

S. _____

To amend the Internal Revenue Code of 1986 to extend enhanced premium tax credits for certain taxpayers, to modify the income-eligibility limit for such credits, and for other purposes.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice and referred to the Committee on _____

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

SEC 1. SHORT TITLE.

This Act may be cited as the “Consumer Affordability and Responsibility Enhancement Act” or the “CARE Act”.

SEC. 2. EXTENSION OF ENHANCED PREMIUM TAX CREDIT FOR 2026.

(a) Extension of Rules To Increase Premium Assistance Amounts.—Clause (iii) of section 36B(b)(3)(A) of the Internal Revenue Code of 1986 is amended—

(1) by striking “January 1, 2026” and inserting “January 1, 2027”, and

(2) by striking “2025” in the heading and inserting “2026”.

(b) Ineligibility of Individuals Not Lawfully Present.—No credit, payment, contribution, or other assistance shall be allowed or made under this section with respect to any individual who is not a citizen or national of the United States.

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 3. OPEN ENROLLMENT PERIOD FOR PLAN YEAR 2026.

(a) In General.—With respect to plan year 2026, the annual open enrollment period required to be provided by Exchanges under section 1311(c)(6) of the Patient Protection and Affordable Care Act (42 U.S.C. 18031(c)(6)) shall begin on November 1, 2025, and end on March 31, 2026.

(b) Adjustments to Premiums.—The Administrator of the Centers for Medicare & Medicaid Services, in consultation with the National Association of Insurance Commissioners, shall develop a process by which issuers of qualified health plans offered on a Federal Exchange in any State in which the State insurance commissioner determines an adjustment to premiums for such plans for plan year 2026 is necessary to ensure that premium rates for such plans remain actuarially justified, may, during the 45-day period beginning on the date of enactment of this Act, adjust the premiums for such plans for plan year 2026.

1 **SEC. 4. MODIFICATION OF INCOME ELIGIBILITY LIMIT.**

2 (a) In General.—Section 36B(c)(1)(A) of the Internal Revenue Code of 1986 is amended
3 by inserting “(700 percent in the case of taxable years beginning before January 1, 2029)” after
4 “400 percent”.

5 (b) Conforming Amendments.—

6 (1) Section 36B(c)(1) of such Code is amended by striking subparagraph (E).

7 (2) The last row of the table in section 36B(b)(3)(A)(iii)(II) of such Code is
8 amended by striking “400.0 percent and higher” and inserting “250.0 percent up to 700.0
9 percent”.

10 (c) Effective Date.—The amendments made by this section shall apply to taxable years
11 beginning after December 31, 2025.
12

13 **SEC. 5. MINIMUM MONTHLY PREMIUM CONTRIBUTION.**

14 (a) Minimum Monthly Premium Contribution.—

15 (1) IN GENERAL.—Section 36B(b)(2)(A) of the Internal Revenue Code of 1986 is
16 amended by inserting “, reduced by \$5” after “1311 of the Patient Protection and
17 Affordable Care Act”.

18 (2) PAYMENT BY ENROLLEES OF PREMIUMS.—Section 1412 of the Patient
19 Protection and Affordable Care Act (42 U.S.C. 18082) is amended by adding at the end
20 the following:

21 “(f) Payment by Enrollees of Premium Minimum.—

22 “(1) IN GENERAL.—In the case of an individual with respect to whom the
23 Secretary makes an advance determination under section 1411 of eligibility for a
24 premium tax credit under section 36B of the Internal Revenue Code of 1986, the health
25 insurance issuer of the qualified health plan in which such individual is enrolling shall
26 require such individual to pay the minimum premium contribution—

27 “(A) \$5 on a monthly basis, at the time of payment of the premium due for
28 each coverage month of the individual for the plan year, or

29 “(B) \$60 in full for the plan year, at the time of payment of the premium
30 due for the first coverage month of the individual for the plan year.”.

31 (b) APPLICABILITY.—The amendments made by this section shall apply with respect to
32 plan years beginning on or after January 1, 2026, and before January 1, 2029.
33

34 **SEC. 6. CIVIL PENALTIES FOR KNOWING AND WILLFUL FRAUDULENT EXCHANGE**
35 **ENROLLMENT.**

36 (a) In General.—Section 1312(e) of the Patient Protection and Affordable Care Act (42
37 U.S.C. 18032(e)) is amended—

38 (1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B),
39 respectively, and adjusting the margins accordingly;

40 (2) by striking “The Secretary” and inserting the following:

41 “(1) IN GENERAL.—The Secretary”; and

42 (3) by adding at the end the following:

43 “(2) FRAUDULENT ENROLLMENT BY AGENTS AND BROKERS.—

1 “(A) IN GENERAL.—No agent or broker authorized to assist with
2 enrollment in a qualified health plan through an Exchange may knowingly and
3 willfully engage in fraudulent enrollment conduct, including any of the following:

4 “(i) Enrolling, or attempting to enroll, an individual in a qualified
5 health plan through an Exchange without the individual’s knowledge and
6 affirmative consent.

7 “(ii) Submitting, or causing to be submitted, materially false
8 information for purposes of enrolling an individual in coverage or securing
9 eligibility for enrollment, advance payments of the premium tax credit, or
10 cost-sharing reductions.

11 “(iii) Fabricating, falsifying, or deliberately misrepresenting
12 information relating to income, household size, residency, citizenship, or
13 immigration status, where such information is material to eligibility or
14 enrollment.

15 “(iv) Enrolling, or attempting to enroll, an individual in a health plan
16 through an Exchange if the agent or broker knows, at the time of
17 enrollment, that the individual is not seeking health insurance coverage.

18 “(B) CIVIL MONETARY PENALTY.—Any person who violates
19 subparagraph (A) shall be subject to a civil monetary penalty of not more than
20 \$100,000 for each individual with respect to whom such violation occurs.

21 “(C) ENFORCEMENT.—

22 “(i) ADMINISTRATIVE AUTHORITY.—The provisions of section
23 1128A of the Social Security Act, other than subsection (a) and (b) and
24 the first sentence of subsection (c)(1) of such section shall apply to civil
25 monetary penalties under this paragraph in the same manner as such
26 provisions apply to a penalty or proceeding under section 1128A of the
27 Social Security Act.

28 “(ii) CERTIFICATION ACTIONS.—In addition to any penalty
29 imposed under this paragraph, the Secretary may suspend, revoke, or
30 permanently bar a person from certification to participate in Exchange
31 enrollment activities.

32 “(iii) REFERRAL.—Nothing in this section shall be construed to
33 limit the authority of the Secretary to refer conduct to the Attorney
34 General for appropriate civil or criminal enforcement under other
35 provisions of law.

36 “(D) RULES OF CONSTRUCTION.—Nothing in this paragraph shall be
37 construed to—

38 “(i) impose liability for negligent, reckless, or unintentional
39 conduct;

40 “(ii) create a private right of action; or

41 “(iii) limit any other authority of the Secretary or the Attorney
42 General under Federal law.”.

1 **SEC. 7. FUNDING COST SHARING REDUCTION PAYMENTS.**

2 Section 1402 of the Patient Protection and Affordable Care Act (42 U.S.C. 18071) is
3 amended by adding at the end the following new subsections:

4 “(h) Funding.—There are appropriated out of any monies in the Treasury not otherwise
5 appropriated such sums as may be necessary for purposes of making payments under this
6 section for plan years beginning on or after January 1, 2027, and before January 1, 2029.

7 (i) Ineligibility of Individuals Not Lawfully Present.—No credit, payment, contribution, or
8 other assistance shall be allowed or made under this section with respect to any individual who
9 is not a citizen or national of the United States.”

10
11 **SEC. 8. PREMIUM TAX CREDIT FOR HOUSEHOLDS WITH INCOME ABOVE 150 PERCENT**
12 **AND NOT MORE THAN 700 PERCENT OF POVERTY.**

13 (a) In General.—The Internal Revenue Code of 1986 is amended—

14 (1) APPLICABLE PERCENTAGE FOR CERTAIN TAXPAYERS WITH
15 HOUSEHOLD INCOME ABOVE 150 PERCENT OF POVERTY.—Section 36B(b)(3)(A)
16 is amended by adding at the end the following new clauses:

17 “(iv) TEMPORARY PERCENTAGES FOR 2027.—

18 “In the case of a taxable year beginning after December 31, 2026, and
19 before January 1, 2028.—

20 (I) clause (ii) shall not apply for purposes of adjusting premium
21 percentages under this subparagraph, and

22 (II) the following table shall be applied in lieu of the table
23 contained in clause (i):
24

In the case of household income (expressed as a percent of poverty line) within the following income tier:	The initial premium percentage is -	The final premium percentage is -
150.0 percent up to 200.0 percent	4.0	4.0
200.0 percent up to 250.0 percent	5.5	5.5
250.0 percent up to 300.0 percent	7.5	7.5
300.0 percent up to 400.0 percent	9.0	9.0
400.0 percent up to 500.0 percent	9.0	9.0
500.0 percent up to 600.0 percent	9.5	9.5
600.0 percent up to 700.0 percent	9.5	9.5

25
26
27
28
29
30
31
32
33

1 “(iv) TEMPORARY PERCENTAGES FOR 2028.—

2 “In the case of a taxable year beginning after December 31, 2027, and
3 before January 1, 2029.—

4 (I) clause (ii) shall not apply for purposes of adjusting premium
5 percentages under this subparagraph, and

6 (II) the following table shall be applied in lieu of the table
7 contained in clause (i):
8

In the case of household income (expressed as a percent of poverty line) within the following income tier:	The initial premium percentage is	The final premium percentage is
-	-	-
150.0 percent up to 200.0 percent	6.0	6.0
200.0 percent up to 250.0 percent	7.0	7.0
250.0 percent up to 300.0 percent	9.0	9.0
300.0 percent up to 400.0 percent	9.0	9.0
400.0 percent up to 500.0 percent	9.5	9.5
400.0 percent up to 600.0 percent	10.5	10.5
600.0 percent up to 700.0 percent	11.5	11.5

9
10 (b) Coordination with Termination of Enhanced Credit.—For taxable years beginning
11 after December 31, 2026, section 36B shall be applied without regard to the amendments made
12 by section 9661 of the American Rescue Plan Act of 2021 (Public Law 117–2) and section
13 12001(a) of the Inflation Reduction Act of 2022 (Public Law 117–169), except as otherwise
14 provided by this section and other amendments made by this Act.

15 (c) Ineligibility of Individuals Not Lawfully Present.—No credit, payment, contribution, or
16 other assistance shall be allowed or made under this section with respect to any individual who
17 is not a citizen or national of the United States.
18

19 **SEC. 9. ELECTION TO PAY ADVANCE PAYMENTS OF THE PREMIUM TAX CREDIT TO**
20 **EXCHANGE PLAN HSAS.**

21 (a) Establishment of Exchange Plan HSAs.—

22 (1) IN GENERAL.—Section 223 of the Internal Revenue Code of 1986 is
23 amended by adding at the end the following new subsection:

24 “(i) Exchange Plan HSAs.—For purposes of this section—

25 “(1) IN GENERAL.—In the case of an Exchange plan HSA, this section shall be
26 applied as provided in paragraphs (3) through (4).

27 “(2) EXCHANGE PLAN HSA.—The term ‘Exchange plan HSA’ means a health
28 savings account which is designated as an Exchange plan HSA upon the establishment
29 of such account.

30 “(3) NO ROLLOVERS PERMITTED.—Except in the case of a contribution from
31 one Exchange plan HSA to another Exchange plan HSA, subsection (f)(5) shall not
32 apply.

1 “(4) RESTRICTION ON USE OF AMOUNTS.—For purposes of subsection
2 (d)(2)(A), amounts paid for an abortion shall not be treated as paid for medical care.

3 (5) NO WITHDRAWALS AS CASH.— Any amount contributed to an Exchange
4 plan HSA pursuant to this Act shall not be withdrawn for any purpose other than paying
5 the qualified medical expenses of the account beneficiary.”.

6 (2) EFFECTIVE DATE.—The amendments made by this section shall apply to
7 taxable years beginning after December 31, 2026.

8 (b) Election for Payment of Premium Tax Credit to Exchange Plan HSAs.—

9 (1) IN GENERAL.—The Secretary of Health and Human Services shall establish
10 a program under which, for plan years 2027 and 2028, an eligible individual who is
11 enrolled in a bronze level qualified health plan through an Exchange shall have 100
12 percent of the payment amount for such plan year paid to an Exchange plan HSA of
13 such eligible individual.

14 (2) PAYMENT.—In the case of an eligible individual making an election under
15 this subsection—

16 (A) the Secretary of Health and Human Services shall notify the Secretary
17 of the Treasury of such election and the Exchange plan HSA into which the
18 eligible individual has elected to receive a payment under this subsection, and

19 (B) notwithstanding section 1412(c) of the Patient Protection and
20 Affordable Care Act, the Secretary of the Treasury shall make such advance
21 payment of the premium tax credit to the Exchange plan HSA so indicated, and
22 no portion of such advance payment shall be made to the issuer of the bronze
23 level qualified health plan for such plan year.

24 (3) PAYMENT AMOUNT – the amount of each payment under this section for
25 any individual for an eligible month is an amount equal to—

26 (A) the premium assistance amount determined under section 36B(b)(2)
27 of such Code for such month with respect to the taxpayer, over

28 (ii) the premium assistance amount which would be determined
29 under section 36B(b)(2) of such Code for such month with respect to the
30 taxpayer if section 36B(b)(3)(A)(iii) of such Code did not apply;

31 (4) TAX TREATMENT OF CONTRIBUTIONS.—For purposes of the Internal
32 Revenue Code of 1986, any contribution to an Exchange plan HSA under this
33 subsection shall not be includible in the gross income of the eligible individual and no
34 deduction shall be allowed under section 223 with respect to such contribution.

35 (5) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term “eligible
36 individual” means an individual who is eligible to make contributions to a health savings
37 account for the month for which such election applies and who has established an
38 Exchange plan HSA.

39 (6) BRONZE LEVEL QUALIFIED HEALTH PLAN.—The term “bronze level
40 qualified health plan” has the meaning given such term in section 1302(d) of the Patient
41 Protection and Affordable Care Act.

42 (7) EXCHANGE PLAN HSA.—The term “Exchange plan HSA” has the meaning
43 given such term under section 223(i) of the Internal Revenue Code of 1986.

1 (c) Ineligibility of Individuals Not Lawfully Present.—No credit, payment, contribution, or
2 other assistance shall be allowed or made under this section with respect to any individual who
3 is not a citizen or national of the United States.
4

5 **SEC. 10. AUDITS ON ISSUERS OF QUALIFIED HEALTH PLANS REQUIRED TO**
6 **SEGREGATE FUNDS; ENFORCEMENT.**

7 (a) GAO Audits.—

8 (1) IN GENERAL.—The Comptroller General of the United States, as the head of
9 the Government Accountability Office, shall conduct an annual audit of the allocation
10 accounts described in paragraph (2)(C)(ii) of section 1303(b) of the Patient Protection
11 and Affordable Care Act (42 U.S.C. 18023(b)) of qualified health plans to determine
12 whether the issuers of such qualified health plans have complied with the segregation
13 requirements of such section 1303(b).

14 (2) PRIVACY PROTECTION.—An audit under paragraph (1)—

15 (A) may not include individual patient or medical provider information; and

16 (B) may only review disaggregated data.

17 (b) Enforcement.—

18 (1) IN GENERAL.—If an issuer of a qualified health plan has failed to comply
19 with the segregation requirements of section 1303(b) of the Patient Protection and
20 Affordable Care Act (42 U.S.C. 18023(b)) with respect to an allocation account
21 described in paragraph (2)(C)(ii) of such section 1303(b), the issuer shall be subject to a
22 civil monetary penalty in an amount of \$500,000 for each year in which the issuer was
23 determined to be in such noncompliance.

24 (2) APPEALS.—An issuer of a qualified health plan may appeal a civil monetary
25 penalty under paragraph (1).

26 (c) Sunset.—The authorities under subsections (a) and (b) shall terminate on December
27 31, 2027.

28 (d) Use of Amounts.—Each year, the Secretary of the Treasury shall transfer to the
29 Administrator of the Centers for Medicare & Medicaid Services an amount equal to the amount
30 collected as civil penalties under subsection (b) during the previous year. The Administrator of
31 the Centers for Medicare & Medicaid Services shall use such amounts so transferred to carry
32 out any maternal mortality initiative of the Center for Medicare & Medicaid Services.

33 (e) Savings Clause.—Nothing in this Act shall—

34 (1) affect the implementation of section 1303 of the Patient Protection and
35 Affordable Care Act (42 U.S.C. 18023); or

36 (2) authorize the use of protected health information.