in subsection (d)(1), by striking “180” and
14 inserting “45”; and

15 (4) in subsection (e), by striking “No waiver”
16 and all that follows through the period at the end
17 and inserting the following: “A waiver under this
18 section—

19 “(1) shall be in effect for a period of 8 years
20 unless the State requests a shorter duration;

21 “(2) may be renewed for unlimited additional 8-
22 year periods upon application by the State; and

23 “(3) may not be cancelled by the Secretary be-
24 fore the expiration of the 8-year period (including
25 any renewal period under paragraph (2)).”.