

## **A BILL**

To amend Sections 18022 and 18043 of Title 42, United States Code, to require Puerto Rico to establish a health insurance exchange adhering to all applicable ACA standards, provide federal requirements identical to those applied to states under the ACA, and apply relevant ACA private insurance requirements to Puerto Rico.

**Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,**

### **SECTION 1. SHORT TITLE.**

This Act may be cited as the "Puerto Rico Affordable Care Act (PRACA) of 2024."

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### **Section 2. Requirement for Puerto Rico to Establish an ACA-Compliant Exchange.**

*Amendment to 42 U.S.C. § 18043: Funding and Exchange Requirements for Territories*

(a) **In General.** – Section 18043 of Title 42, United States Code, is amended by adding at the end the following new subsection:

“(d) **Requirement for Puerto Rico to Establish Health Insurance Exchange.**

(1) **Establishment of Exchange.** – The Commonwealth of Puerto Rico shall establish an American Health Benefit Exchange (hereinafter referred to as ‘Exchange’) adhering to **all standards under Title I of the ACA**, with no modifications. Consistent with 42 U.S.C. § 18041, Puerto Rico may:

- **(A)** Establish a territory-based exchange, which must meet all standards and requirements applicable to state-based exchanges; or
- **(B)** Opt to participate in a federally facilitated exchange if it does not establish a territory-based exchange.

(2) **Full Compliance with ACA Requirements.** – The Puerto Rico Exchange shall meet every requirement applicable to state exchanges as outlined in 42 U.S.C. §§ 18021, 18031, 18041, and other relevant sections of Title I of the ACA, including:

- **(A) Guaranteed Availability of Coverage** (42 U.S.C. § 18021),
- **(B) Certification of Qualified Health Plans (QHPs)** (42 U.S.C. § 18031(d)(4)),
- **(C) Enrollment Periods** (42 U.S.C. § 18031),
- **(D) Consumer Assistance and Support** (42 U.S.C. § 18031(i)),
- **(E) Plan Affordability and Premium Subsidies** (42 U.S.C. § 18031(d)(4)(G)),
- **(F) Privacy and Security Standards** (42 U.S.C. § 18031(d)(6)),
- **(G) Appeals Process** (42 U.S.C. § 18031(d)(4)(H)),
- **(H) Transparency and Coverage Information** (42 U.S.C. § 18031(e)),

- **(I) Risk Adjustment, Reinsurance, and Risk Corridors** (if applicable).

(3) **Implementation Timeline.** – Puerto Rico shall fully implement the requirements for establishing the Exchange within five years from the date of opting into this program.

(4) **Ongoing Compliance Monitoring.** – The Secretary of Health and Human Services (HHS) shall conduct periodic compliance reviews to verify that the Puerto Rico Exchange consistently meets all federal standards without modifications.

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### **Section 3. Essential Health Benefits and Regulatory Requirements for Puerto Rico.**

#### *Amendment to 42 U.S.C. § 18022: Essential Health Benefits for Puerto Rico’s Exchange*

(a) **In General.** – Section 18022 of Title 42, United States Code, is amended by adding at the end the following new subsection:

“(f) **Essential Health Benefits and Regulatory Requirements for Puerto Rico’s Health Insurance Exchange.**

(1) **Essential Health Benefits (EHB) Package.** – The Commonwealth of Puerto Rico shall establish an Essential Health Benefits (EHB) package that is consistent with federal requirements applied to states under 42 U.S.C. § 18022(b) and related regulations. Puerto Rico shall be permitted to select an EHB benchmark plan in the same manner as states, with the flexibility to determine specific coverage within each of the ten required EHB categories, as allowed by current federal guidelines.

(2) **Required Essential Health Benefit Categories.** – Puerto Rico’s EHB package shall cover all ten essential health benefit categories as mandated for state exchanges, including:

- **(A) Ambulatory Patient Services** – Outpatient care without hospital admission, such as physician visits and related services.
- **(B) Emergency Services** – Coverage for emergency room visits and related urgent care.
- **(C) Hospitalization** – Coverage for inpatient care, including surgeries and overnight hospital stays.
- **(D) Maternity and Newborn Care** – Coverage for pregnancy, childbirth, and newborn care.
- **(E) Mental Health and Substance Use Disorder Services** – Including behavioral health treatment, counseling, and inpatient services.
- **(F) Prescription Drugs** – Coverage for a range of prescription medications, including at least one drug per category and class in the U.S. Pharmacopeia or an equivalent as specified in state benchmark plans.

- **(G) Rehabilitative and Habilitative Services and Devices** – Services to help individuals recover and maintain daily functions, including physical therapy and devices such as wheelchairs.
- **(H) Laboratory Services** – Coverage for diagnostic and preventive lab tests, such as blood work.
- **(I) Preventive and Wellness Services and Chronic Disease Management** – Including screenings, immunizations, and management of chronic conditions.
- **(J) Pediatric Services, Including Oral and Vision Care** – Comprehensive coverage for children’s health needs, including dental and eye care.

(3) **Preventive Services Without Cost Sharing.** – The Puerto Rico exchange shall provide preventive services without cost sharing, as required under 42 U.S.C. § 300gg-13, including services recommended by the U.S. Preventive Services Task Force.

(4) **Actuarial Value Standards.** – Plans on Puerto Rico’s exchange shall adhere to ACA actuarial value tiers—bronze, silver, gold, and platinum—consistent with the standards in 42 U.S.C. § 18022(d).

(5) **Cost Sharing Limits.** – The exchange shall comply with ACA annual out-of-pocket maximums, as updated annually by HHS, in accordance with 42 U.S.C. § 18022(c)(1).

(6) **Provider Network Adequacy** – Puerto Rico’s exchange shall meet provider network adequacy standards, in alignment with 45 C.F.R. § 156.230, to ensure access to primary and specialty care.

(7) **Mental Health Parity.** – Mental health and substance use disorder benefits shall be provided in parity with medical/surgical benefits, as required by 42 U.S.C. § 300gg-26.

(7) **Transparency and Compliance Requirements.** – Puerto Rico’s exchange shall meet all transparency and compliance requirements for state exchanges, including:

- **(A) Summary of Benefits and Coverage** (42 U.S.C. § 300gg-15),
- **(B) Appeals Process** (42 U.S.C. § 300gg-19),
- **(C) Provider Directories and Formularies** (45 C.F.R. § 156.230),
- **(D) Quality Reporting** (42 U.S.C. § 300gg-17), and
- **(E) Pharmacy Benefit Reporting** (42 U.S.C. § 300gg-18).

(8) **Implementation and Oversight.** – The Secretary of Health and Human Services (HHS) shall conduct periodic reviews to ensure the Puerto Rico exchange complies fully with all ACA standards applicable to state-based exchanges, as specified in this subsection.”

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## **Section 4. Federal Insurance Tax Credit for Premium Reduction in Puerto Rico**

### **(a) Establishment of Federal Insurance Tax Credit for Puerto Rico**

A federal insurance tax credit mechanism is hereby established specifically for insurers in Puerto Rico's exchange to enable premium reductions for eligible consumers:

#### **(1) Eligibility of Insurers and Consumers**

- **(A) Insurer Eligibility** – Insurers offering plans on Puerto Rico's exchange that reduce premiums for eligible consumers are eligible for this tax credit.
- **(B) Consumer Eligibility** – Eligibility criteria for premium reductions shall mirror the requirements for the federal premium tax credit (42 U.S.C. § 36B), including:
  - (i) Household income between 100% and 400% of the federal poverty level (FPL), or income meeting the expanded eligibility cap under recent federal legislation;
  - (ii) Enrollment in a health plan through Puerto Rico's ACA-compliant exchange;
  - (iii) Lack of access to affordable employer-sponsored insurance or government insurance programs, such as Medicaid, Medicare, or CHIP.

#### **(2) Calculation and Issuance of the Tax Credit**

- **(A) Credit Calculation** – The tax credit provided to insurers shall be calculated using the same sliding scale percentage outlined in Section 36B(b), based on the second lowest-cost silver plan available on Puerto Rico's exchange.
- **(B) Benchmark Premiums** – The benchmark premium shall be based on the second lowest-cost silver plan in Puerto Rico's marketplace.
- **(C) Expected Contribution Cap** – The consumer's expected contribution toward premiums shall be limited according to the same percentage of income as in Section 36B(b)(3).

#### **(3) Consumer Premium Reduction and Insurer Reimbursement**

- **(A) Premium Reduction for Consumers** – Eligible consumers shall purchase plans at the reduced premium rate, benefiting from the tax credit upfront, with insurers applying the discount.
- **(B) Insurer Reimbursement** – Insurers shall receive an annual federal tax credit matching the dollar amount of premium reductions provided to eligible consumers.

#### **(4) Administration and Compliance**

- **(A) Verification and Audits** – The Secretary of the Treasury, in consultation with the Secretary of Health and Human Services, shall administer the credit and conduct annual audits to verify eligibility and compliance.

- **(B) Insurer Reporting Requirements** – Insurers must submit annual reports documenting premium reductions provided and demonstrate compliance with consumer eligibility criteria.

**(5) Definitions**

- **(A) Exchange** – For the purposes of this section, "exchange" refers to the Puerto Rico American Health Benefit Exchange as established under Title 42 U.S.C. § 18043.
- **(B) Eligible Insurer** – An insurer qualified to receive this tax credit is defined as any insurer offering health plans on Puerto Rico's exchange that provides the specified premium reductions to qualifying consumers.

**SECTION 5. EFFECTIVE DATE.**

This Act shall take effect upon enactment, with the establishment of the Puerto Rico exchange required within five years of Puerto Rico's opt-in date. The federal insurance tax credit for premium reductions shall be available to insurers starting in the first taxable year after the exchange's establishment.