THE BIPARTISAN HEALTH CARE STABILIZATION ACT OF 2017
SECTION-BY-SECTION

Section 1. Short Title. This bill is referred to as, "The Bipartisan Health Care Stabilization Act of 2017."

Section 2. Waivers for State Innovation. Makes changes to the existing Section 1332 State Innovation Waivers to allow for more state flexibility and a streamlined approval process.

Allow States to Offer Value-Based Insurance Plans:

- Creates more flexibility for states in the 1332 "guardrail" on affordability to allow for more variation in cost sharing and other health plan design elements, with protections for vulnerable and low-income populations and people with serious health conditions.
- Would not diminish existing patient protections under the Affordable Care Act (ACA), including the prohibition on charging more for pre-existing conditions, guaranteed issue, adult child coverage up to age 26, and the prohibition on annual and lifetime limits.

More Funding Options:

- Clarifies that states can opt to redirect a portion of their premium tax credits, cost sharing reductions, small business tax credits, and Basic Health Program funds to use for programs like reinsurance or invisible high-risk pools.
- Clarifies the "budget neutrality" test is over the entire term of a waiver and the required 10-year budget plan instead of expecting budget neutrality in the first year or every year under a waiver.
- Fixes the "double cap" by allowing the Secretary of Health and Human Services (HHS) to take into consideration the effect of the 1332 waiver on other federal programs when calculating deficit neutrality.
- Allows funds from the ACA Basic Health Program to be used towards a 1332 waiver and allow 1332 pass-through funding to be used for a Basic Health Program, making it easier for states with a Basic Health Plan to get a waiver.

Streamlined 1332 Waiver Application Process:

- Allows Governors to use their existing executive authority to apply for a waiver without needing additional state legislation.
- Reduces the HHS review period from 180 days to 90 days.
- Establishes a fast-track 45-day approval process, while maintaining the same approval standard as for other waivers, for waivers submitted in response to an urgent situation in a state, such as the risk of "bare counties" or excessive premium increases, or waivers that are the same or similar to a waiver that has already been approved for another state. Waivers granted for urgent situations will be granted three-year provisional approval, with the option to extend, subject to approval.
- Requires HHS to create a menu of waiver options that can help states receive approval faster.

More Certainty for States After a Waiver is Approved:

- Waivers would be for 6 years, unless a shorter waiver is requested by a state. This is an increase from a current maximum period of 5 years.
- Creates unlimited 6-year renewals of a waiver, subject to approval of the renewal.
- Prohibits the Secretary of HHS from suspending or terminating a waiver unless the Secretary determines that the state materially failed to comply with the terms and conditions of the waiver.

Section 3. Cost Sharing Payments.

- Appropriates cost sharing reduction subsidies (CSRs) for 2017, 2018, and 2019.
- To prevent "double dipping" by insurance companies, requires states to certify that qualified health plan issuers that receive cost sharing reduction subsidy payments after rates are filed for 2018 will ensure that consumers and the Federal Government receive a financial benefit.

Section 4. Allow All Individuals to Purchase a Lower-Premium "Copper" Plan in the Individual Market.

- Under current law, only individuals who are under the age of 30 or who meet a hardship exemption are allowed to purchase a lower premium "copper plan," which is also known as a catastrophic health plan.
- Section 4 allows anyone to purchase a copper plan, regardless of age or hardship status.
- These plans would be sold in the same risk pool as other metal-level plans.
- Copper plans would still be subject to same rules on out-of-pocket cost caps and benefits as catastrophic plans under current law.

Section 5. Consumer Outreach, Education, and Assistance.

- Requires HHS to report on consumer outreach, education, and assistance activities.
- Allows HHS to contract with states to conduct outreach and enrollment activities funded by existing user fees designated for these activities.
- For plan years 2018 and 2019, requires HHS to fund outreach and enrollment activities using $106 million from existing user fees at the level designated for these activities in the 2018 benefit rule.

Section 6. Offering Health Plans in More than One State.

- Requires HHS to promulgate regulations for the implementation of Health Care Choice Compacts established under section 1333 of the ACA, which would allow plans to be sold across state lines in the individual or small group market.