

105TH CONGRESS
1ST SESSION

H. R. 560

To amend the Social Security Act to provide for a program of health insurance for children under 18 years of age and for mothers-to-be.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 1997

Mr. STARK introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, 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 Social Security Act to provide for a program of health insurance for children under 18 years of age and for mothers-to-be.

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.**

4 This Act may be cited as the “Healthy Start Act of
5 1997”.

1 **SEC. 2. HEALTH INSURANCE FOR CHILDREN AND MOTH-**
2 **ERS-TO-BE.**

3 (a) IN GENERAL.—The Social Security Act is amend-
4 ed by adding at the end the following new title:

5 “TITLE XXI—HEALTHY START
6 “**SEC. 2100. ESTABLISHMENT OF PROGRAM OF HEALTH IN-**
7 **SURANCE FOR CHILDREN AND MOTHERS-TO-**
8 **BE.**

9 “There is hereby established a program of health in-
10 surance for children under 18 years of age and mothers-
11 to-be.

12 “PART A—ELIGIBILITY

13 “**SEC. 2101. GENERAL ELIGIBILITY.**

14 “(a) CHILDREN.—

15 “(1) IN GENERAL.—Every individual—

16 “(A) who is a child (as defined in para-
17 graph (2)),

18 “(B) whose principal place of abode is in
19 the United States,

20 “(C) who is a citizen or national of the
21 United States or a permanent resident alien (as
22 defined in subsection (d)), and

23 “(D) who is not covered under a qualified
24 health plan (as defined in subsection (e)),

25 is, upon registration under section 2102, entitled to
26 benefits under this title as a child.

1 “(2) CHILD DEFINED.—In this title, the term
2 ‘child’ means an individual from birth until the end
3 of the month in which the individual attains 18
4 years of age.

5 “(b) MOTHERS.—

6 “(1) IN GENERAL.—Every woman—

7 “(A) who is a pregnant woman (as defined
8 in paragraph (2)),

9 “(B) whose principal place of abode is in
10 the United States,

11 “(C) who is a citizen or national of the
12 United States or a permanent resident alien (as
13 defined in subsection (d)), and

14 “(D) who is not covered under a qualified
15 health plan (as defined in subsection (e)),

16 is entitled to benefits under this title as a pregnant
17 woman.

18 “(2) PREGNANT WOMAN DEFINED.—In this
19 title, the term ‘pregnant woman’ means a woman
20 during the period—

21 “(A) beginning on the date she receives the
22 examination or test which forms the basis for
23 the certification of pregnancy under section
24 2102(b)(1), and

1 “(B) ending on the last day of the month
2 in which the 60-day period (beginning on the
3 date of termination of the pregnancy) ends.

4 “(c) PREGNANT CHILDREN.—In the case of an indi-
5 vidual who is entitled under this section to benefits under
6 this title as a child and as a pregnant woman, the individ-
7 ual is entitled to benefits as both.

8 “(d) PERMANENT RESIDENT ALIEN DEFINED.—In
9 this section, the term ‘permanent resident alien’ means an
10 alien lawfully admitted for permanent residence or other-
11 wise permanently residing in the United States under
12 color of law, and includes an alien granted asylum under
13 section 208 of the Immigration and Nationality Act or
14 lawfully admitted as a temporary resident under section
15 210, 210A, or 245A of such Act.)

16 “(e) QUALIFIED HEALTH PLAN.—In this section, the
17 term ‘qualified health plan’ means a plan of health insur-
18 ance or coverage, an employee welfare benefit plan that
19 provides health benefits, or other plan (other than under
20 this title) under Federal or State law that provides cov-
21 erage of benefits which the Secretary of Health and
22 Human Services determines is substantially equivalent to
23 the coverage of benefits provided under this title.

1 **“SEC. 2102. REGISTRATION; CERTIFICATION OF PREG-**
2 **NANCY.**

3 “(a) REGISTRATION OF CHILDREN.—

4 “(1) IN GENERAL.—The Secretary shall estab-
5 lish a process for the registration of children at the
6 time of birth in the United States or at the time of
7 immigration into the United States or other acquisi-
8 tion of lawful permanent resident status in the Unit-
9 ed States.

10 “(2) TRANSITIONAL REGISTRATION.—The Sec-
11 retary also shall establish a process for the registra-
12 tion of children born before the effective date of ben-
13 efits under this title.

14 “(3) EFFECT OF FAILURE TO REGISTER.—The
15 failure of a child to be registered under this sub-
16 section shall not be considered to deny the child’s
17 entitlement to benefits under this title, but merely to
18 delay payment with respect to such benefits under
19 this title.

20 “(b) CERTIFICATION OF PREGNANCY AND REGISTRA-
21 TION OF PREGNANT WOMEN.—

22 “(1) CERTIFICATION OF PREGNANCY.—A cer-
23 tification of pregnancy for purposes of this title—

1 “(A) may be made by a physician (or such
2 other qualified health professionals as the Sec-
3 retary may designate) on the basis of such tests
4 or procedures as the Secretary may specify,

5 “(B) shall be stated on such form as the
6 Secretary shall specify, and

7 “(C) shall be filed with the Secretary in a
8 manner specified by the Secretary.

9 “(2) REGISTRATION.—The Secretary shall es-
10 tablish a process for the registration of pregnant
11 women in connection with the filing of a certification
12 of pregnancy under paragraph (1)(C).

13 **“SEC. 2103. COVERAGE PERIOD.**

14 “(a) IN GENERAL.—No payments may be made
15 under this part with respect to the expenses of an individ-
16 ual unless such expenses were incurred by such individual
17 during a period which, with respect to the individual, is
18 a coverage period under this section.

19 “(b) CHILDREN.—With respect to an individual enti-
20 tled to benefits under this title as a child, the coverage
21 period shall begin on the first date (on or after the effec-
22 tive date of benefits under this title) on which the individ-
23 ual meets the requirements for such entitlement under
24 section 2101(a) and shall end on the day before the first

1 month in which the individual no longer meets such re-
2 quirements.

3 “(c) PREGNANT WOMEN.—With respect to an indi-
4 vidual entitled to benefits under this title as a pregnant
5 woman, the coverage period shall begin on the first date
6 (on or after the effective date of benefits under this title)
7 on which the individual meets the requirements for such
8 entitlement under section 2101(b) and shall end on the
9 day before the first month in which the individual no
10 longer meets such requirements.

11 “PART B—BENEFITS

12 “**SEC. 2111. SCOPE OF BENEFITS FOR CHILDREN.**

13 “(a) IN GENERAL.—Except as provided in the suc-
14 ceeding provisions of this section, the benefits provided to
15 an individual by the program established by this part shall
16 consist of the same benefits that are available under title
17 XVIII to individuals entitled to benefits under part A of
18 that title and enrolled under part B of that title plus a
19 benefit for prescription drugs and biologicals necessary to
20 meet catastrophic costs for such drugs and biologicals, as
21 determined by the Secretary.

22 “(b) WELL CHILD SERVICES.—

23 “(1) IN GENERAL.—In addition to the benefits
24 described in subsection (a), in the case of an individ-
25 ual entitled to benefits under this title as a child, the

1 benefits under this title shall include entitlement to
2 have payment made (in the same manner as for phy-
3 sicians' services under part B of title XVIII) for the
4 following, without the application of deductibles, co-
5 insurance, or copayments, subject to the periodicity
6 schedule established with respect to the services
7 under paragraph (2):

8 “(A) Newborn and well-baby care, includ-
9 ing normal newborn care and pediatrician serv-
10 ices for high-risk deliveries.

11 “(B) Well-child care, including routine of-
12 fice visits, routine immunizations (including the
13 vaccine itself), routine laboratory tests, and pre-
14 ventive dental care.

15 “(C) Early and periodic screening, diag-
16 nostic, and treatment services (as defined in
17 section 1905(r) of the Social Security Act).

18 “(2) PERIODICITY SCHEDULE.—The Secretary,
19 in consultation with the American Academy of Pedi-
20 atries, shall establish a schedule of periodicity which
21 reflects the general, appropriate frequency with
22 which services listed in paragraph (1) should be pro-
23 vided to healthy children.

1 **“SEC. 2112. SCOPE OF BENEFITS FOR PREGNANT WOMEN.**

2 “(a) IN GENERAL.—In the case of an individual enti-
3 tled to benefits under this title as a pregnant woman, the
4 benefits under this title shall consist of entitlement to have
5 payment made for the following, without the application
6 of deductibles, coinsurance, or copayments, subject to the
7 periodicity schedule established with respect to the serv-
8 ices under subsection (b):

9 “(1) Prenatal care, including care for all com-
10 plications of pregnancy.

11 “(2) Inpatient labor and delivery services.

12 “(3) Postnatal care.

13 “(4) Postnatal family planning services.

14 “(b) PERIODICITY SCHEDULE.—The Secretary, in
15 consultation with the American College of Obstetrics and
16 Gynecology, shall establish a schedule of periodicity which
17 reflects the general, appropriate frequency with which
18 services listed in subsection (a) should be provided to preg-
19 nant women without complications of pregnancy.

20 **“SEC. 2113. EXCLUSIONS.**

21 “(a) IN GENERAL.—Except as provided in sub-
22 sections (b) and (c), section 1862 shall apply to expenses
23 incurred for items and services provided under this title
24 the same manner as such section applies to items and
25 services provided under title XVIII.

26 “(b) BENEFITS EXCEPTION.—

1 “(1) CHILDREN’S SERVICES.—In applying sec-
2 tion 1862(a) with respect to services described in
3 section 2111(b)(1) (relating to well-child services),
4 payment shall not be denied under paragraph (1),
5 (7), or (12) of such section 1862(a) if the services
6 are provided in accordance with the periodicity
7 schedule described in section 2111(b)(2).

8 “(2) SERVICES FOR PREGNANT WOMEN.—In
9 applying section 1862(a) with respect to services de-
10 scribed in section 2112(a) (other than paragraph (2)
11 thereof), payment shall not be denied under para-
12 graph (1) or (7) of such section 1862(a) if the serv-
13 ices are provided in accordance with the periodicity
14 schedule described in section 2112(b).

15 “(c) COORDINATION OF PAYMENTS.—Payment shall
16 not be made under this title with respect to benefits to
17 the extent that payment for such benefits may be made
18 under title XVIII.

19 “PART C—PAYMENT FOR BENEFITS AND FINANCING
20 “**SEC. 2121. PAYMENTS FOR BENEFITS.**

21 “(a) IN GENERAL.—Except as otherwise provided in
22 this section—

23 “(1) payment of benefits under this title with
24 respect to benefits shall be made in the same
25 amounts and on the same basis as payment may be

1 made with respect to such benefits under title
2 XVIII, and

3 “(2) the provisions of sections 1814, 1833,
4 1842, 1848, and 1886 shall apply to payment of
5 benefits under this title in the same manner as they
6 apply to benefits under title XVIII.

7 “(b) NO COST-SHARING FOR CERTAIN SERVICES.—
8 No deductibles, coinsurance, copayments, or other cost-
9 sharing shall be imposed with respect to—

10 “(1) well-child care services described in section
11 2111(b)(1), and

12 “(2) items and services for which an individual
13 is entitled under this title as a pregnant woman.

14 “(c) ADJUSTMENT OF PAYMENTS.—

15 “(1) ESTABLISHMENT OF NEW DRGS AND
16 WEIGHTS.—In making payment under this title with
17 respect to inpatient hospital services, the Secretary
18 shall make such adjustments in the diagnosis-related
19 groups and weighting factors with respect to dis-
20 charges within such groups, otherwise established
21 under section 1886(d)(4) as may be necessary—

22 “(A) to reflect the types of discharges oc-
23 ccurring under this title which are not occurring
24 under title XVIII, and

1 “(B) to provide for a weighting factor, for
2 cesarean section deliveries, which is 95 percent
3 of the weighting factor that otherwise would be
4 established.

5 “(2) PAYMENT FOR OBSTETRICAL SERVICES.—

6 “(A) GLOBAL FEE.—In making payment
7 under this title with respect to the group of ob-
8 stetrical services typical of treatment through-
9 out a course of pregnancy, the Secretary shall
10 establish, as a schedule under section 1848, a
11 global fee with respect to such group of serv-
12 ices.

13 “(B) BONUS FOR EARLY PRESEN-
14 TATION.—The fee schedule amount with respect
15 to obstetrical services under this title shall be
16 increased by 5 percent in the case of services
17 furnished to women who have presented for pre-
18 natal care during the first trimester.

19 “(C) DISINCENTIVE FOR CESAREAN SEC-
20 TIONS.—The fee schedule amount otherwise es-
21 tablished with respect to a cesarean section
22 shall be 95 percent of the fee schedule amount
23 otherwise established.

24 “(c) CONDITIONS OF AND LIMITATIONS ON PAY-
25 MENTS.—The provisions of sections 1814 and 1835 shall

1 apply to payment for services under this title in the same
2 manner as they apply to payment for services under
3 parts A and B, respectively, of title XVIII.

4 “(d) USE OF TRUST FUND.—In carrying out this
5 section, any reference in title XVIII to a trust fund shall
6 be treated as a reference to the Children Health Insurance
7 Trust Fund established under section 2122.

8 **“SEC. 2122. CHILDREN HEALTH INSURANCE TRUST FUND.**

9 “(a) ESTABLISHMENT.—(1) There is hereby created
10 on the books of the Treasury of the United States a trust
11 fund to be known as the ‘Children Health Insurance Trust
12 Fund’ (in this section referred to as the ‘Trust Fund’).
13 The Trust Fund shall consist of such gifts and bequests
14 as may be made as provided in section 201(i)(1) and
15 amounts appropriated under paragraph (2).

16 “(2) There are hereby appropriated to the Trust
17 Fund amounts equivalent to 100 percent of the premium
18 taxes imposed by section 59B of the Internal Revenue
19 Code of 1986, and such additional amounts as the Con-
20 gress provides. The amounts appropriated by the preced-
21 ing sentence in relation to premium taxes shall be trans-
22 ferred from time to time from the general fund in the
23 Treasury to the Trust Fund, such amounts to be deter-
24 mined on the basis of estimates by the Secretary of the

1 Treasury of the taxes, paid to or deposited into the Treas-
2 ury; and proper adjustments shall be made in amounts
3 subsequently transferred to the extent prior estimates
4 were in excess of or were less than the taxes specified in
5 such sentence.

6 “(b) INCORPORATION OF PROVISIONS.—

7 “(1) IN GENERAL.—Subject to paragraph (2),
8 the provisions of subsections (b) through (e) and (g)
9 through (j) of section 1817 shall apply to the Trust
10 Fund in the same manner as they apply to the Fed-
11 eral Hospital Insurance Trust Fund.

12 “(2) EXCEPTIONS.—In applying paragraph
13 (1)—

14 “(A) the Board of Trustees and Managing
15 Trustee of the Trust Fund shall be composed of
16 the members of the Board of Trustees and the
17 Managing Trustee, respectively, of the Federal
18 Hospital Insurance Trust Fund; and

19 “(B) any reference in section 1817 to the
20 Federal Hospital Insurance Trust Fund or to
21 title XVIII (or part A thereof) is deemed a ref-
22 erence to the Trust Fund under this section
23 and this title, respectively.

1 **“SEC. 2123. APPLICABLE TITLE XXI PREMIUM.**

2 “For purposes of section 59B of the Internal Revenue
3 Code of 1986, the Secretary shall, during September of
4 each year (beginning with 1998), determine a title XXI
5 applicable premium for months in the succeeding calendar
6 year. Such premium for months in a year shall be such
7 amount as the Secretary estimates so that—

8 “(1) 12 times the product of such amount and
9 the average number of families with individuals enti-
10 tled to benefits under section 2101 in any month in
11 the year, is equal to

12 “(2) the total of the benefits and administrative
13 costs which the Secretary estimates will be payable
14 from the Children Health Insurance Trust Fund for
15 services performed and related administrative costs
16 incurred in such year.

17 In calculating the amount under paragraph (2), the Sec-
18 retary shall include an appropriate amount for a contin-
19 gency margin.

20 **“PART D—GENERAL PROVISIONS**

21 **“SEC. 2131. INCORPORATION OF CERTAIN MEDICARE PRO-**
22 **VISIONS.**

23 “(a) **USE OF CARRIERS AND INTERMEDIARIES.**—The
24 Secretary shall provide for the administration of this title
25 through the use of fiscal intermediaries and carriers in

1 the same manner as title XVIII is carried out through
2 the use of such fiscal intermediaries and carriers.

3 “(b) DEFINITIONS.—Except as otherwise provided in
4 this title, the definitions contained in section 1861 shall
5 apply for purposes of this title in the same manner as they
6 apply for purposes of title XVIII.

7 “(c) CERTIFICATION, PROVIDER QUALIFICATION,
8 ETC.—The provisions of sections 1863 through 1875, sec-
9 tions 1878 through 1880, section 1883, section 1885, and
10 sections 1887 through 1892 shall apply to this title in the
11 same manner as they apply to title XVIII.

12 “(d) HEALTH MAINTENANCE ORGANIZATIONS AND
13 COMPETITIVE MEDICAL PLANS.—

14 “(1) IN GENERAL.—Except as provided in this
15 subsection, section 1876 shall apply to individuals
16 entitled to benefits under this title in the same man-
17 ner as such section applies to individuals entitled to
18 benefits under part A, and enrolled under part B, of
19 title XVIII.

20 “(2) LIMITATION TO REASONABLE COST REIM-
21 BURSEMENT CONTRACTS FOR PREGNANT WOMEN.—

22 “(A) IN GENERAL.—The provisions of sec-
23 tion 1876 relating only to risk-sharing contracts
24 (and not to reasonable cost reimbursement con-
25 tracts) shall not apply to individuals entitled to

1 benefits under this title only as pregnant
2 women.

3 “(B) REPORT.—Not later than January 1,
4 1997, the Secretary shall submit to the Con-
5 gress a report concerning recommendations on
6 how the provisions of section 1876 relating to
7 risk-sharing contracts may be adapted to apply
8 to benefits provided under this title to pregnant
9 women.

10 “(3) APPLICATION.—In applying section 1876
11 under this section—

12 “(A) the provisions of such section relating
13 only to individuals enrolled under part B of title
14 XVIII shall not apply;

15 “(B) any reference to a Trust Fund estab-
16 lished under title XVIII and to benefits under
17 such title is deemed a reference to the Children
18 Health Insurance Trust Fund and to benefits
19 under this title;

20 “(C) the adjusted average per capita cost
21 and the adjusted community rate shall be deter-
22 mined on the basis of benefits under this title;
23 and

24 “(D) subsection (f) shall not apply.

1 **“SEC. 2132. INCORPORATION OF PEER REVIEW PROVISIONS**
2 **AND FRAUD AND ABUSE PROVISIONS.**

3 “The provisions of sections 1121 through 1126, sec-
4 tions 1128 through 1128B, section 1134, section 1138,
5 and part B of title XI shall apply to this title in the same
6 manner as they apply to title XVIII.”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 201(g)(1)(A) of the Social Security
9 Act (42 U.S.C. 401(g)(1)(A)) is amended by striking
10 “and the Federal Supplementary Medical Insurance
11 Trust Fund” and inserting “, Federal Supple-
12 mentary Medical Insurance Trust Fund, and the
13 Children Health Insurance Trust Fund”.

14 (2) Section 201(i)(1) of such Act (42 U.S.C.
15 401(i)(1)) is amended by striking “and the Federal
16 Supplementary Medical Insurance Trust Fund” and
17 inserting “, Federal Supplementary Medical Insur-
18 ance Trust Fund, and the Children Health Insur-
19 ance Trust Fund”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall take effect on the date of the enactment
22 of this Act, except that no benefits shall be available under
23 title XXI of the Social Security Act for items or services
24 furnished before January 1, 1999.

1 **SEC. 3. PREMIUM FOR COVERAGE OF UNINSURED CHIL-**
 2 **DREN AND MOTHERS-TO-BE.**

3 (a) GENERAL RULE.—Subchapter A of chapter 1 of
 4 the Internal Revenue Code of 1986 (relating to determina-
 5 tion of tax liability) is amended by adding at the end the
 6 following new part:

7 **“PART VIII—PREMIUM FOR COVERAGE OF**
 8 **UNINSURED CHILDREN AND MOTHERS-TO-BE**

“Sec. 59B. Premium for coverage of uninsured children and
 mothers-to-be.

9 **“SEC. 59B. PREMIUM FOR COVERAGE OF UNINSURED CHIL-**
 10 **DREN AND MOTHERS-TO-BE.**

11 “(a) IMPOSITION OF TAX.—In the case of an individ-
 12 ual, there is hereby imposed (in addition to any other tax
 13 imposed by this subtitle) a tax for the taxable year in the
 14 amount equal to the title XXI premium liability (if any)
 15 of such individual for such taxable year.

16 “(b) EXEMPTION FOR LOW-INCOME INDIVIDUALS.—

17 “(1) IN GENERAL.—No tax shall be imposed by
 18 subsection (a) on any taxpayer whose modified ad-
 19 justed gross income for the taxable year does not ex-
 20 ceed the threshold amount.

21 “(2) PHASE-IN OF TAX.—

22 “(A) IN GENERAL.—If the modified ad-
 23 justed gross income of the taxpayer for the tax-
 24 able year exceeds the threshold amount by less

1 than \$10,000, the amount of the tax imposed
2 by subsection (a) for such taxable year shall be
3 the phase-in percentage of the title XXI pre-
4 mium liability of such taxpayer for such taxable
5 year.

6 “(B) PHASE-IN PERCENTAGE.—For pur-
7 poses of subparagraph (A), the phase-in per-
8 centage shall be determined under tables pre-
9 scribed by the Secretary which—

10 “(i) shall have income brackets of not
11 more than \$50, and

12 “(ii) provide for a ratable increase in
13 the amount of tax imposed by subsection
14 (a) for modified adjusted gross incomes be-
15 tween the threshold amount and the sum
16 of the threshold amount and \$10,000.

17 “(c) TITLE XXI PREMIUM LIABILITY.—For pur-
18 poses of this section—

19 “(1) IN GENERAL.—The title XXI premium li-
20 ability of any individual for any taxable year is the
21 sum of—

22 “(A) the applicable title XXI premiums for
23 each month of the taxable year as of the first
24 day of which any dependent of the individual is

1 a title XXI covered individual who has not at-
2 tained age 13, and

3 “(B) the applicable title XXI premium for
4 the month of the taxable year during which the
5 taxpayer (or spouse of the taxpayer) gives birth
6 to any child if for such month the individual
7 giving birth is a title XXI covered individual.

8 “(2) APPLICABLE TITLE XXI PREMIUM.—The
9 term ‘applicable title XXI premium’ means, with re-
10 spect to a month, such premium as determined
11 under section 2123 of the Social Security Act for
12 that month.

13 “(d) TITLE XXI COVERED INDIVIDUAL.—For pur-
14 poses of this section—

15 “(1) IN GENERAL.—A dependent shall be treat-
16 ed as a title XXI covered individual for any month
17 unless—

18 “(A) for such month, such dependent is
19 covered under a qualified health plan, and

20 “(B) the taxpayer furnishes to the Sec-
21 retary (at such time and in such manner as the
22 Secretary may prescribe) the required certifi-
23 cation of such coverage for such month.

24 A similar rule shall apply to a woman for the month
25 in which such woman gives birth to a child.

1 “(2) QUALIFIED HEALTH PLAN.—The term
2 ‘qualified health plan’ means a plan of health insur-
3 ance or coverage, an employee welfare benefit plan
4 that provides health benefits, or other plan (other
5 than under title XXI of the Social Security Act)
6 under Federal or State law that provides coverage of
7 benefits which the Secretary of Health and Human
8 Services determines is substantially equivalent to the
9 coverage of benefits provided under title XXI of the
10 Social Security Act.

11 “(e) OTHER DEFINITIONS AND SPECIAL RULES.—
12 For purposes of this section—

13 “(1) THRESHOLD AMOUNT.—

14 “(A) IN GENERAL.—Except as provided in
15 subparagraph (B), the term ‘threshold amount’
16 means—

17 “(i) \$20,000 in the case of a return
18 with respect to which 3 or fewer personal
19 exemptions are allowable under section
20 151, and

21 “(ii) \$25,000 in the case of a return
22 with respect to which 4 or more personal
23 exemptions are allowable under section
24 151.

1 “(B) CERTAIN SEPARATE RETURNS.—The
2 threshold amount shall be zero in the case of a
3 taxpayer who—

4 “(i) is married as of the close of the
5 taxable year but does not file a joint return
6 for such taxable year, and

7 “(ii) does not live apart from his
8 spouse at all times during the last 6
9 months of the taxable year.

10 “(C) INFLATION ADJUSTMENTS.—In the
11 case of a taxable year beginning in a calendar
12 year after 1999, each dollar amount contained
13 in subparagraph (A) shall be increased by an
14 amount equal to—

15 “(i) such dollar amount, multiplied by

16 “(ii) the cost-of-living adjustment de-
17 termined under section 1(f)(3) for the cal-
18 endar year in which the taxable year be-
19 gins, by substituting ‘calendar year 1998’
20 for ‘calendar year 1992’ in subparagraph
21 (B) thereof.

22 “(2) MODIFIED ADJUSTED GROSS INCOME.—
23 The term ‘modified adjusted gross income’ means
24 adjusted gross income—

1 “(A) determined without regard to sections
2 911, 931, and 933, and

3 “(B) increased by the amount of interest
4 received or accrued by the individual during the
5 taxable year which is exempt from tax.

6 The determination under the preceding sentence
7 shall be made without regard to any carryover or
8 carryback.

9 “(3) DEPENDENT.—The term ‘dependent’
10 means, with respect to periods in any calendar year,
11 any individual if an exemption is allowable under
12 section 151(e) with respect to such individual to the
13 taxpayer for a taxable year beginning in such cal-
14 endar year.

15 “(4) REQUIRED CERTIFICATION.—The term ‘re-
16 quired certification’ means the statement required to
17 be provided under section 6050Q(b) (or a copy
18 thereof) or any other statement approved by the
19 Secretary for purposes of this section.

20 “(f) COORDINATION WITH OTHER PROVISIONS.—

21 “(1) TREATMENT AS MEDICAL EXPENSE.—For
22 purposes of section 213, the tax imposed by this sec-
23 tion for any taxable year shall be treated as an ex-
24 pense paid during such taxable year for medical care
25 of the taxpayer.

1 “(2) NOT TREATED AS TAX FOR CERTAIN PUR-
2 POSES.—The tax imposed by this section shall not
3 be treated as a tax imposed by this chapter for pur-
4 poses of determining—

5 “(A) the amount of any credit allowable
6 under this chapter, or

7 “(B) the amount of the minimum tax im-
8 posed by section 55.

9 “(3) TREATMENT UNDER SUBTITLE F.—For
10 purposes of subtitle F, the tax imposed by this sec-
11 tion shall be treated as if it were a tax imposed by
12 section 1.

13 “(g) EXEMPTIONS.—

14 “(1) IN GENERAL.—No tax shall be imposed by
15 this section on any individual for any taxable year
16 if such individual is a nonresident alien.

17 “(2) CERTAIN INDIVIDUALS NOT TAKEN INTO
18 ACCOUNT IN DETERMINING AMOUNT OF TAX.—For
19 purposes of this section, an individual shall be treat-
20 ed as not being a title XXI covered individual for
21 any month if—

22 “(A) the principal place of abode of such
23 individual as of the first day of such month is
24 outside the United States, or

1 “(B) as of the first day of such month,
2 there is in effect for such individual a qualified
3 religious exemption.

4 “(3) QUALIFIED RELIGIOUS EXEMPTION.—For
5 purposes of paragraph (2)—

6 “(A) IN GENERAL.—The term ‘qualified
7 religious exemption’ means an exemption grant-
8 ed by the Secretary of Health and Human
9 Services to an individual—

10 “(i) who is a member of a recognized
11 religious sect or division thereof with re-
12 spect to which such Secretary makes the
13 findings referred to in subparagraphs (C),
14 (D), and (E) of section 1402(g)(1),

15 “(ii) who is an adherent of established
16 tenets or teachings of such sect or division
17 as described in such section, and

18 “(iii) who submits an application for
19 such exemption which contains or is ac-
20 companied by the evidence described in
21 section 1402(g)(1)(A) and a waiver de-
22 scribed in section 1402(g)(1)(B).

23 For purposes of the clause (iii), section
24 1402(g)(1)(B) shall be treated as including a

1 reference to title XXI of the Social Security
2 Act.

3 “(B) LIMITATION.—An exemption granted
4 under this paragraph shall cease to apply begin-
5 ning on the date such Secretary determines
6 that the individual, or the sect or division,
7 ceased to meet the requirements of subpara-
8 graph (A).

9 “(4) SPECIAL RULE FOR INDIVIDUALS RESID-
10 ING ABROAD WHO RECEIVE TITLE XXI SERVICES.—
11 Paragraph (2)(A) shall not apply to any individual
12 for any taxable year if, at any time during such tax-
13 able year, such individual receives services under
14 title XXI of the Social Security Act.

15 “(h) REGULATIONS.—The Secretary may prescribe
16 such regulations as may be appropriate to carry out the
17 purposes of this section, including regulations, prescribed
18 after consultation with the Secretary of Health and
19 Human Services, treating health plans of foreign govern-
20 ments or foreign employers outside the United States as
21 qualified health plans.”

22 (b) TECHNICAL AMENDMENTS.—

23 (1) Subsection (a) of section 6012 of such Code
24 is amended by inserting after paragraph (9) the fol-
25 lowing new paragraph:

1 “(1) the name and TIN of each individual cov-
2 ered under such plan or program at any time during
3 such taxable year as a primary insured or as the
4 spouse of a primary insured,

5 “(2) the name and TIN (to the extent avail-
6 able) of each individual covered under such plan or
7 program at any time during such taxable year as a
8 dependent (as defined in section 59B(e)(3)) of a pri-
9 mary insured, and

10 “(3) the months during such calendar year for
11 which such individuals were so covered.

12 Such return shall be made at such time and in such form
13 as the Secretary may by regulations prescribe.

14 “(b) STATEMENTS TO PRIMARY INSURED INDIVID-
15 UALS.—Every administrator required to make a return
16 under subsection (a) shall furnish to each individual whose
17 name is required to be set forth in such return by reason
18 of being a primary insured a written statement showing—

19 “(1) the name of the qualified health plan and
20 the address of its administrator, and

21 “(2) the information required to be shown on
22 the return with respect to such primary insured.

1 The written statement required under the preceding sen-
2 tence shall be furnished to the person on or before Janu-
3 ary 31 of the year following the calendar year for which
4 the return under subsection (a) was required to be made.

5 “(c) STATEMENT TO SPOUSE OR DEPENDENTS OF
6 PRIMARY INSURED ON REQUEST.—At the request of an
7 individual who, at any time during a calendar year, was
8 the spouse or a dependent (as defined in section
9 59B(e)(3)) of a primary insured who is required to receive
10 a statement under subsection (b) from an administrator,
11 such administrator shall furnish to such individual a copy
12 of such statement with respect to such insured for such
13 calendar year.”

14 (b) UNIFORM PENALTY PROVISIONS MADE APPLICA-
15 BLE.—

16 (1) Subparagraph (B) of section 6724(d)(1) of
17 such Code is amended by inserting after the item re-
18 lating to clause (viii) the following new item (and re-
19 designating the following clauses accordingly):

20 “(ix) section 6050Q(a) (relating to re-
21 turns regarding qualified health plans),”.

22 (2) Paragraph (2) of section 6724(d) of such
23 Code is amended by inserting after subparagraph
24 (P) the following new subparagraph (and by redesignig-
25 nating the following subparagraphs accordingly):

1 “(Q) subsection (b) or (c) of section
2 6050Q (relating to returns regarding qualified
3 health plans),”.

4 (c) CLERICAL AMENDMENT.—The table of sections
5 for subpart B of part III of subchapter A of chapter 61
6 of such Code is amended by adding at the end the follow-
7 ing new item:

 “Sec. 6050Q. Returns relating to qualified health plans.”

8 (d) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to calendar years after 1998.

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