

House OKs small-business health insurance measure

The House voted 220-209 on June 21 to approve legislation that would codify Trump-era final rules permitting employers to offer tax-preferred individual coverage health reimbursement arrangements without violating the qualification requirements for group health plans.

The Custom Health Option And Individual Care Expense (CHOICE) Arrangement Act (H.R. 3799), which cleared the chamber along strict party lines, was introduced by House Ways and Means Committee Republican Kevin Hern of Oklahoma and was marked up by that panel on June 7. The measure as approved also incorporates a proposal from House GOP taxwriter Claudia Tenney of New York that would require the Secretary of the Treasury to notify employers—with an initial focus on small businesses—of the availability of certain tax-advantaged flexible health insurance benefits such as the small employer health insurance credit under section 45R. (Tenney’s proposal—known as the Small Business Flexibility Act—was approved by the Ways and Means Committee along with Hern’s at the June 7 mark-up.)

URL: <https://www.congress.gov/bill/118th-congress/house-bill/3799/text>

Nontax provisions folded into the measure, which were reported out of the House Committee on Education and the Workforce, are intended to improve access to affordable health coverage options for workers employed by small businesses and expand the availability of Association Health Plans.

A ‘shell’ for the Senate?

The CHOICE Arrangement Act is unlikely to advance in the Democratic-controlled Senate, although leaders in that chamber ostensibly could use it as a “shell” for the purpose of stripping out the House-approved legislative text and advancing their own tax-focused legislation. (Under the US Constitution, revenue measures must originate in the House, but the Senate is free to amend House-approved revenue legislation by deleting the original language and inserting different revenue provisions.)

That said, any such bill would still require 60 votes—and thus, the support of at least nine Senate Republicans—to clear procedural hurdles in the upper chamber. At this time, it remains unclear what tax policy priority—or combination of priorities—could garner that magnitude of bipartisan support.

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