

1 **SEC. ____ . WAIVERS FOR STATE INNOVATION.**

2 (a) STREAMLINING THE STATE APPLICATION PROC-
3 ESS.—

4 (1) REMOVAL OF REQUIREMENT TO ENACT A
5 LAW.—Section 1332 of the Patient Protection and
6 Affordable Care Act (42 U.S.C. 18052) is amend-
7 ed—

8 (A) in subsection (a)(1)—

9 (i) in subparagraph (A), by adding
10 “and” after the semicolon; and

11 (ii) by striking the semicolon at the
12 end of subparagraph (B)(ii) and all that
13 follows through “subsection (b)(2)”; and

14 (B) in subsection (b), by striking para-
15 graph (2) and inserting the following:

16 “(2) TERMINATION.—A Governor of a State
17 may terminate the authority provided under the
18 waiver with respect to the State [by written notice
19 to the Secretary not later than 180 days prior to the
20 effective date of the termination]. Termination of
21 authority under this paragraph shall be effective
22 only if the legislature of such State is in session on
23 the date on which the Governor submits such notice
24 to the Secretary.”.

1 (2) AUTHORITY FOR A GOVERNOR TO APPLY
2 WITHOUT STATE LEGISLATIVE ACTION.—Subsection
3 (a)(1) of such section is further amended—

4 (A) by striking “A State” and inserting
5 “The Governor of a State, unless prohibited by
6 State law,”; and

7 (B) in subparagraph (B)(i)—

8 (i) by striking “State legislation and”;
9 and

10 (ii) by striking “; and” and inserting
11 the following: “, including a description
12 of—

13 “(I) the State’s plan for address-
14 ing the needs of individuals with pre-
15 existing conditions;

16 “(II) the authority for the waiver
17 under State law; and

18 “(III) the means by which the
19 State will fund implementation of
20 such plan until funding under para-
21 graph (3) becomes available; and”.

22 (b) EXPEDITED DETERMINATION.—Section 1332 of
23 the Patient Protection and Affordable Care Act (42
24 U.S.C. 18052) is amended—

25 (1) in subsection (d)—

1 (A) by amending paragraph (1) to read as
2 follows:

3 “(1) TIME FOR DETERMINATION.—Subject to
4 paragraph (3), the Secretary—

5 “(A) not later than 100 days after the re-
6 ceipt of an application from a State under sub-
7 section (a)(1), shall make a determination
8 under such subsection; or

9 “(B) in the case of an application for a
10 consolidated waiver described in subsection
11 (a)(5), notwithstanding any requirements other-
12 wise applicable to a determination on an appli-
13 cation for a waiver under the applicable title of
14 the Social Security Act, shall make a deter-
15 mination on such single application not later
16 than 160 days after receipt of such applica-
17 tion.”; and

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

19 “(3) EXPEDITED DETERMINATION.—

20 “(A) TEMPLATE APPLICATIONS.—

21 “(i) IN GENERAL.—The Secretary
22 shall design 1 or more template applica-
23 tions for a State to use for expedited de-
24 termination of an application under sub-
25 section (a)(1). The template application

1 shall allow the public notice and comment
2 at the State and Federal levels described
3 under subsection (a)(4) to occur concu-
4 rently.

5 “(ii) STANDARDS FOR APPROVAL.—
6 The Secretary shall approve a template ap-
7 plication described in clause (i) unless the
8 Secretary determines that the application
9 is missing required elements or fails to
10 meet the requirements of subsection (b)(1)
11 or (b)(3).

12 “(iii) DEEMED APPROVAL.—An appli-
13 cation submitted under subsection (a)(1)
14 that uses such template and otherwise sat-
15 isfies the requirements of this section
16 **【shall be deemed approved unless,】** not
17 later than 60 days after the receipt of an
18 application, the Secretary either denies the
19 application in writing or informs the State
20 in writing with respect to any additional
21 information which is needed in order to
22 make a final determination with respect to
23 the application.

24 “(B) PUBLIC HEALTH EMERGENCIES.—

1 “(i) IN GENERAL.—The Secretary
2 shall make a determination on any applica-
3 tion under subsection (a)(1) that is sub-
4 mitted in response to a public health emer-
5 gency, as defined under clause (ii), not
6 later than 60 days after submission of
7 such application.

8 “(ii) PUBLIC HEALTH EMERGENCY.—
9 The Secretary shall【, by regulation,】 de-
10 fine what constitutes a public health emer-
11 gency for purposes of this subparagraph.
12 Such definition shall include natural disas-
13 ters and other sudden emergencies that
14 present a threat to human lives.”; and

15 (2) in subsection (a)(5)—

16 (A) in the paragraph heading, by striking
17 “COORDINATED” and inserting “CONSOLI-
18 DATED”; and

19 (B) by striking “titles XVIII” and insert-
20 ing “titles XI, XVIII”.

21 (c) AUTOMATIC RENEWAL.—Section 1332(e) of the
22 Patient Protection and Affordable Care Act (42 U.S.C.
23 18052(e)) is amended by striking “No waiver” and all
24 that follows through the period at the end and inserting
25 the following: “A waiver under this section—

1 “(1) shall be in effect for a period of 5 years
2 unless the State requests a shorter duration;

3 “(2) shall be renewed, subject to the State
4 meeting the criteria for approval otherwise applica-
5 ble under this section, for unlimited additional 5-
6 year periods upon submission by the Governor of the
7 State of—

8 “(A) a simplified renewal application es-
9 tablished by the Secretary;

10 “(B) a standardized evaluation conducted
11 by an independent entity; and

12 “(C) report by the State concerning the
13 implementation of the program under the waiv-
14 er, containing such information as the Sec-
15 retary may require; and

16 “(3) may not be suspended or terminated, in
17 whole or in part, by the Secretary at any time before
18 the date of expiration of the waiver period (including
19 any renewal period under paragraph (2)), unless the
20 Secretary determines that the State materially failed
21 to comply with the requirements of this section or
22 the terms and conditions of the waiver.”.

23 (d) BUDGET NEUTRALITY; GRANTING OF WAIV-
24 ERS.—Section 1332 of such Act (42 U.S.C. 18052) is
25 amended—

1 (1) in subsection (a)(1)(B)(ii)—

2 (A) by striking “10-year” and inserting
3 “5-year”; and

4 (B) by inserting “over the 5-year period of
5 the waiver, or, in the case of a State that re-
6 quests a waiver that is of shorter duration, a
7 budget plan for the duration of such plan that
8 is budget neutral for the Federal Government
9 over the period of the waiver” after “Govern-
10 ment”; and

11 (2) in subsection (b)—

12 (A) by amending paragraph (1) to read as
13 follows:

14 “(1) IN GENERAL.—The Secretary may grant a
15 request for a waiver under subsection (a)(1) only
16 if—

17 “(A) the Secretary determines that such
18 waiver will not increase the Federal deficit; and

19 “(B) in the judgement of the Secretary,
20 such waiver is likely to assist in promoting the
21 objectives of affordability, market-based cov-
22 erage for individuals seeking it, and consumer
23 choice.”; and

24 (B) by adding at the end the following new
25 paragraph:

1 “(3) BUDGET NEUTRALITY CALCULATION FOR
2 CONSOLIDATED WAIVER APPLICATIONS.—

3 “(A) IN GENERAL.—Subject to subpara-
4 graph (B), if a State submits a request for a
5 waiver under subsection (a)(1) together with an
6 application for a waiver under section 1115 of
7 the Social Security Act as part of a consoli-
8 dated application under subsection (a)(5) and
9 the Secretary determines that the combined es-
10 timated Federal expenditures under both waiv-
11 ers over the 5-year period of the waiver re-
12 quested under subsection (a)(1) would not ex-
13 ceed the estimated combined amount of such
14 expenditures that would have occurred during
15 such period if both such waivers were not im-
16 plemented, the Secretary shall—

17 “(i) deem the waiver requested under
18 subsection (a)(1) to meet the requirement
19 of paragraph (1)(A); and

20 “(ii) deem the application for a waiver
21 under section 1115 of the Social Security
22 Act to meet any budget neutrality require-
23 ment applicable to such waiver.

24 “(B) LIMITATION.—Subparagraph (A)
25 shall not apply with respect to a consolidated

1 application for a waiver requested under sub-
2 section (a)(1) and a waiver under section 1115
3 of the Social Security Act if either such waiver
4 is not granted.”.

5 (e) FEDERAL DATA SERVICES HUB.—Section 1332
6 of the Patient Protection and Affordable Care Act (42
7 U.S.C. 18052) is amended by adding at the end the fol-
8 lowing:

9 “(f) FEDERAL DATA SERVICES HUB.—The Sec-
10 retary shall establish a process by which a privately-run
11 health plan exchange established pursuant to a State plan
12 under a waiver granted under this section may verify in-
13 formation using the Federal Data Services Hub if such
14 exchange is certified by the Secretary as having sufficient
15 data security policies in place.”.

16 (f) DEFINITION.—Section 1332 of the Patient Pro-
17 tection and Affordable Care Act (42 U.S.C. 18052), as
18 amended by subsection (e), is further amended by adding
19 at the end the following:

20 “(g) GOVERNOR.—In this section, the term ‘Gov-
21 ernor’ means the Governor of one of the 50 States or the
22 Mayor of the District of Columbia.”.

23 (g) GUIDANCE AND REGULATIONS.—Section 1332 of
24 the Patient Protection and Affordable Care Act (42

1 U.S.C. 18052), as amended by subsection (f), is further
2 amended by adding at the end the following:

3 “(h) GUIDANCE AND REGULATIONS.—

4 “(1) REGULATIONS.—The Secretary shall pro-
5 mulgate final regulations, not later than 1 year after
6 the date of enactment of the [_____ Act], im-
7 plementing the amendments made by such Act.

8 “(2) GUIDANCE.—The Secretary shall issue
9 guidance under this section, not later than 60 days
10 after the date on which final regulations are promul-
11 gated under paragraph (1). Beginning on the date
12 of enactment of the [_____ Act], the guidance
13 issued under this section prior to the date of enact-
14 ment of such Act shall have no force or effect.”.

15 (h) SAVINGS CLAUSE.—Section 1332 of the Patient
16 Protection and Affordable Care Act (42 U.S.C. 18052),
17 as amended by subsection (g), is further amended by add-
18 ing at the end the following:

19 “(i) NO EFFECT ON PROTECTIONS FOR INDIVIDUALS
20 WITH PRE-EXISTING CONDITIONS.—Nothing in this sec-
21 tion shall be construed as permitting health insurance
22 issuers to limit access to health coverage for individuals
23 with preexisting conditions.”.

24 (i) RESTRICTION ON THE USE OF PASS THROUGH
25 FUNDS.—Section 1332(a)(3) of the Patient Protection

1 and Affordable Care Act (42 U.S.C. 18052(a)(3)) is
2 amended by adding at the end the following: “Amounts
3 paid to a State under this paragraph shall not be used
4 to provide coverage for abortions or to support a plan that
5 includes coverage for abortions (other than any abortion
6 necessary to save the life of the mother or any abortion
7 with respect to a pregnancy that is the result of an act
8 of rape or incest).”.

9 (j) APPLICABILITY.—The amendments made by this
10 Act to section 1332 of the Patient Protection and Afford-
11 able Care Act (42 U.S.C. 18052)—

12 (1) with respect to applications for waivers
13 under such section 1332 submitted after the date of
14 enactment of this Act and applications for such
15 waivers submitted prior to such date of enactment
16 and under review by the Secretary on the date of en-
17 actment, shall take effect on the date of enactment
18 of this Act (except that, with respect to such appli-
19 cations under review by the Secretary on the date of
20 enactment of this Act, the time for the Secretary to
21 make a determination under subsection (a)(1) of
22 such section 1332 shall be the time described in sub-
23 section (d)(1) of such section 1332 as in effect on
24 the day before the date of enactment of this Act);
25 and

1 (2) with respect to applications for waivers ap-
2 proved under such section 1332 before the date of
3 enactment of this Act, shall not require reconsider-
4 ation of whether such applications meet the require-
5 ments of such section 1332.