

117TH CONGRESS
2D SESSION

H. R. 7512

To amend title XXVII of the Public Health Service Act, title I of the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to limit enrollment in coverage for excepted benefits to individuals enrolled in a health plan providing minimum essential coverage.

IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 2022

Mrs. HAYES (for herself and Ms. SCHAKOWSKY) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Education and Labor, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XXVII of the Public Health Service Act, title I of the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to limit enrollment in coverage for excepted benefits to individuals enrolled in a health plan providing minimum essential coverage.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Protecting Patients
3 from Deceptive Health Plans Act”.

4 **SEC. 2. MODIFYING EXCEPTED BENEFITS WITH RESPECT**
5 **TO CERTAIN PLANS.**

6 (a) PUBLIC HEALTH SERVICE ACT.—

7 (1) ADDITIONAL REQUIREMENTS FOR EX-
8 CEPTED BENEFIT.—Section 2722(c)(2) of the Public
9 Health Service Act (42 U.S.C. 300gg–21(c)(2)) is
10 amended—

11 (A) in subparagraph (B), by striking
12 “sponsor.” and inserting “sponsor, or with re-
13 spect to individual coverage, under any health
14 insurance coverage maintained by the same
15 health insurance issuer.”; and

16 (B) by adding at the end the following:

17 “(D) Such benefits are paid without regard
18 to, and do not vary based on, the severity of the
19 illness, injury, diagnosis, or other characteris-
20 tics related to treatment for which such benefits
21 are paid.

22 “(E) With respect to such benefits, the
23 separate policy, certificate, or contract of insur-
24 ance is provided only to an individual enrolled
25 in minimum essential coverage (as defined in
26 section 5000A(f) of the Internal Revenue Code

of 1986), and such minimum essential coverage's share of the total allowed costs (as determined for purposes of section 36B(c)(2)(C)(ii) of such Code) of benefits provided under such minimum essential coverage is greater than or equal to 60 percent of such costs.”.

(2) MODIFICATION OF CERTAIN EXCEPTED BENEFITS.—Section 2791(c) of the Public Health Service Act (42 U.S.C. 300gg–91(c)) is amended—

(A) in paragraph (1)(A), by striking “accident” and all that follows through “combination thereof”, and inserting “disability income insurance”; and

(B) in paragraph (3), by adding at the end the following:

“(C) Coverage only for accident.”.

(b) EMPLOYEE RETIREMENT INCOME SECURITY ACT.—

(1) ADDITIONAL REQUIREMENTS FOR EXCEPTED BENEFITS.—Section 732(c)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191a(c)(2)) is amended by adding at the end the following:

1 “(D) Such benefits are paid without regard
2 to, and do not vary based on, the severity of the
3 illness, injury, diagnosis, or other characteris-
4 tics related to treatment for which such benefits
5 are paid.

6 “(E) With respect to such benefits, the
7 separate policy, certificate, or contract of insur-
8 ance is provided only to a participant or bene-
9 ficiary enrolled in minimum essential coverage
10 (as defined in section 5000A(f) of the Internal
11 Revenue Code of 1986), and such minimum es-
12 sential coverage’s share of the total allowed
13 costs (as determined for purposes of section
14 36B(c)(2)(C)(ii) of such Code) of benefits pro-
15 vided under such minimum essential coverage is
16 greater than or equal to 60 percent of such
17 costs.”.

18 (2) MODIFICATION OF CERTAIN EXCEPTED
19 BENEFITS.—Section 733(c) of the Employee Retire-
20 ment Income Security Act of 1974 (29 U.S.C.
21 1191b(c)) is amended—

22 (A) in paragraph (1)(A), by striking “acci-
23 dent” and all that follows through “combination
24 thereof”, and inserting “disability income insur-
25 ance”; and

1 (B) in paragraph (3), by adding at the end
2 the following:

3 “(C) Coverage only for accident.”.

4 (c) INTERNAL REVENUE CODE.—

5 (1) ADDITIONAL REQUIREMENTS FOR EX-
6 CEPTED BENEFITS.—Section 9831(c)(2) of the In-
7 ternal Revenue Code of 1986 is amended by adding
8 at the end the following:

9 “(D) Such benefits are paid without regard
10 to, and do not vary based on, the severity of the
11 illness, injury, diagnosis, or other characteris-
12 tics related to treatment for which such benefits
13 are paid.

14 “(E) With respect to such benefits, the
15 separate policy, certificate, or contract of insur-
16 ance is provided only to a participant or bene-
17 ficiary enrolled in minimum essential coverage
18 (as defined in section 5000A(f)), and such min-
19 imum essential coverage’s share of the total al-
20 lowed costs (as determined for purposes of sec-
21 tion 36B(c)(2)(C)(ii)) of benefits provided
22 under such minimum essential coverage is
23 greater than or equal to 60 percent of such
24 costs.”.

1 (2) MODIFICATION OF CERTAIN EXCEPTED
2 BENEFITS.—Section 9832(c) of the Internal Rev-
3 enue Code of 1986 is amended—

4 (A) in paragraph (1)(A), by striking “acci-
5 dent” and all that follows through “combination
6 thereof”, and inserting “disability income insur-
7 ance”; and

8 (B) in paragraph (3), by adding at the end
9 the following:

10 “(C) Coverage only for accident.”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall take effect beginning January 1, 2023,
13 and shall apply with respect to policies issued, sold, or re-
14 newed on or after such date.

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