BIPARTISAN MARKET STABILIZATION AND INNOVATION ACT

Funds Cost Sharing Reduction Payments

Cost Sharing Reduction payments (CSRs) help low-income families in the individual market afford deductibles and copays. The Bipartisan Market Stabilization and Innovation Act provides clear Congressional authority to appropriate CSRs, but requires HHS to report to Congress on (A) how much is being paid each year; (B) the effects of such payments on the costs of health insurance in the individual market; and (C) the projected costs of health insurance in the individual market over the subsequent year.

Creates a Patient and State Stability Fund

To help stabilize increased premiums across the individual market, the bill creates a stability fund of $11.5 billion each year ($115 billion over ten years, beginning in 2019) to be used to back up high-cost health claims for patients. Under the plan, states will receive funds which can be used in innovative plans to help patients enroll in coverage, reduce the cost of premiums, reduce out-of-pocket costs, and promote enrollment in the individual and small group markets. To receive funds for these purposes, states will be required to submit applications detailing their plans. If a state does not submit an application, or an application is not approved for a state, the program will default to a federal backstop, working in conjunction with the state, which will reimburse insurers for patients with especially high medical claims.

Allows states to innovate in the individual market while keeping protections for patients

State innovation waivers allow states to find solutions that work to bring down premiums, but the program could be improved to be more efficient and allow states to access greater savings. The Bipartisan Market Stabilization and Innovation Act makes the following changes to Section 1332 State Innovation Waivers:

1. Allows states to access full amount of federal savings that would be realized via an approved 1332 waiver. Currently, states only can receive the savings they would generate from less money spent on premium tax credits and cost sharing reductions.
2. Shifts the approval window that HHS has for a 1332 waiver from 180 days to 90 days for standard applications, which will mean states will see a quicker turn-around time when applying for a 1332 waiver.
3. Sets a 45-day time limit for 1332 waiver applications (A) submitted in response to an urgent situation, with respect to areas in the State that the Secretary determines are at risk for excessive premium increases or having no health insurance plans offered in the applicable health insurance market for the current or following plan year; or (B) requests that are materially identical to an already approved waiver that has already been submitted

Provides relief for small and mid-size businesses

Current law requires employers with 50 or more employees to offer insurance to employees, or pay a penalty. This bill moves the employer mandate definition of “large employer” from 50 employees to 500 employees. It also changes the definition of full time employee to one who works 40 hours, rather than 30.

Repeals the Medical Device Tax

Repeals the current 2.3% Medical Device Tax implemented under the ACA, effective January 1, 2018.

Paves the way for state insurance compacts

The Affordable Care Act required HHS to issue regulations on the creation of health care choice compacts, but those regulations were never issued. The Bipartisan Market Stabilization and Improvement Act requires HHS to issue regulations on ACA Section 1333 Health Choice Compacts no later than one year after the date of enactment.

Commits the bill to deficit neutrality

Expresses the sense of Congress that the bill should not increase the deficit, and any projected costs of such provisions should be offset with policies to negate any projected deficit increase.