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:

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Obamacare Repeal Reconciliation Act of 2017”.

TITLE I

7 SEC. 101. RECAPTURE EXCESS ADVANCE PAYMENTS OF PREMIUM TAX CREDITS.

9 Subparagraph (B) of section 36B(f)(2) of the Internal Revenue Code of 1986 is amended by adding at the end the following new clause:
“(iii) Nonapplicability of limitation.—This subparagraph shall not apply to taxable years ending after December 31, 2017, and before January 1, 2020.”.

SEC. 102. PREMIUM TAX CREDIT.

(a) Premium Tax Credit.—

(1) Modification of definition of qualified health plan.—

(A) In general.—Section 36B(e)(3)(A) of the Internal Revenue Code of 1986 is amended by inserting before the period at the end the following: “or a plan that includes coverage for abortions (other than any abortion necessary to save the life of the mother or any abortion with respect to a pregnancy that is the result of an act of rape or incest)”.

(B) Effective date.—The amendment made by this paragraph shall apply to taxable years beginning after December 31, 2017.

(2) Repeal.—

(A) In general.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking section 36B.
(B) EFFECTIVE DATE.—The amendment made by this paragraph shall apply to taxable years beginning after December 31, 2019.

(b) REPEAL OF ELIGIBILITY DETERMINATIONS.—

(1) IN GENERAL.—The following sections of the Patient Protection and Affordable Care Act are repealed:

(A) Section 1411 (other than subsection (i), the last sentence of subsection (e)(4)(A)(ii), and such provisions of such section solely to the extent related to the application of the last sentence of subsection (e)(4)(A)(ii)).

(B) Section 1412.

(2) EFFECTIVE DATE.—The repeals in paragraph (1) shall take effect on January 1, 2020.

(c) PROTECTING AMERICANS BY REPEAL OF DISCLOSURE AUTHORITY TO CARRY OUT ELIGIBILITY REQUIREMENTS FOR CERTAIN PROGRAMS.—

(1) IN GENERAL.—Paragraph (21) of section 6103(l) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(D) TERMINATION.—No disclosure may be made under this paragraph after December 31, 2019.”.
(2) **EFFECTIVE DATE.**—The amendment made by paragraph (1) shall take effect on January 1, 2020.

**SEC. 103. SMALL BUSINESS TAX CREDIT.**

(a) **SUNSET.**—

(1) **IN GENERAL.**—Section 45R of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

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"(j) SHALL NOT APPLY.—This section shall not apply with respect to amounts paid or incurred in taxable years beginning after December 31, 2019."
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(2) **EFFECTIVE DATE.**—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2019.

(b) **DISALLOWANCE OF SMALL EMPLOYER HEALTH INSURANCE EXPENSE CREDIT FOR PLAN WHICH INCLUDES COVERAGE FOR ABORTION.**—

(1) **IN GENERAL.**—Subsection (h) of section 45R of the Internal Revenue Code of 1986 is amended—

(A) by striking "Any term" and inserting the following:

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“(1) IN GENERAL.—Any term”
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(B) by adding at the end the following new paragraph:
“(2) EXCLUSION OF HEALTH PLANS INCLUDING
COVERAGE FOR ABORTION.—The term ‘qualified
health plan’ does not include any health plan that
includes coverage for abortions (other than any
abortion necessary to save the life of the mother or
any abortion with respect to a pregnancy that is the
result of an act of rape or incest).”.

(2) EFFECTIVE DATE.—The amendments made
by this subsection shall apply to taxable years begin-
ning after December 31, 2017.

SEC. 104. INDIVIDUAL MANDATE.

(a) IN GENERAL.—Section 5000A(c) 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 Decem-
ber 31, 2015.

SEC. 105. 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)" 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)" after "$3,000".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 31, 2015.

SEC. 106. 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 en-
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, phys-
ical injury, or physical illness that
would, as certified by a physician,
place the woman in danger of death
unless an abortion is performed, in-
cluding 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 pro-
gram 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 Emer-
gency Deficit Control Act of 1985 (2 U.S.C. 900(c)).

**SEC. 107. MEDICAID.**

The Social Security Act (42 U.S.C. 301 et seq.) is
amended—

(1) in section 1902—
(A) in subsection (a)(10)(A), in each of clauses (i)(VIII) and (ii)(XX), by inserting “and ending December 31, 2019,” after “January 1, 2014,”; and

(B) in subsection (a)(47)(B), by inserting “and provided that any such election shall cease to be effective on January 1, 2020, and no such election shall be made after that date” before the semicolon at the end;

(2) in section 1905—

(A) in the first sentence of subsection (b), by inserting “(50 percent on or after January 1, 2020)” after “55 percent”;

(B) in subsection (y)(1), by striking the semicolon at the end of subparagraph (D) and all that follows through “thereafter”; and

(C) in subsection (z)(2)—

(i) in subparagraph (A), by inserting “through 2019” after “each year thereafter”; and

(ii) in subparagraph (B)(ii)(VI), by striking “and each subsequent year”;

(3) in section 1915(k)(2), by striking “during the period described in paragraph (1)” and inserting
“on or after the date referred to in paragraph (1) and before January 1, 2020”;

(4) in section 1920(e), by adding at the end the following: “This subsection shall not apply after December 31, 2019.”;

(5) in section 1937(b)(5), by adding at the end the following: “This paragraph shall not apply after December 31, 2019.”; and

(6) in section 1943(a), by inserting “and before January 1, 2020,” after “January 1, 2014,”.

SEC. 108. REPEAL OF DSH ALLOTMENT REDUCTIONS.

Section 1923(f) of the Social Security Act (42 U.S.C. 1396r–4(f)) is amended by striking paragraphs (7) and (8).

SEC. 109. REPEAL OF THE TAX ON EMPLOYEE HEALTH INSURANCE PREMIUMS AND HEALTH PLAN BENEFITS.

(a) In General.—Chapter 43 of the Internal Revenue Code of 1986 is amended by striking section 4980I.

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2019.

(e) Subsequent Effective Date.—The amendment made by subsection (a) shall not apply to taxable years beginning after December 31, 2025, 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. 110. REPEAL OF TAX ON OVER-THE-COUNTER MEDICATIONS.

(a) HSAs.—Subparagraph (A) of section 223(d)(2) of the Internal Revenue Code of 1986 is amended by striking “Such term” and all that follows through the period.

(b) Archer MSAs.—Subparagraph (A) of section 220(d)(2) of the Internal Revenue Code of 1986 is amended by striking “Such term” and all that follows through the period.

(c) Health Flexible Spending Arrangements and Health Reimbursement Arrangements.—Section 106 of the Internal Revenue Code of 1986 is amended by striking subsection (f).

(d) Effective Dates.—

(1) Distributions from savings accounts.—The amendments made by subsections (a) and (b) shall apply to amounts paid with respect to taxable years beginning after December 31, 2016.

(2) Reimbursements.—The amendment made by subsection (e) shall apply to expenses incurred with respect to taxable years beginning after December 31, 2016.
SEC. 111. REPEAL OF TAX ON HEALTH SAVINGS ACCOUNTS.

(a) HSA S.—Section 223(f)(4)(A) of the Internal Revenue Code of 1986 is amended by striking “20 percent” and inserting “10 percent”.

(b) ARCHER MSAS.—Section 220(f)(4)(A) of the Internal Revenue Code of 1986 is amended by striking “20 percent” and inserting “15 percent”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2016.

SEC. 112. REPEAL OF LIMITATIONS ON CONTRIBUTIONS TO FLEXIBLE SPENDING ACCOUNTS.

(a) IN GENERAL.—Section 125 of the Internal Revenue Code of 1986 is amended by striking subsection (i).

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

SEC. 113. REPEAL OF TAX ON PRESCRIPTION MEDICATIONS.

Subsection (j) of section 9008 of the Patient Protection and Affordable Care Act is amended to read as follows:

“(j) REPEAL.—This section shall apply to calendar years beginning after December 31, 2010, and ending before January 1, 2018.”
SEC. 114. REPEAL OF MEDICAL DEVICE EXCISE TAX.

Section 4191 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(d) APPLICABILITY.—The tax imposed under subsection (a) shall not apply to sales after December 31, 2017.”.

SEC. 115. REPEAL OF HEALTH INSURANCE TAX.

Subsection (j) of section 9010 of the Patient Protection and Affordable Care Act is amended by striking “, and” at the end of paragraph (1) and all that follows through “2017”.

SEC. 116. REPEAL OF ELIMINATION OF DEDUCTION FOR EXPENSES ALLOCABLE TO MEDICARE PART D SUBSIDY.

(a) IN GENERAL.—Section 139A of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: “This section shall not be taken into account for purposes of determining whether any deduction is allowable with respect to any cost taken into account in determining such payment.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2016.
SEC. 117. REPEAL OF CHRONIC CARE TAX.

(a) IN GENERAL.—Subsection (a) of section 213 of the Internal Revenue Code of 1986 is amended by striking “10 percent” and inserting “7.5 percent”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2016.

SEC. 118. REPEAL OF MEDICARE TAX INCREASE.

(a) IN GENERAL.—Subsection (b) of section 3101 of the Internal Revenue Code of 1986 is amended to read as follows:

“(b) HOSPITAL INSURANCE.—In addition to the tax imposed by the preceding subsection, there is hereby imposed on the income of every individual a tax equal to 1.45 percent of the wages (as defined in section 3121(a)) received by such individual with respect to employment (as defined in section 3121(b)).”.

(b) SECA.—Subsection (b) of section 1401 of the Internal Revenue Code of 1986 is amended to read as follows:

“(b) HOSPITAL INSURANCE.—In addition to the tax imposed by the preceding subsection, there shall be imposed for each taxable year, on the self-employment income of every individual, a tax equal to 2.9 percent of the amount of the self-employment income for such taxable year.”.
(c) Effective Date.—The amendments made by this section shall apply with respect to remuneration received after, and taxable years beginning after, December 31, 2017.

SEC. 119. REPEAL OF TANNING TAX.

(a) In General.—The Internal Revenue Code of 1986 is amended by striking chapter 49.

(b) Effective Date.—The amendment made by this section shall apply to services performed after September 30, 2017.

SEC. 120. REPEAL OF NET INVESTMENT TAX.

(a) In General.—Subtitle A of the Internal Revenue Code of 1986 is amended by striking chapter 2A.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2016.

SEC. 121. REMUNERATION.

Paragraph (6) of section 162(m) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(I) Termination.—This paragraph shall not apply to taxable years beginning after December 31, 2016.”.
TITLE II

SEC. 201. THE PREVENTION AND PUBLIC HEALTH FUND.

Subsection (b) of section 4002 of the Patient Protection 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. SUPPORT FOR STATE RESPONSE TO SUBSTANCE ABUSE PUBLIC HEALTH CRISIS AND URGENT MENTAL HEALTH NEEDS.

(a) IN GENERAL.—There are authorized to be appropriated, and are appropriated, out of monies in the Treasury not otherwise obligated, $750,000,000 for each of fiscal years 2018 and 2019, to the Secretary of Health and Human Services (referred to in this section as the “Secretary”) to award grants to States to address the substance abuse public health crisis or to respond to urgent mental health needs within the State. In awarding grants under this section, the Secretary may give preference to States with an incidence or prevalence of substance use disorders that is substantial relative to other States or to States that identify mental health needs within their communities that are urgent relative to such needs of other
States. Funds appropriated under this subsection shall remain available until expended.

(b) Use of Funds.—Grants awarded to a State under subsection (a) shall be used for one or more of the following public health-related activities:

(1) Improving State prescription drug monitoring programs.

(2) Implementing prevention activities, and evaluating such activities to identify effective strategies to prevent substance abuse.

(3) Training for health care practitioners, such as best practices for prescribing opioids, pain management, recognizing potential cases of substance abuse, referral of patients to treatment programs, and overdose prevention.

(4) Supporting access to health care services provided by Federally certified opioid treatment programs or other appropriate health care providers to treat substance use disorders or mental health needs.

(5) Other public health-related activities, as the State determines appropriate, related to addressing the substance abuse public health crisis or responding to urgent mental health needs within the State.
SEC. 203. COMMUNITY HEALTH CENTER PROGRAM.

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

SEC. 204. FUNDING FOR COST-SHARING PAYMENTS.

There is appropriated to the Secretary of Health and Human Services, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for payments for cost-sharing reductions authorized by the Patient Protection and Affordable Care Act (including adjustments to any prior obligations for such payments) for the period beginning on the date of enactment of this Act and ending on December 31, 2019. Notwithstanding any other provision of this Act, payments and other actions for adjustments to any obligations incurred for plan years 2018 and 2019 may be made through December 31, 2020.

SEC. 205. REPEAL OF COST-SHARING SUBSIDY PROGRAM.

(a) IN GENERAL.—Section 1402 of the Patient Protection and Affordable Care Act (42 U.S.C. 18071) is repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to cost-sharing reductions (and payments to issuers for such reductions) for plan years beginning after December 31, 2019.