AMENDMENT NO. ________   Calendar No. ________

Purpose: In the nature of a substitute.


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. SECTION 1. SHORT TITLE.

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

3. TITLE I

4. SEC. 101. INDIVIDUAL MANDATE.

(a) In General.—Section 5000A(e) of the Internal Revenue Code of 1986 is amended—

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

(2) in paragraph (3)—
(A) by striking “$695” in subparagraph (A) and inserting “$0”, and
(B) by striking subparagraph (D).
(b) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 31, 2015.

SEC. 102. EMPLOYER MANDATE.

(a) IN GENERAL.—
(1) 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, 2015, and before January 1, 2025)” after “$2,000”.
(2) 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, 2015, and before January 1, 2025)” after “$3,000”.
(b) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 31, 2015.
SEC. 103. EXTENSION OF MORATORIUM ON MEDICAL DE-
VICE EXCISE TAX.

(a) In General.—Section 4191(e) of the Internal
Revenue Code of 1986 is amended by striking “December
31, 2017” and inserting “December 31, 2020”.

(b) Effective Date.—The amendment made by
this section shall apply to sales after December 31, 2017.

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

(a) In General.—Subsection (b) of section 223 of
the Internal Revenue Code of 1986 is amended by adding
at the end the following new paragraph:

“(9) Increased limitation.—In the case of
any month beginning after December 31, 2017, and
before January 1, 2021—

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

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

(b) Effective Date.—The amendment made by
this section shall apply to taxable years beginning after
December 31, 2017.
SEC. 105. FEDERAL PAYMENTS 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
$1,000,000.

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

TITLE II

SEC. 201. THE PREVENTION AND PUBLIC HEALTH FUND.

Subsection (b) of section 4002 of the Patient Protec-
tion and Affordable Care Act (42 U.S.C. 300u–11) is
amended—

(1) in paragraph (3), by striking “each of fiscal
years 2018 and 2019” and inserting “fiscal year
2018”; and

(2) by striking paragraphs (4) through (8).

SEC. 202. COMMUNITY HEALTH CENTER PROGRAM.

Effective as if included in the enactment of the Medi-
care Access and CHIP Reauthorization Act of 2015 (Pub-
lic Law 114–10, 129 Stat. 87), paragraph (1) of section
221(a) of such Act is amended by inserting “, and an ad-
ditional $422,000,000 for fiscal year 2017” after “2017”.

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Effective as if included in the enactment of the Medi-
care Access and CHIP Reauthorization Act of 2015 (Pub-
lic Law 114–10, 129 Stat. 87), paragraph (1) of section
221(a) of such Act is amended by inserting “, and an ad-
ditional $422,000,000 for fiscal year 2017” after “2017”.
SEC. 203. WAIVERS FOR STATE INNOVATION.

Section 1332 of the Patient Protection and Affordable Care Act (42 U.S.C. 18052) is amended—

(1) in subsection (a)(3)—

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

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

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

(D) by striking “With respect” and inserting the following:

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

(E) by adding at the end the following:

“(B) ADDITIONAL FUNDING.—There is authorized to be appropriated, and is appropriated, to the Secretary of Health and Human Services, out of monies in the Treasury not otherwise obligated, $2,000,000,000, to remain available until the end of fiscal year 2019. Such
amounts shall be used to provide grants to States that request financial assistance for the purpose of—

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

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

(2) in subsection (b)(1), in the matter preceding subparagraph (A)—

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

(B) by striking “only”;

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

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

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

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

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