

1 (g) *STANDARD HEALTH PLAN OFFERORS.*—A State
2 may provide that persons eligible to offer standard health
3 plans under a basic health program established under this
4 section may include a licensed health maintenance organi-
5 zation, a licensed health insurance insurer, or a network
6 of health care providers established to offer services under
7 the program.

8 (h) *DEFINITIONS.*—Any term used in this section
9 which is also used in section 36B of the Internal Revenue
10 Code of 1986 shall have the meaning given such term by
11 such section.

12 **SEC. 1332. WAIVER FOR STATE INNOVATION.**

13 (a) *APPLICATION.*—

14 (1) *IN GENERAL.*—A State may apply to the
15 Secretary for the waiver of all or any requirements
16 described in paragraph (2) with respect to health in-
17 surance coverage within that State for plan years be-
18 ginning on or after January 1, 2017. Such applica-
19 tion shall—

20 (A) be filed at such time and in such man-
21 ner as the Secretary may require;

22 (B) contain such information as the Sec-
23 retary may require, including—

24 (i) a comprehensive description of the
25 State legislation and program to implement

1 *a plan meeting the requirements for a waiver*
2 *under this section; and*

3 *(ii) a 10-year budget plan for such*
4 *plan that is budget neutral for the Federal*
5 *Government; and*

6 *(C) provide an assurance that the State has*
7 *enacted the law described in subsection (b)(2).*

8 (2) *REQUIREMENTS.—The requirements de-*
9 *scribed in this paragraph with respect to health in-*
10 *surance coverage within the State for plan years be-*
11 *ginning on or after January 1, 2014, are as follows:*

12 *(A) Part I of subtitle D.*

13 *(B) Part II of subtitle D.*

14 *(C) Section 1402.*

15 *(D) Sections 36B, 4980H, and 5000A of the*
16 *Internal Revenue Code of 1986.*

17 (3) *PASS THROUGH OF FUNDING.—With respect*
18 *to a State waiver under paragraph (1), under which,*
19 *due to the structure of the State plan, individuals and*
20 *small employers in the State would not qualify for the*
21 *premium tax credits, cost-sharing reductions, or small*
22 *business credits under sections 36B of the Internal*
23 *Revenue Code of 1986 or under part I of subtitle E*
24 *for which they would otherwise be eligible, the Sec-*
25 *retary shall provide for an alternative means by*

1 *which the aggregate amount of such credits or reduc-*
2 *tions that would have been paid on behalf of partici-*
3 *pants in the Exchanges established under this title*
4 *had the State not received such waiver, shall be paid*
5 *to the State for purposes of implementing the State*
6 *plan under the waiver. Such amount shall be deter-*
7 *mined annually by the Secretary, taking into consid-*
8 *eration the experience of other States with respect to*
9 *participation in an Exchange and credits and reduc-*
10 *tions provided under such provisions to residents of*
11 *the other States.*

12 (4) *WAIVER CONSIDERATION AND TRANS-*
13 *PARENCY.—*

14 (A) *IN GENERAL.—An application for a*
15 *waiver under this section shall be considered by*
16 *the Secretary in accordance with the regulations*
17 *described in subparagraph (B).*

18 (B) *REGULATIONS.—Not later than 180*
19 *days after the date of enactment of this Act, the*
20 *Secretary shall promulgate regulations relating*
21 *to waivers under this section that provide—*

22 (i) *a process for public notice and com-*
23 *ment at the State level, including public*
24 *hearings, sufficient to ensure a meaningful*
25 *level of public input;*

1 (ii) a process for the submission of an
2 application that ensures the disclosure of—

3 (I) the provisions of law that the
4 State involved seeks to waive; and

5 (II) the specific plans of the State
6 to ensure that the waiver will be in
7 compliance with subsection (b);

8 (iii) a process for providing public no-
9 tice and comment after the application is
10 received by the Secretary, that is sufficient
11 to ensure a meaningful level of public input
12 and that does not impose requirements that
13 are in addition to, or duplicative of, re-
14 quirements imposed under the Administra-
15 tive Procedures Act, or requirements that
16 are unreasonable or unnecessarily burden-
17 some with respect to State compliance;

18 (iv) a process for the submission to the
19 Secretary of periodic reports by the State
20 concerning the implementation of the pro-
21 gram under the waiver; and

22 (v) a process for the periodic evalua-
23 tion by the Secretary of the program under
24 the waiver.

1 (C) *REPORT.*—*The Secretary shall annually*
2 *report to Congress concerning actions taken by*
3 *the Secretary with respect to applications for*
4 *waivers under this section.*

5 (5) *COORDINATED WAIVER PROCESS.*—*The Sec-*
6 *retary shall develop a process for coordinating and*
7 *consolidating the State waiver processes applicable*
8 *under the provisions of this section, and the existing*
9 *waiver processes applicable under titles XVIII, XIX,*
10 *and XXI of the Social Security Act, and any other*
11 *Federal law relating to the provision of health care*
12 *items or services. Such process shall permit a State*
13 *to submit a single application for a waiver under any*
14 *or all of such provisions.*

15 (6) *DEFINITION.*—*In this section, the term “Sec-*
16 *retary” means—*

17 (A) *the Secretary of Health and Human*
18 *Services with respect to waivers relating to the*
19 *provisions described in subparagraph (A)*
20 *through (C) of paragraph (2); and*

21 (B) *the Secretary of the Treasury with re-*
22 *spect to waivers relating to the provisions de-*
23 *scribed in paragraph (2)(D).*

24 (b) *GRANTING OF WAIVERS.*—

1 (1) *IN GENERAL.*—*The Secretary may grant a*
2 *request for a waiver under subsection (a)(1) only if*
3 *the Secretary determines that the State plan—*

4 (A) *will provide coverage that is at least as*
5 *comprehensive as the coverage defined in section*
6 *1302(b) and offered through Exchanges estab-*
7 *lished under this title as certified by Office of the*
8 *Actuary of the Centers for Medicare & Medicaid*
9 *Services based on sufficient data from the State*
10 *and from comparable States about their experi-*
11 *ence with programs created by this Act and the*
12 *provisions of this Act that would be waived;*

13 (B) *will provide coverage and cost sharing*
14 *protections against excessive out-of-pocket spend-*
15 *ing that are at least as affordable as the provi-*
16 *sions of this title would provide;*

17 (C) *will provide coverage to at least a com-*
18 *parable number of its residents as the provisions*
19 *of this title would provide; and*

20 (D) *will not increase the Federal deficit.*

21 (2) *REQUIREMENT TO ENACT A LAW.*—

22 (A) *IN GENERAL.*—*A law described in this*
23 *paragraph is a State law that provides for State*
24 *actions under a waiver under this section, in-*

1 *cluding the implementation of the State plan*
2 *under subsection (a)(1)(B).*

3 *(B) TERMINATION OF OPT OUT.—A State*
4 *may repeal a law described in subparagraph (A)*
5 *and terminate the authority provided under the*
6 *waiver with respect to the State.*

7 *(c) SCOPE OF WAIVER.—*

8 *(1) IN GENERAL.—The Secretary shall determine*
9 *the scope of a waiver of a requirement described in*
10 *subsection (a)(2) granted to a State under subsection*
11 *(a)(1).*

12 *(2) LIMITATION.—The Secretary may not waive*
13 *under this section any Federal law or requirement*
14 *that is not within the authority of the Secretary.*

15 *(d) DETERMINATIONS BY SECRETARY.—*

16 *(1) TIME FOR DETERMINATION.—The Secretary*
17 *shall make a determination under subsection (a)(1)*
18 *not later than 180 days after the receipt of an appli-*
19 *cation from a State under such subsection.*

20 *(2) EFFECT OF DETERMINATION.—*

21 *(A) GRANTING OF WAIVERS.—If the Sec-*
22 *retary determines to grant a waiver under sub-*
23 *section (a)(1), the Secretary shall notify the*
24 *State involved of such determination and the*
25 *terms and effectiveness of such waiver.*

1 (B) *DENIAL OF WAIVER.*—*If the Secretary*
2 *determines a waiver should not be granted under*
3 *subsection (a)(1), the Secretary shall notify the*
4 *State involved, and the appropriate committees*
5 *of Congress of such determination and the rea-*
6 *sons therefore.*

7 (e) *TERM OF WAIVER.*—*No waiver under this section*
8 *may extend over a period of longer than 5 years unless the*
9 *State requests continuation of such waiver, and such request*
10 *shall be deemed granted unless the Secretary, within 90*
11 *days after the date of its submission to the Secretary, either*
12 *denies such request in writing or informs the State in writ-*
13 *ing with respect to any additional information which is*
14 *needed in order to make a final determination with respect*
15 *to the request.*

16 **SEC. 1333. PROVISIONS RELATING TO OFFERING OF PLANS**
17 **IN MORE THAN ONE STATE.**

18 (a) *HEALTH CARE CHOICE COMPACTS.*—

19 (1) *IN GENERAL.*—*Not later than July 1, 2013,*
20 *the Secretary shall, in consultation with the National*
21 *Association of Insurance Commissioners, issue regula-*
22 *tions for the creation of health care choice compacts*
23 *under which 2 or more States may enter into an*
24 *agreement under which—*