

HR 3799

CHOICE Arrangement Act

Congress: 118 (2023–2025, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Jun 5, 2023

Current Status: Motion to reconsider laid on the table Agreed to without objection.

Latest Action: Motion to reconsider laid on the table Agreed to without objection. (Jun 21, 2023)

Official Text: <https://www.congress.gov/bill/118th-congress/house-bill/3799>

Sponsor

Name: Rep. Hern, Kevin [R-OK-1]

Party: Republican • **State:** OK • **Chamber:** House

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Malliotakis, Nicole [R-NY-11]	R · NY		Jun 9, 2023

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Unknown	Jun 21, 2023

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
118 HR 2813	Related bill	Dec 17, 2024: Referred to the Subcommittee on Health.
118 S 3167	Related bill	Oct 30, 2023: Read twice and referred to the Committee on Health, Education, Labor, and Pensions.
118 HRES 524	Procedurally related	Jun 21, 2023: Motion to reconsider laid on the table Agreed to without objection.
118 HR 2868	Related bill	Jun 14, 2023: Placed on the Union Calendar, Calendar No. 87.
118 HR 3798	Related bill	Jun 12, 2023: Placed on the Union Calendar, Calendar No. 82.

This bill generally provides statutory authority for certain health reimbursement arrangements and other alternative health insurance options for employers.

TITLE I--ASSOCIATION HEALTH PLANS ACT

This title provides statutory authority for the treatment of association health plans (AHPs) as single, large employers for purposes of the Employee Retirement Income Security Act (ERISA).

Under AHPs, groups of individuals or small employers join together to purchase health insurance coverage. AHPs were historically subject to the market requirements for individual and small group health plans. In 2018, the Department of Labor issued regulations that allowed an AHP to be considered a single, large employer under ERISA if certain conditions are met. The regulations have been subject to litigation, which is still ongoing.

The title provides that an AHP qualifies as a single, large employer if it (1) among other listed criteria, has been in existence for at least two years before offering health insurance and was formed for a purpose other than offering health insurance; (2) meets any criteria set by Labor in a prior advisory opinion; or (3) meets any other criteria set by Labor through regulations.

TITLE II--CHOICE ARRANGEMENT ACT

This title provides statutory authority for regulations that allow employers to offer individual coverage health reimbursement arrangements (ICHRAAs).

Under ICHRAAs, employers agree to reimburse employees for incurred medical expenses up to a limit for a specified period (e.g., a calendar year), and employees obtain their own individual coverage that meets certain requirements of the Patient Protection and Affordable Care Act (coverage of preventive services and no annual or lifetime limits). Payments or reimbursements under an ICHRA are tax-exempt and may only be made for medical care provided when the employee was covered by a plan that meets the requirements. Employees may also pair ICHRAAs with Medicare coverage.

In 2019, the Department of the Treasury, the Department of Labor, and the Department of Health and Human Services issued regulations that allow employers to offer employees ICHRAAs if certain conditions are met: (1) the employer offers ICHRAAs to all employees in the same class (e.g., all full-time employees) without the choice of an employer-sponsored group health plan, and (2) the employer offers the ICHRA to all employees within the class on the same terms (i.e., the amount of available funds and the terms and conditions of the benefits). The regulations also specify certain notice and verification requirements with respect to ICHRAAs.

The title provides statutory authority for these regulations and generally refers to ICHRAAs as *custom health option and individual care expense arrangements*.

TITLE III--SELF-INSURANCE PROTECTION ACT

This title specifies that stop-loss coverage is not health insurance coverage for purposes of regulation under ERISA. It also specifies that ERISA preempts any state laws that prevent employers from obtaining stop-loss coverage. (Stop-loss coverage is liability insurance obtained by self-insured employers to cover the cost of health care expenses that exceed a certain level.)

TITLE IV--SMALL BUSINESS FLEXIBILITY ACT

This title requires the Internal Revenue Service to notify employers, particularly small businesses in rural areas, about the availability of ICHRAs, qualified small employer health reimbursement arrangements (QSEHRAs), and the small business health care tax credit. (QSEHRAs are available to employers with fewer than 50 full-time employees. The small business health care tax credit is available to employers with fewer than 25 full-time employees.)

TITLE V--RESCSSIONS

This title reduces FY2024 funding for the Prevention and Public Health Fund.

TITLE VI--SENSE OF CONGRESS THAT AMERICANS SHALL HAVE HEALTHCARE FREEDOM

This title expresses certain senses of Congress regarding the importance of health care freedom and free market practices.

Actions Timeline

- **Jun 21, 2023:** Considered under the provisions of rule H. Res. 524. (consideration: CR H3022-3036)
- **Jun 21, 2023:** Rule provides for consideration of H.R. 3564, H.R. 3799 and H. Res. 461. The resolution provides for consideration of H.R. 3564 under a structured rule with one hour of general debate; H.R. 3799 under a structured rule with eighty minutes of general debate; and H.Res. 461, under a closed rule with one hour of general debate. The resolution provides for a motion to recommit on H.R. 3564 and H.R. 3799.
- **Jun 21, 2023:** House resolved itself into the Committee of the Whole House on the state of the Union pursuant to H. Res. 524 and Rule XVIII.
- **Jun 21, 2023:** The Speaker designated the Honorable Eric A. "Rick" Crawford to act as Chairman of the Committee.
- **Jun 21, 2023:** GENERAL DEBATE - The Committee of the Whole proceeded with eighty minutes of general debate on H.R. 3799.
- **Jun 21, 2023:** DEBATE - Pursuant to the provisions of H. Res. 524, the Committee of the Whole proceeded with 10 minutes of debate on the Hayes amendment No. 1.
- **Jun 21, 2023:** POSTPONED PROCEEDINGS - At conclusion of debate on the Hayes amendment No. 1, the Chair put the question on agreeing to the amendment and by voice vote, announced that the noes had prevailed. Mrs. Hayes demanded a recorded vote and the Chair postponed further proceedings until a time to be announced.
- **Jun 21, 2023:** DEBATE - Pursuant to the provisions of H. Res. 524, the Committee of the Whole proceeded with 10 minutes of debate on the Molinaro amendment No. 2.
- **Jun 21, 2023:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Molinaro amendment No. 2, the Chair put the question on agreeing to the amendment and by voice vote, announced the ayes had prevailed. Mr. Doggett demanded a recorded vote and the Chair postponed further proceedings until a time to be announced.
- **Jun 21, 2023:** DEBATE - Pursuant to the provisions of H. Res. 524, the Committee of the Whole proceeded with 10 minutes of debate on the Roy amendment No. 3.
- **Jun 21, 2023:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Roy amendment No. 3, the Chair put the question on agreeing to the amendment and by voice vote, announced ayes had prevailed. Mr. Doggett demanded a recorded vote and the Chair postponed further proceedings until a time to be announced.
- **Jun 21, 2023:** Ms. Foxx moved that the committee rise.
- **Jun 21, 2023:** On motion that the committee rise Agreed to by voice vote.
- **Jun 21, 2023:** Committee of the Whole House on the state of the Union rises leaving H.R. 3799 as unfinished business.
- **Jun 21, 2023:** Considered as unfinished business. (consideration: CR H3044-3048)
- **Jun 21, 2023:** The House resolved into Committee of the Whole House on the state of the Union for further consideration.
- **Jun 21, 2023:** The House rose from the Committee of the Whole House on the state of the Union to report H.R. 3799.
- **Jun 21, 2023:** The previous question was ordered pursuant to the rule.
- **Jun 21, 2023:** The House adopted the amendments en gross as agreed to by the Committee of the Whole House on the state of the Union.
- **Jun 21, 2023:** Mr. Doggett moved to recommit to the Committee on Ways and Means. (text: CR H3046)
- **Jun 21, 2023:** The previous question on the motion to recommit was ordered pursuant to clause 2(b) of rule XIX.
- **Jun 21, 2023:** On motion to recommit Failed by the Yeas and Nays: 209 - 220 (Roll no. 281).
- **Jun 21, 2023:** Passed/agreed to in House: On passage Passed by the Yeas and Nays: 220 - 209 (Roll no. 282).
- **Jun 21, 2023:** On passage Passed by the Yeas and Nays: 220 - 209 (Roll no. 282).
- **Jun 21, 2023:** Motion to reconsider laid on the table Agreed to without objection.
- **Jun 20, 2023:** Rules Committee Resolution H. Res. 524 Reported to House. Rule provides for consideration of H.R. 3564, H.R. 3799 and H. Res. 461. The resolution provides for consideration of H.R. 3564 under a structured rule with one hour of general debate; H.R. 3799 under a structured rule with eighty minutes of general debate; and H.Res. 461, under a closed rule with one hour of general debate. The resolution provides for a motion to recommit on H.R. 3564 and H.R. 3799.
- **Jun 12, 2023:** Reported (Amended) by the Committee on Ways and Means. H. Rept. 118-107.
- **Jun 12, 2023:** Placed on the Union Calendar, Calendar No. 83.
- **Jun 7, 2023:** Committee Consideration and Mark-up Session Held
- **Jun 7, 2023:** Ordered to be Reported in the Nature of a Substitute (Amended) by the Yeas and Nays: 25 - 18.
- **Jun 5, 2023:** introduced in House
- **Jun 5, 2023:** Referred to the House Committee on Ways and Means.