111TH CONGRESS 1ST SESSION H.R. 3478

To amend the Internal Revenue Code of 1986 to modify rules relating to health savings accounts, to provide payments for a health savings account and for a high deductible health plan instead of entitlement to benefits under Medicare, Medicaid, and SCHIP, to give more control and coverage to patients, to lower health care costs through increased price transparency, and to require immigrants to have a health savings account and high deductible health coverage at time of admission.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2009

Mr. GOHMERT introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce and the Judiciary, 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 the Internal Revenue Code of 1986 to modify rules relating to health savings accounts, to provide payments for a health savings account and for a high deductible health plan instead of entitlement to benefits under Medicare, Medicaid, and SCHIP, to give more control and coverage to patients, to lower health care costs through increased price transparency, and to require immigrants to have a health savings account and high deductible health coverage at time of admission. 1 Be it enacted by the Senate and House of Representa-

2 tives of the United States of America in Congress assembled,

3 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

- 4 (a) SHORT TITLE.—This Act may be cited as the
- 5 "Patient-Controlled Healthcare Protection Act of 2009".
- 6 (b) TABLE OF CONTENTS.—The table of contents for
- 7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—HEALTH SAVINGS ACCOUNT REFORM

- Sec. 101. Advantage HSA.
- Sec. 102. Health Savings Account reform.
- Sec. 103. Advantage HSA grant program.
- Sec. 104. Health Savings Account debit card.
- Sec. 105. HSA Healthcare Panel.

TITLE II—TRANSPARENCY RELATED TO HEALTH CARE PROVIDER CHARGES

Sec. 201. Transparency requirements related to health care provider charges.

TITLE III—IMMIGRATION-RELATED PROVISIONS

Sec. 301. Requirement for immigrant to be covered under high deductible health plan and HSA.

Sec. 302. Reentry of removed alien who received emergency medical assistance.

8 TITLE I—HEALTH SAVINGS 9 ACCOUNT REFORM

10 SEC. 101. ADVANTAGE HSA.

11 (a) IN GENERAL.—Part III of subchapter B of chap-

12 ter 1 of the Internal Revenue Code of 1986 is amended

13 by inserting after section 138 the following new section:

14 "SEC. 138A. ADVANTAGE HSA.

15 "(a) IN GENERAL.—Gross income shall not include 16 any payment to the Advantage HSA of an individual by 17 the Generatory of the Transmus and a matin 102 of Pa

17 the Secretary of the Treasury under section 103 of Pa-•HR 3478 IH

1 tient-Controlled Healthcare Protection Act of 2009 or any 2 premium payment under such section for the high deduct-3 ible health plan with respect to which such Advantage HSA relates. 4 "(b) ADVANTAGE HSA.—For purposes of this sec-5 tion, the term 'Advantage HSA' means a health savings 6 7 account (as defined in section 223(d))— "(1) which is designated as an Advantage HSA, 8 "(2) with respect to which no contribution may 9 10 be made other than— "(A) a contribution described in subsection 11 12 (a), "(B) a contribution in cash without limita-13 14 tion as to amount, or "(C) a trustee-to-trustee transfer described 15 16 in subsection (d), and 17 "(3) the governing instrument of which pro-18 vides that trustee-to-trustee transfers described in 19 subsection (d) may be made to and from such ac-20 count. "(c) TEN PERCENT BONUS DISTRIBUTION.— 21 22 "(1) IN GENERAL.—Section 223(f)(2) shall not 23 apply to any bonus distribution from a health sav-24 ings account.

1	"(2) DISTRIBUTIONS.—An eligible Advantage
2	HSA participant may receive 10 percent of excess
3	funds that have been contributed to the individual or
4	household HSA over the deductible in a calendar
5	year. The funds will be directly deposited into the
6	desired account of the participant.
7	"(3) Bonus distribution.—For purposes of
8	this subsection, the term 'bonus distribution' means
9	any distribution which is made during the 30-day
10	period beginning on the first day of the calendar
11	year to the extent such distribution does not exceed
12	an amount equal to the excess (if any) of—
13	"(A) the fair market value of the assets in
14	such health savings account as of the close of
15	the preceding calendar year, over
16	"(B) the sum of the annual deductible re-
17	quired to be paid under the plan for covered
18	benefits for the calendar year.
19	"(d) STATE CERTIFICATION FOR HIGH DEDUCTIBLE
20	HEALTH PLANS.—For purposes of this section—
21	"(1) IN GENERAL.—For purposes of deter-
22	mining whether or not an individual is an eligible in-
23	dividual, a health plan shall not be treated as a high
24	deductible health plan (as defined under section
25	223(c)(2)) unless such plan is certified by the State

within which the individual's principal place of abode
 is located.

3 "(2) INSURANCE BIDDING.—If an insurance
4 company is based in the United States, they may
5 offer and sell policies in all States and they may bid
6 on other policies across State lines.

7 "(e) TRUSTEE-TO-TRUSTEE TRANSFER.—Section
8 223(f)(2) shall not apply to any trustee-to-trustee transfer
9 from an Advantage HSA of an account holder to another
10 Advantage HSA or health savings account of such account
11 holder.

"(f) ASSOCIATIONS.—Employers who choose to participate in the Advantage HSA Program may join together
in associations in an effort to purchase less expensive insurance for their employees.".

(b) CONFORMING AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such
Code is amended by inserting after the item relating to
section 138 the following new item:
"138A. Advantage HSA.".

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 2009.

23 SEC. 102. HEALTH SAVINGS ACCOUNT REFORM.

24 (a) Account-to-Account Transfers.—

1	(1) IN GENERAL.—Subparagraph (A) of section
2	223(f)(5) of the Internal Revenue Code of 1986 is
3	amended by striking "a health savings account for
4	the benefit of such beneficiary" and inserting "any
5	health savings account".
6	(2) LIMITATION.—Subparagraph (B) of section
7	223(f)(5) of such Code is amended—
8	(A) by striking "LIMITATION.—This para-
9	graph" and inserting the following:
10	"(B) Limitations.—
11	"(i) IN GENERAL.—This paragraph",
12	and
13	(B) by adding at the end of subparagraph
14	(B), as so amended, the following new clause:
15	"(ii) Transfers to other account
16	BENEFICIARIES.—This paragraph shall not
17	apply to any amount described in subpara-
18	graph (A) to the extent that immediately
19	after such distribution the fair market
20	value of the account is less than the an-
21	nual deductible required to be paid under
22	the plan for the calendar year within which
23	the distribution is made.".

(b) MIGRANT WORKER HSA.—Section 223 of such 1 2 Code is amended by adding at the end the following new subsection: 3 4 "(i) MIGRANT WORKER HSA.— 5 "(1) IN GENERAL.—An employer may establish 6 for the benefit of any eligible employee a health sav-7 ings account. "(2) ELIGIBLE EMPLOYEE.—For purposes of 8 9 this subsection, the term 'eligible employee' means any individual (other than a citizen or resident of 10 11 the United States)— 12 "(A) with respect to whom the employee 13 provides remuneration for employment, and 14 "(B) who is lawfully present in the United 15 States and has been granted authorization to 16 engage in employment in the United States.". 17 (c) OTHER REFORMS.—Section 223 of such Code is amended as follows: 18 19 (1) By striking paragraphs (1) through (4) and 20 (6) through (8) of subsection (b) and by redesig-21 nating paragraph (5) as paragraph (1). 22 (2) By inserting after paragraph (1), as so re-23 designated, the following new paragraph: 24 "(2) HOUSEHOLD HSA.—In the case of health 25 savings accounts with respect to which individuals

1	who are members of the same household are the ac-
2	count beneficiaries, upon filing the return of tax for
3	any taxable year, each such individual shall include
4	on the return each social security number of all par-
5	ticipating members of such individual's household.".
6	(3) By amending paragraph (1) of subsection
7	(c) to read as follows:
8	"(1) ELIGIBLE INDIVIDUAL.—The term 'eligible
9	individual' means any individual.".
10	(4) By amending subsection $(c)(2)(A)$ to read
11	as follows:
12	"(A) IN GENERAL.—The term 'high de-
13	ductible health plan' means a health plan which
14	has an annual deductible which is not less
15	than—
16	"(i) \$2,500 for self-only coverage, and
17	"(ii) \$3,500 for family or household
18	coverage.".
19	(5) By striking subparagraph (B) of subsection
20	(c)(2) and redesignating subparagraphs (C) and (D)
21	thereof as subparagraphs (B) and (C), respectively.
22	(6) By adding at the end of subsection $(c)(2)$,
23	as so amended, the following new subparagraph:

1	"(D) OTHER REQUIREMENTS.—An Advan-
2	tage HSA plan will offer the following to the in-
3	dividual or household participants—
4	"(i) the plan shall not require that an
5	individual see a general physician prior to
6	a seeing specialist, and
7	"(ii) coverage may not be denied
8	based on a pre-existing condition of an in-
9	dividual.".
10	(7) By adding at the end of subparagraph (A)
11	of subsection $(d)(2)$ the following: "Such term shall
12	include any expense which is on the list of eligible
13	healthcare expenses most recently submitted by the
14	HSA Healthcare Panel under section $105(b)(2)$ of
15	the Patient-Controlled Healthcare Protection Act of
16	2009.".
17	(8) By striking "the individual" in subsection
18	(d)(3) and inserting "an individual".
19	(9) By adding at the end of subsection (e) the
20	following new paragraph:
21	"(3) EXCEPTION.—In the case of a termination
22	occurring after the date of the enactment of the Pa-
23	tient-Controlled Healthcare Protection Act of 2009,
24	in lieu of being treated as a distribution not used to
25	pay qualified medical expenses, such amounts shall

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1	be transferred by the account beneficiaries to an-
2	other health savings account.".
3	(10) In subsection (f), by striking paragraphs
4	(2), (3) , (5) , and (8) of and redesignating para-
5	graphs (4) , (6) , and (7) as paragraphs (2) , (3) , and
6	(4), respectively.
7	(11) By amending paragraph (2) of subsection
8	(f), as so redesignated, to read as follows:
9	"(2) Amounts not used for qualified med-
10	ICAL EXPENSES.—Any amount paid or distributed
11	out of a health savings account which is not used ex-
12	clusively to pay the qualified medical expenses of an
13	account beneficiary shall be recontributed by the
14	beneficiary to such health savings account.".
15	(12) By adding at the end (as amended by this
16	Act) the following new subsection:
17	"(j) Other Special Rules.—For purposes of this
18	section—
19	"(1) INVESTMENT OF HSA FUNDS.—Account
20	beneficiaries may invest any amount in their health
21	savings account in excess of their deductible in infla-
22	tion-proof United States bonds.
23	"(2) TERMINATION OF HOUSEHOLD.—Any ac-
24	count beneficiaries of a household HSA shall sign an
25	agreement as to distribution of amounts from such

HSA prior to termination of the HSA, which will be
 kept on file with the entity in which the HSA funds
 are being held.

4 "(3) PORTABILITY.—An individual or household
5 participant owns their HSA and insurance policy (if
6 they choose to have one) and therefore the policies
7 are portable.".

8 (d) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2009.

11 SEC. 103. ADVANTAGE HSA PAYMENT PROGRAM.

12 (a) IN GENERAL.—The Advantage HSA payment 13 program provided under this section shall be in lieu of entitlement to, and eligibility for, benefits and assistance de-14 15 scribed in subsection (d)(2). Effective on the date the Advantage HSA payment program is established, titles 16 17 XVIII, XIX, and XXI of the Social Security Act are repealed, except for purposes of determining whether an in-18 19 dividual is an Advantage eligible individual under this sec-20 tion.

(b) HSA CONTRIBUTIONS.—In the case of an individual or household who is eligible for an Advantage HSA,
the Secretary of Treasury, in consultation with the Secretary of Health and Human Services, shall pay an annual

amount to the Advantage HSA of the individual or house hold.

3 (c) HSA PREMIUM ASSISTANCE.—The Secretary of 4 the Treasury, in consultation with the Secretary of Health 5 and Human Services, shall establish a program under which the Secretary of the Treasury shall pay the pre-6 7 miums for the high deductible health plan with respect to 8 the Advantage HSA of such individual. Such program 9 shall provide for prorated payment of such premiums in 10 the case that such individual is not an Advantage eligible individual for a full calendar year. 11

12 (d) ADVANTAGE ELIGIBLE INDIVIDUAL.—For pur-13 poses of this section—

14 (1) IN GENERAL.—The term "Advantage eligi15 ble individual" means, with respect to any month,
16 any individual—

17 (A) who is an eligible individual (as de18 fined in section 223(c) of the Internal Revenue
19 Code of 1986); and

20 (B)(i) who is Advantage eligible; or

(ii) whose dependent (within the meaning
of section 152 of the Internal Revenue Code of
1986) or spouse is Advantage eligible (but only
if an election under this section is in effect with
respect to such spouse or dependent).

1	(2) ADVANTAGE ELIGIBLE.—The term "Advan-
2	tage eligible" means, with respect to any month—
3	(A) entitled, as of the 1st day of such
4	month, to benefits under part A of title XVIII
5	of the Social Security Act or to enroll under
6	part B of such title, or
7	(B) eligible, as of the 1st day of such
8	month, for medical or child health assistance
9	under title XIX or XXI of such Act (other than
10	under section 1928 of such Act).
11	(e) APPLICABLE ANNUAL AMOUNT.—For purposes of
12	this section—
13	(1) IN GENERAL.—The term "applicable annual
14	amount" means \$2,500.
15	(2) Additional amount.—In the case of an
16	Advantage HSA eligible household, \$3,500.
17	(f) DEFINITIONS.—Except as otherwise provided,
18	terms used in this section shall have the same respective
19	meanings as when used in sections 138A and 223 of the
20	Internal Revenue Code of 1986.
21	(g) Regulations.—The Secretary of the Treasury
22	shall prescribe such regulations as may be necessary or
23	appropriate to carry out the purposes of this section, in-
24	cluding regulations providing for the following:

(1) Recapture of amounts paid under sub-1 2 section (a) (and any earnings attributable thereto) 3 which are distributed out of an Advantage HSA and 4 not used exclusively to pay qualified medical ex-5 penses of the account beneficiary. 6 (2) Ensuring that not more than the applicable 7 annual amount under paragraph (1) of subsection 8 (d) (and any additional amount under paragraph (2) 9 of such subsection) shall be paid with respect to any 10 individual, the spouse of such individual, and all de-11 pendents with respect to such individual. 12 (3) Ensuring that all individuals with respect to 13 whom an election has been made under this section 14 are covered under the high deductible plan to which 15 the applicable Advantage HSA relates. 16 SEC. 104. HEALTH SAVINGS ACCOUNT DEBIT CARD. 17 (a) IN GENERAL.—The Secretary of the Treasury, in 18 consultation with the Secretary of Health and Human 19 Services, shall establish a program under which trustees 20 of health savings accounts can issue debit cards with 21 which account beneficiaries may pay for qualified medical 22 expenses (as defined in section 223 of the Internal Rev-23 enue Code of 1986). Such program shall provide for the following: 24

(1) Participation from health care providers and vendors of products the purchase of which qualifies as a qualified medical expense (as so defined).

4 (2) A uniform coding system implemented by 5 such providers and vendors such that such debit 6 cards may not be used to purchase services or prod-7 ucts which are not qualified medical expenses (as so 8 defined).

9 (3) That prior to payment with such card such 10 providers and vendors require presentation an identification card that matches the individual identified 11 12 on the debit card and provides a photograph and is 13 issued by a State or the Federal Government, or a 14 document that, with respect to identification of the 15 individual identified on the debit card, is considered 16 acceptable for of sections purposes 17 274a.2(b)(1)(v)(A) and 274a.2(b)(1)(v)(B) of title 8, 18 Code of Federal Regulations (as in effect on or after 19 the date of the enactment of this Act).

(4) That the individual presenting such debit
card for payment sign a statement that affirms payment is for a qualified medical expense with respect
to such individual and which acknowledges that use
of such debit card for any other expense constitutes
a false statements or misrepresentations which may

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subject the purchaser to criminal penalties under
 section 1001 of title 18, United States Code, which
 notice specifies the maximum fine and term of im prisonment under such section.

5 (b) SUBMISSION OF INFORMATION.—Each trustee of 6 a health savings account shall submit to the HSA 7 Healthcare Panel (established under section 105) a report 8 detailing all purchases made with debit cards from health 9 savings accounts of the trustee. Such report shall not con-10 tain any personal information of the account beneficiaries 11 of such health savings accounts.

12 (c) HEALTH SAVINGS ACCOUNT; QUALIFIED MED-13 ICAL EXPENSES.—For purposes of this section, the terms 14 "health savings account" and "qualified medical ex-15 penses" shall have the respective meanings given such 16 terms by section 223 of the Internal Revenue Code of 17 1986.

18 SEC. 105. HSA HEALTHCARE PANEL.

(a) ESTABLISHMENT.—There is established a Panel
to be known as the "HSA Healthcare Panel" (in this section referred to as the "Panel").

22 (b) DUTIES.—

(1) REVIEW OF QUALIFIED MEDICAL EXPENSES.—The Panel shall review the reports and
other information submitted to the Panel under sec-

1	tion 104 or requested by the Panel and review ap-
2	propriate information regarding the healthcare treat-
3	ments, services, and products that are potentially
4	treatable as qualified medical expenses for purposes
5	of section 223 of the Internal Revenue Code of
6	1986.
7	(2) REPORT.—The Panel shall, not later than
8	1 year after the date of enactment of this Act and
9	annually thereafter submit a report to Congress pro-
10	viding a new list of eligible healthcare expenses.
11	(c) Membership.—
12	(1) IN GENERAL.—The Panel shall be com-
13	prised of 101 members.
14	(2) Appointments.—
15	(A) VOTING MEMBER AND CHAIR.—The
16	Surgeon General of the United States shall be
17	a voting member of the Panel, and shall be the
18	chairperson.
19	(B) OTHER VOTING MEMBERS.—The Gov-
20	ernor of each State shall appoint 2 voting mem-
21	bers to the Panel, one of whom shall be a
22	health care specialist and one of whom shall not
23	be a health care specialist.
24	(3) DATE OF APPOINTMENTS.—The appoint-
25	ment of a members of the Panel shall be made not

1	later than 60 days after the date of the enactment
2	of this Act.
3	(4) TERM.—Members shall be appointed for 1-
4	year terms.
5	(5) VACANCIES.—A vacancy in the Panel shall
6	be filled not later than 60 days after such vacancy
7	occurs and in the manner in which the original ap-
8	pointment was made.
9	(d) Powers of Panel.—
10	(1) MEETINGS AND HEARINGS.—
11	(A) IN GENERAL.—The Panel shall meet
12	upon the call of the chairperson or a majority
13	of its voting members. Such meetings, to the
14	extent practicable, may be conducted over the
15	internet or in person.
16	(B) HEARINGS.—The Panel may, for the
17	purpose of carrying out this section, hold hear-
18	ings, sit and act at times and places, take testi-
19	mony, and receive evidence to carry out its du-
20	ties under this section. The Panel may admin-
21	ister oaths or affirmations to witnesses appear-
22	ing before it.
23	(2) Obtaining official information.—
24	(A) REQUIREMENT TO FURNISH.—Except
25	as provided in subparagraph (B), if the Panel

submits a request to a Federal department or agency for information necessary to enable the Panel to carry out this section, the head of that department or agency shall furnish that information to the Panel. (B) EXCEPTION FOR NATIONAL SECU-

6 EXCEPTION FOR NATIONAL SECU-7 RITY.—If the head of a Federal department or 8 agency determines that it is necessary to with-9 hold requested information from disclosure to 10 protect the national security interests of the 11 United States, the department or agency head 12 shall not furnish that information to the Panel. 13 (3) MAILS.—The Panel may use the United 14 States mails in the same manner and under the same conditions as other departments and agencies 15 16 of the United States.

17 (4) CONTRACTS.—The Panel may contract with
18 and compensate persons and government agencies
19 for supplies and services, without regard to section
20 3709 of the Revised Statutes (41 U.S.C. 5).

21 (e) PAY AND REIMBURSEMENT.—

(1) NO COMPENSATION FOR MEMBERS OF
PANEL.—Except as provided in paragraph (2), a
member of the Panel may not receive pay, allow-

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ances, or benefits by reason of the member's service
 on the Panel.

3 (2) TRAVEL EXPENSES.—Each member shall
4 receive travel expenses, including per diem in lieu of
5 subsistence under subchapter I of chapter 57 of title
6 5, United States Code.

7 (f) QUORUM.—Thirty members of the Panel shall
8 constitute a quorum, but a lesser number may hold hear9 ings.

10 TITLE II—TRANSPARENCY RE 11 LATED TO HEALTH CARE 12 PROVIDER CHARGES

13 SEC. 201. TRANSPARENCY REQUIREMENTS RELATED TO

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HEALTH CARE PROVIDER CHARGES.

(a) IN GENERAL.—Notwithstanding any other provision of law, a health care provider shall provide to an individual who is scheduled to receive a service or treatment
the following:

(1) ACTUAL PRICES TO BE CHARGED.—The actual price that the health care provider will charge
for the service or treatment.

(2) PAYMENT RATES APPLICABLE TO OTHER
ENTITIES.—In the case such charge amount for the
service or treatment is different from—

1	(A) the rate of payment for the service or
2	treatment to the health care provider that has
3	been negotiated by or on behalf of the provider
4	with a network plan or managed care plan;
5	(B) the rate of payment for the service or
6	treatment applicable to the provider under the
7	Medicare program under title XVIII; or
8	(C) such charge amount or payment rate
9	that is applicable with respect to any other enti-
10	ty;
11	the amount of such different rate of payment or
12	charge amount and a description of the type of enti-
13	ty to which such rate or charge applies (without
14	naming such entity).
15	(b) Application of Requirement on Request.—
16	A health care provider is required to provide the applicable
17	information under subsection (a) for a service or treat-
18	ment when requested by anyone in person, or by phone,
19	fax, or email.
20	(c) CLARIFICATION.—Nothing in this section shall be
21	construed as preventing a health care provider from pro-
22	viding a service or treatment free of charge as a charitable
23	gesture without publicly disclosing the individual to whom
24	such charitable service or treatment has been provided.

(d) EFFECTIVE DATE.—The requirement under sub section (a) shall apply with respect to services and treat ments provided on or after the date that is 60 days after
 the date of the enactment of this Act.

5 TITLE III—IMMIGRATION6 RELATED PROVISIONS
7 SEC. 301. REQUIREMENT FOR IMMIGRANT TO BE COVERED
8 UNDER HIGH DEDUCTIBLE HEALTH PLAN
9 AND HSA.

10 Notwithstanding any other provision of law, a consular officer (as defined in section 101(a) of the Immigra-11 12 tion and Nationality Act (8 U.S.C. 1101(a)) may not issue 13 or renew an immigrant visa to an alien unless the alien presents evidence (which may be in the form of an attesta-14 15 tion by a sponsoring employer or individual United States citizen in whose household the alien intends to reside who 16 17 will be responsible for providing the requisite coverage) that the alien (and the alien's spouse and children who 18 19 are accompanying or following to join the alien) will be 20 covered under a high deductible health plan (as defined in section 223 of the Internal Revenue Code of 1986) and 21 22 will be an account beneficiary of a health savings account 23 under such section after the alien's admission to the 24 United States as an immigrant and for the duration of

3 SEC. 302. REENTRY OF REMOVED ALIEN WHO RECEIVED 4 EMERGENCY MEDICAL ASSISTANCE.

5 Section 276(b) of the Immigration and Nationality
6 Act (8 U.S.C. 1326(b)) is amended—

7 (1) in paragraph (3), by striking ". or" at the8 end;

9 (2) in paragraph (4), by striking the period at
10 the end and inserting "; or"; and

11 (3) by adding at the end the following:

"(5) whose removal was subsequent to the pro-12 vision of medical assistance pursuant to section 13 14 401(b)(1)(A) of the Personal Responsibility and 15 Work Opportunity Act of 1996 (8)U.S.C. 16 1611(b)(1)(A), such alien shall be fined under title 17 18, United States Code, imprisoned not more than 18 10 years, or both.".