

Federal Legislation Quick Guide

December 19, 2007

Pending Legislation—Health and Welfare Plans

Note: The following charts summarize federal legislation that is currently under active consideration by Congress or has recently been enacted into law. In most cases, other bills have also been introduced on the same issue, but are not being actively considered by Congress at this time. For more information on the summarized bills, or to find other bills on the same issue, go to the Library of Congress Web site at <http://thomas.loc.gov>.

Genetic Nondiscrimination

Current Legislation	Genetic Information Nondiscrimination Act of 2007 (H.R. 493/S. 358).
Status	<ul style="list-style-type: none"> • The House passed H.R. 493 by a vote of 420 to 3 on April 25, 2007. • The Senate Health, Education, Labor and Pensions (HELP) Committee approved S. 358 by a vote of 19 to 2 on January 31, 2007.
Outlook	<p>There continue to be “holds” on the bill in the Senate that are preventing the bill from moving to a vote.</p> <p>The Bush Administration supports H.R. 493.</p>
Details	<p>H.R. 493/S. 358 would bar group health plans or health insurers from requesting, requiring, or purchasing genetic information for underwriting purposes, to deny health coverage or to raise premiums. The bill would also establish federal privacy standards and protection for genetic information. A provision for injunctive relief would be created under ERISA for violations that would cause irreparable harm to the health of the participant or beneficiary. Equitable relief would include an administrative penalty of \$100 per day of noncompliance and the retroactive reinstatement of coverage. Administrative penalties would be limited to the lesser of 10% of the aggregate amount paid by an employer during the preceding taxable year for group health plans or \$500,000 for unintentional violations. Under the Public Health Service Act, the administrative penalties would be similar to that created under ERISA. The legislation would establish a commission to review the developing science of genetics and advise Congress on the advisability of providing for a disparate impact cause of action.</p>

Genetic Nondiscrimination (continued)

Details (continued)	<p>H.R. 493 would also (1) impose an excise tax on employer sponsors for health plan noncompliance equal to \$100 per day for the noncompliance period; (2) extend the provisions to adopted children, seniors who purchase Medigap policies, and people participating in clinical trials; and (3) require the HIPAA privacy law to be amended to conform to the bill's provisions. The bill would allow group health plans and insurers to request genetic testing or information, subject to a minimum necessary standard, for purposes of claims processing and benefit management.</p>
Effective Date	<p>H.R. 493/S. 358 would become effective 18 months after the date of enactment. The commission would be set up six years after enactment.</p>

Mental Health Parity

Current Legislation	<ul style="list-style-type: none"> • Mental Health Parity Act of 2007 (S. 558). • Paul Wellstone Mental Health and Addiction Equity Act of 2007 (H.R. 1424). • Tax Technical Corrections Act of 2007 (H.R. 3997).
Status	<ul style="list-style-type: none"> • The Senate approved S. 558 by unanimous consent on September 18, 2007. • Three slightly different versions of H.R. 1424 were approved by the House Education and Labor Committee, the House Ways and Means Committee, and the House Energy and Commerce Committee. Under the House Democratic leadership's "pay-go" financing rules, the House Budget Committee is continuing to work on "pay-for" sources for the bill's expected \$3.1 billion cost. The House Rules Committee will need to reconcile the three versions of H.R. 1424 before the bill moves to the House floor for a vote. • The House unanimously passed H.R. 3997 on November 6, 2007. The Senate passed the bill by unanimous consent with an amendment, on December 12. The House further amended the bill in H. Res. 884 on December 18 that passed unanimously. H.R. 3997 now returns to the Senate.
Outlook	<p>Mental health parity expansion will be held over to 2008 because the House will not pass a bill similar to the Senate bill. In addition, there is some speculation that broader mental health parity legislation could extend into 2009 if no compromise can be reached or may be part of a broader health reform package after the 2008 presidential elections.</p> <p>The Senate bill has the endorsement of business, mental health advocates, and health insurers, and President Bush has signaled his support of full mental health parity. The House bill is much more restrictive, and does not have the support of business.</p>

Mental Health Parity (continued)

Outlook (continued)	<p>The House included a mental health parity extension as part of H. Res. 884, which amends the Senate-passed H.R. 3997. The Senate must now pass H.R. 3997 again.</p>
Details	<p>S. 558 would provide mental health parity for employers with 50 or more employees. If group health plans provide mental health coverage, the bill would require parity in both financial requirements and treatment limits between mental health and medical/surgical benefits. Group health plans would be able to negotiate separate reimbursement arrangements for mental health benefits and would be able to manage the provision of mental health benefits. Further, group health plans would not be required to provide out-of-network coverage. Plans would be exempt from the parity requirement if it is projected that the plan experience increased actual total costs of coverage by exceeding 2% of the actual total plan costs during the first plan year or exceeding 1% of the actual total plan costs each subsequent year. “Mental health benefits” would be defined as mental health services (including substance abuse treatment) as defined under the terms of the plan or coverage. State law parity requirements would be preempted by ERISA in the case of self-insured plans only. Plans would not be prohibited from applying utilization review and medical management to mental health benefits but states may still regulate entities that provide these services to health plans.</p> <p>The House Education and Labor Committee-approved version of H.R. 1424 would require group health plans that provide any mental health and substance abuse coverage equivalent to the benefits provided under the Federal Employees Health Benefits Program (FEHBP). The bill would also require plans to provide coverage for out-of-network mental health or substance abuse benefits if the plan provides out-of-network coverage for medical/surgical benefits. The legislation would require disclosure to plan participants and providers of the criteria that a plan used for making “medical necessity” determinations for mental and substance abuse benefits. Group health plans would not be required to cover mental health conditions that are not medically necessary but would be required to cover mental health conditions listed in the DSM-IV manual. The bill would also clarify that group health plans could utilize benefit management practices for mental health benefits. Finally, the bill would not preempt more stringent state mental health parity laws.</p> <p>As approved by the House Ways and Means Committee, H.R. 1424 would make the mental health parity provisions permanent. The bill would expand parity requirements to substance-related disorder benefits and require coverage of out-of-network inpatient and outpatient services if similar medical/surgical benefits are provided. The plan would have to disclose medical necessity criteria or the reason for any denial on request. Plans would be required to cover any mental health or substance-related disorder included in the DSM-IV. A cost exemption would apply if there is an increase in the actual total costs of coverage for the plan year that exceeds 2% (1% in subsequent plan years). An exemption determination could be made for the following year only after the plan has complied with the parity requirement for the first six months of the plan year. State law mandates would continue to apply.</p>

Mental Health Parity (continued)

<p>Details (continued)</p>	<p>As approved by the House Energy and Commerce Committee, H.R. 1424 would make the mental health parity provisions permanent. The bill would expand parity requirements to substance-related disorder benefits and require coverage of out-of-network inpatient and outpatient services, including emergency services, if similar medical/surgical benefits are provided. Plans would be required to cover any mental health or substance-related disorder included in the most current version of the DSM-IV. Plans would have to disclose medical necessity criteria or the reason for any denial on request. The bill does not preclude medical management of mental health or substance abuse benefits, as long as any medical decisions are based on “valid scientific evidence” related to the patient for “medically necessary services.” A cost exemption would apply if there is an increase in the actual total costs of coverage for the plan year that exceeds 2% (1% in subsequent plan years). An exemption determination could be made for the following year only after the plan has complied with the parity requirement for the first six months of the plan year. Finally, the bill would not preempt more stringent state mental health parity laws.</p> <p>As passed by the House H.R. 3997 would amend the Internal Revenue Code to extend through December 31, 2008 the tax penalties for noncompliance with the current mental health parity law.</p>
<p>Effective Date</p>	<p>S. 558 would be effective in the first plan year that begins on or after January 1 of the first calendar year that begins more than one year after the date of enactment.</p> <p>H.R. 1424 would be effective for plan years beginning on or after January 1, 2008.</p> <p>H.R. 3997 would be effective on enactment.</p>

Trade Adjustment Assistance Act (Health Care Tax Credit and COBRA)

<p>Current Legislation</p>	<ul style="list-style-type: none"> • Trade and Globalization Adjustment Assistance Act of 2007 (S. 1848). • Trade and Globalization Assistance Act of 2007 (H.R. 3920). • To extend the trade adjustment assistance program under the Trade Act of 1974 for three months (H.R. 4341).
<p>Status</p>	<ul style="list-style-type: none"> • S. 1848 was introduced by Sens. Baucus (D-MT) and Snowe (R-ME) on July 23, 2007 and is awaiting action in the Senate Finance Committee. • The House approved H.R. 3920 on October 31, 2007 by a vote of 264 to 157. • The House passed H.R. 4341 by voice vote on December 11, 2007. The Senate will vote on the bill before December 21.
<p>Outlook</p>	<p>Changes to the TAA will be held over to 2008, necessitating an extension. The White House issued a Statement of Administration Policy indicating that while the President generally supports a reauthorization of TAA, he would veto H.R. 3920 because it converts the trade-related program into a “universal income-support and training program” and because he opposes the increase in the HCTC premium subsidy.</p> <p>H.R. 4341 will be enacted this year.</p>

Trade Adjustment Assistance Act (Health Care Tax Credit and COBRA) (continued)

<p>Details</p>	<p>S. 1848 would increase the refundable, advanceable health care tax credit (HCTC) from 65% to 85% of monthly health insurance premiums for eligible workers under the Trade Adjustment Assistance Act (TAA). The bill would allow TAA recipients who are not enrolled in training programs to be eligible for the HCTC, and would amend the creditable coverage calculation period to exclude the time between the loss of coverage and the time when the individual receives notice of eligibility for the HCTC. In addition, spouses and dependents would continue to be eligible for the HCTC if the worker becomes eligible for Medicare, in the case of divorce, or death of the worker. The bill would require COBRA coverage to continue during the time that the worker is TAA-eligible. In addition, VEBAs would be added to the list of qualifying coverage for the HCTC.</p> <p>H.R. 3920 would increase the refundable, advanceable HCTC for qualified insurance premiums from 65% to 85% and allow the end-of-year credit to be applied to premiums for qualified insurance that are paid prior to a TAA-eligibility determination (provided the person is ultimately determined eligible for assistance) or December 31, 2007, whichever is later. The bill would allow workers not enrolled in a training program and who are receiving unemployment insurance to be eligible for the HCTC, and would amend the creditable coverage calculation period to exclude the time between the loss of coverage and five days after the individual receives notice of eligibility for the HCTC. The bill would allow spouses and dependents to continue to receive the HCTC when the worker becomes eligible for Medicare, dies, or is divorced. The GAO would be required to conduct a study on the HCTC to help Congress develop an alternative health benefit for trade-displaced workers. The bill would provide extended COBRA eligibility for: (1) PBGC pension recipients until the recipient’s date of death, and for a surviving spouse or dependents for 36 months after the date of death; (2) TAA-eligible individuals until TAA-eligibility ends; and (3) TAA-eligible individuals who are age 55 or have 10 years of service with the employer until they obtain other group health coverage or become eligible for Medicare.</p> <p>H.R. 4341 would temporarily extend the trade adjustment assistance program, which is set to expire on December 31, 2007, until March 31, 2008.</p>
<p>Effective Date</p>	<p>S. 1848 would apply to taxable years after December 31, 2007.</p> <p>Under H.R. 3920, the COBRA amendments would apply to periods of coverage that would end on or after January 1, 2008. The HCTC increase would apply to months beginning after December 31, 2007 in taxable years ending after that date, and the HCTC would sunset after December 31, 2009.</p> <p>H.R. 4341 would become effective January 1, 2008.</p>

Employee Health Benefits and Defense Contractors

Current Legislation	<ul style="list-style-type: none"> • Department of Defense Appropriations Act for FY2008 (P.L. 110-116). • National Defense Authorization Act for FY2008 (H.R. 1585).
Status	<ul style="list-style-type: none"> • P.L. 110-116 became law on November 13, 2007. • The House approved the conference report for H.R. 1585 on December 12, 2007 by a vote of 370 to 49; the Senate approved the conference report on December 14, 2007 by a vote of 90 to 3, and has been cleared for the White House.
Outlook	H.R. 1585 will be enacted this year.
Details	<p>P.L. 110-116 includes a “competitive sourcing” provision that requires federal defense contractors to offer health insurance benefits to their employees or contribute an amount toward health insurance that is at least equal to the amount that the Department of Defense provides to its civilian workers.</p> <p>H.R. 1585 limits the competitive sourcing provision of P.L. 110-116 to exclude health care and retirement costs from the public-private cost comparison competition selection process under OMB Circular A-76; eliminate the automatic rebidding of work won by federal employees; and require the Department of Defense to issue guidance on allowing federal employees to bid on new work or work currently performed by contractors.</p>
Effective Date	<p>P.L. 110-116 is effective for FY2008, which began October 1, 2007.</p> <p>H.R. 1585 would become effective for FY2008.</p>

Medicare Reforms

Current Legislation	<ul style="list-style-type: none"> • Medicare Prescription Drug Savings and Choice Act (S. 2219/H.R. 3932). • Medicare Electronic Medication and Safety Protection (E-MEDS) Act of 2007 (S. 2408/H.R. 4296). • Medicare Chronic Care Practice Research Network Act of 2007 (H.R. 4327).
Status	<ul style="list-style-type: none"> • Sen. Durbin (D-IL) introduced S. 2219 and Rep. Berry (D-AR) introduced H.R. 3932 on October 23, 2007. • Sen. Kerry (D-MA) introduced S. 2408 and Rep. Schwartz (D-PA) introduced H.R. 4296 on December 5, 2007. • Rep. Timothy V. Johnson introduced H.R. 4327 on December 17, 2007.
Outlook	These bills will be held over to 2008.

Medicare Reforms (continued)

<p>Details</p>	<p>S. 2219/H.R. 3932 would establish a Medicare Part D prescription drug plan that would be operated by the federal Medicare program and compete with the privately sponsored plans currently offered under Part D. The bill also would require the Secretary of HHS to establish a formulary and negotiate Part D prescription drug prices directly with pharmaceutical manufacturers. In addition, the bill would direct the Agency for Health Research and Quality to assess the clinical benefit of prescription drugs covered by Part D and make recommendations for inclusion in the formulary of the Medicare-sponsored Part D plan.</p> <p>S. 2408/H.R. 4296 would provide a one-time, start-up cost bonus to Medicare physicians who use e-prescribing and would mandate e-prescribing by 2011. Providers that do not use e-prescribing after that time would be subject to a 10% reduction in reimbursement. Providers who continue to meet a certain volume or proportion of e-prescriptions (to be established by the HHS Secretary) would receive an ongoing bonus of 1% of the allowed charges for such services.</p> <p>H.R. 4327 would establish a standing network of chronic care experts who would partner with Medicare to implement and analyze care management and care coordination interventions focused on patients with multiple chronic conditions. The Network would develop and evaluate evidence-based chronic care management practices for Medicare beneficiaries who have two or more chronic illnesses, with a focus on such beneficiaries who are provided benefits under the Medicare fee-for-service program and whose care is most costly. The network would (1) research, design, implement, test, and validate specific interventions designed to improve care management for Medicare beneficiaries with multiple chronic conditions; and (2) provide a reproducible, reliable, and scalable framework to standardize and translate best practices for all Medicare beneficiaries. The network would provide financial support for collaboration, infrastructure, patient recruitment and care management, and evaluation of the program.</p>
<p>Effective Date</p>	<p>S. 2219/H.R. 3932 would be effective as if included in the MMA.</p> <p>S. 2408/H.R. 4296 would be effective on enactment.</p> <p>H.R. 4327 would become effective on enactment</p>

Prescription Drug Importation

Current Legislation	Consolidated Appropriations Act, 2008 (H.R. 2764).
Status	The House approved H.R. 2764 on December 17, 2007 by a vote of 206 to 201. The Senate is expected to pass the bill December 19 but with an amendment that will require another House vote.
Outlook	The bill is expected to be enacted.
Details	H.R. 2764 would allow individuals to import up to a 90-day supply of prescription drugs from Canada for personal use. The bill would not allow importation through the mail or Internet.
Effective Date	H.R. 2764 would be effective for fiscal year 2008, which began October 1, 2007.

Low-Income Premium Assistance

Current Legislation	<ul style="list-style-type: none"> • Children's Health Insurance Program Reauthorization Act of 2007 (H.R. 3963). • Medicare, Medicaid, and SCHIP Extension Act of 2007 (S. 2499).
Status	<ul style="list-style-type: none"> • H.R. 3963 was vetoed by President Bush on December 12, 2007. • The Senate approved S. 2499 by unanimous consent on December 18, 2007. The bill now goes to the House.
Outlook	Broader expansion of SCHIP will be held over until 2009. When a final SCHIP reauthorization bill is enacted, it will most likely include a low-income premium assistance expansion. S. 2499 is expected to be enacted this year.
Details	<p>H.R. 3963 would allow states to offer a premium assistance subsidy under both the CHIP and Medicaid programs to all individuals under age 19 and the parent of such individual for qualified, employer-sponsored coverage where the employer contributes at least 40% toward the cost of coverage. Premium assistance subsidies could not be used for health flexible spending arrangements (FSAs) or for high-deductible health plans. States would be required to provide supplemental coverage for low-income children receiving premium assistance.</p> <p>ERISA, the Internal Revenue Code, and the Public Health Services Act would be amended to require group health plans and insurers to allow employees or dependents covered by Medicaid or CHIP to enroll in private plans outside of the open enrollment period, if the employee or dependent becomes newly eligible for premium assistance from Medicaid or CHIP or loses Medicaid or CHIP coverage. Employers would be required to provide notices to employees concerning this additional enrollment opportunity. There would also be a new process for employers to share plan information with states to allow them to determine the cost-effectiveness of offering premium assistance. An interagency working group would be formed to develop forms for states.</p> <p>S. 2499 extends SCHIP through March 30, 2009.</p>
Effective Date	<p>H.R. 3963 would become effective October 1, 2007.</p> <p>S. 2499 would become effective on enactment.</p>

Health Information Technology (IT)

Current Legislation	<ul style="list-style-type: none"> • Wired for Health Care Quality Act of 2007 (S. 1693). • Healthcare Information Technology Enterprise Integration Act (H.R. 2406). • Independent Health Record Trust Act of 2007 (H.R. 2991). • Promotion of Health Information Technology (HIT) Act (H.R. 3800).
Status	<ul style="list-style-type: none"> • The Senate Health, Education, Labor, and Pensions (HELP) Committee approved S. 1693 by a voice vote on June 27, 2007. • H.R. 2406 was approved by the House Committee on Science and Technology on October 24, 2007 by voice vote. The bill now heads to the House floor for a vote but the timing is uncertain. • H.R. 2991 was introduced by Reps. Moore (D-KS) and Ryan (R-WI) on July 11, 2007. • H.R. 3800 was introduced by Reps. Eshoo (D-CA) and Rogers (R-MI) on October 10, 2007.
Outlook	<p>This issue will be held over to 2008.</p>
Details	<p>S. 1693 would codify the National Coordinator of Health Information Technology and establish a public-private partnership to provide recommendations to HHS on interoperability, standards, implementation specifications, and certification criteria for the exchange for health information. The legislation would also include privacy protections for electronic health information. The bill would also provide for federal grants to entities and states to adopt qualified interoperable health IT and for education.</p> <p>H.R. 2406 would require the National Institutes of Standards and Technology (NIST) (part of the U.S. Department of Commerce) to develop or adopt interoperable standards for health care information technology for federal agencies within one year of enactment. It would also require NIST to establish a program on health care information enterprise integration to build upon existing efforts at NIST, other federal agencies, and the private sector. Technical activities to be included in the NIST program may include: standards and interoperability analysis, software conformance and certification, security and privacy technical issues, information management, and medical device communication. The bill would also appropriate \$8 million annually for FY2009 and FY2010 to fund NIST's responsibilities under the bill.</p>

Health Information Technology (IT) (continued)

<p>Details (continued)</p>	<p>H.R. 2991 would establish an independent health record trust (IHRT) to maintain electronic health records (EHRs). IHRTs would be a voluntary system that is operated by member-owned institutions. Under an IHRT, participants would own their medical data and have access to their EHRs. Participants could also directly enter personal health information into their EHR and restrict the information that could be assessed and by whom. The bill would require IHRT providers to enter into a privacy protection agreement with participants. Such agreements would protect the confidentiality and integrity of identifiable health information and comply with HIPAA. The legislation would generally preempt state medical privacy protection laws except state physician-patient privilege laws.</p> <p>H.R. 3800 would streamline the process for adoption of HIT interoperability standards; codify (and extend until 9/30/2014) the position of National Coordinator for HIT in the Department of HHS to facilitate interoperable HIT exchanges and coordinate the federal government’s HIT activities and procurements; authorize funding to promote nationwide health care IT adoption, create a Partnership for Health Care Improvement (a public-private advisory body to recommend or endorse HIT interoperability standards and adoption time frames); authorize federal grants to assist states and local governments to adopt and promote HIT in their states; provide incentives for using broadband to deliver HIT to underserved areas; and provide patient privacy protections by establishing a system to certify electronic health record products and granting patients rights to obtain, inspect, and correct inaccurate or fraudulent information in their EHR.</p>
<p>Effective Date</p>	<p>S. 1693 would become effective on date of enactment.</p> <p>H.R. 2406 would become effective on date of enactment.</p> <p>Under H.R. 2991, the FTC would establish regulations governing establishment, certification, operation, and interoperability of IHRTs within one year after the date of enactment.</p> <p>H.R. 3800 would become effective upon enactment and generally authorizes funding to promote health IT from 2008–2012.</p>

Generic Drugs

Current Legislation	Preserve Access to Affordable Generics Act (S. 316/H.R. 1432).
Status	The Senate Judiciary Committee approved S. 316 by voice vote on February 15, 2007. The House has not taken any action on H.R. 1432.
Outlook	This legislation will be held over to 2008.
Details	S. 316/H.R. 1432 would prohibit agreements between brand name drug manufacturers and generic drug manufacturers to settle patent infringement claims. The bill would require the Federal Trade Commission (FTC) to conduct a study to prevent unfair methods of competition, including examining the frequency of agreements in patent infringement suits during the last five years; the impact of such agreements on competition in the pharmaceutical market; and a comparison of frequency of other agreements among competitors in the pharmaceutical market.
Effective Date	S. 316/H.R. 1432 would become effective upon enactment.

Wellness Tax Credit

Current Legislation	Healthy Workforce Act (S. 1753).
Status	S. 1753 was introduced by Sens. Harkin (D-IA) and Smith (R-OR) on July 9, 2007.
Outlook	This legislation will be held over to 2008.
Details	S. 1753 would provide a ten year tax credit of up to \$200 per employee for the first 200 employees and up to \$100 per employee thereafter to employers that provide qualified comprehensive wellness programs. A wellness program would qualify for the tax credit if it meets at least three of the following four components: (1) health awareness programs that include education and health risk assessment programs; (2) behavioral change programs that encourage employees to lead a healthy lifestyle through counseling, seminars, or online programs; (3) a supportive environment to encourage employee participation in the workplace wellness programs, such as a reduction in health insurance premiums; and (4) an employee engagement committee, which would tailor the wellness program to the needs of the workforce at a particular company.
Effective Date	S. 1753 would apply to taxable years beginning after December 31, 2007.

Flexible Spending Arrangement (FSA) Rollovers

Current Legislation	<ul style="list-style-type: none"> • Flexible Spending Accounts Growth and Opportunities Act of 2007 (H.R. 298). • Women's Retirement Security Act of 2007 (S. 1288).
Status	<ul style="list-style-type: none"> • H.R. 298 was introduced by Rep. McCarthy (D-NY) on January 5, 2007. • S. 1288 was introduced by Sens. Smith (R-OR) and Conrad (D-ND) on May 3, 2007.
Outlook	This legislation will be held over to 2008. Despite bipartisan support, the high cost may prohibit enactment.
Details	<p>H.R. 298 would allow up to \$1,000 in unused funds in an FSA to be carried over to the following year.</p> <p>S. 1288 would permit up to \$500 of unused health benefits under an FSA to roll over to a qualified retirement plan or to an eligible deferred compensation plan defined under Code section 457(b).</p>
Effective Date	<p>H.R. 298 would apply to plan years after the date of enactment.</p> <p>S. 1288 would apply to years beginning after December 31, 2007.</p>

Long-Term Care

Current Legislation	<ul style="list-style-type: none"> • Long-Term Care Trust Account Act of 2007 (S. 504). • Long-Term Care Affordability and Security Act of 2007 (H.R. 3363/S. 2337).
Status	<ul style="list-style-type: none"> • S. 504 was introduced by Sens. Smith (R-OR) and Lincoln (D-AR) on February 6, 2007. • H.R. 3363 was introduced by Reps. Pomeroy (D-ND) and Ramstad (R-MN) on August 3, 2007. S. 2337 was introduced by Sen. Grassley (R-IA) on November 13, 2007.
Outlook	Legislation affecting LTC plans will be held over to 2008.
Details	<p>S. 504 would create a new type of savings account to cover long-term care costs. Individuals who establish a long-term care trust account would be able to contribute up to \$5,000 annually, adjusted to inflation, to their account and receive a refundable 10% tax credit on that contribution. Contributions would have to be in cash. Interest accrued on these accounts would be tax-free, and funds could be withdrawn for the purchase of long-term care insurance or to pay for long-term care services. While an individual could contribute to another person's account, such contributions would be treated as a gift for income tax purposes.</p> <p>H.R. 3363/S. 2337 would allow employees to pay for long-term care insurance premiums on a pretax basis under cafeteria plans and flexible spending arrangements.</p>
Effective Date	<p>S. 504 would apply to taxable years beginning after December 31, 2006.</p> <p>H.R. 3363/S. 2337 would apply to taxable years beginning after December 31, 2006.</p>

Interstate Health Insurance

Current Legislation	Health Care Choice Act of 2007 (H.R. 4460/S. 2477).
Status	Rep. John Shadegg (R-AZ) introduced H.R. 4460 on December 12, 2007 and Sen. Jim DeMint (R-SC) introduced a companion bill on December 13, 2007.
Outlook	Rep. Shadegg and Sen. DeMint introduced similar bills in 2004 and 2005, but both attempts were unsuccessful.
Details	This legislation would amend the Public Health Service Act to allow consumers to purchase health insurance policies that are offered in any state in the U.S. Health insurers offering individual health insurance policies would file a policy in the state they choose (the primary state). The insurer would then be allowed to sell coverage in any other state (the secondary state) but operate under the primary state's laws. Insurers would be exempt from certain mandates and rating rules in the secondary state but would be required to pay applicable taxes.
Effective Date	H.R. 4460/S. 2477 would become effective on enactment.