

119TH CONGRESS
2D SESSION

H. R. 9702

To establish a public health plan.

IN THE HOUSE OF REPRESENTATIVES

JULY 15, 2026

Ms. CRAIG (for herself, Ms. NORTON, and Mr. QUIGLEY) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish a public health plan.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Medicare-X Choice Act
5 of 2026”.

6 **SEC. 2. ESTABLISHMENT AND ADMINISTRATION OF A PUB-**
7 **LIC HEALTH PLAN.**

8 The Social Security Act is amended by adding at the
9 end the following new title:

**“TITLE XXII—MEDICARE
EXCHANGE HEALTH PLAN**

“SEC. 2201. ESTABLISHMENT.

“(a) ESTABLISHMENT OF PLAN.—

“(1) IN GENERAL.—The Secretary shall establish a coordinated and low-cost health plan, to be known as the ‘Medicare Exchange health plan’ (referred to in this section as the ‘health plan’) to provide access to quality health care for enrollees.

“(2) TIMEFRAME.—

“(A) INDIVIDUAL MARKET AVAILABILITY.—The Secretary shall make the health plan available in the individual market, in all rating areas, for plan year 2028 and each subsequent plan year.

“(B) SMALL GROUP MARKET.—The Secretary shall make the health plan available in the small group market, in all rating areas, for plan year 2028 and each subsequent plan year.

“(b) ESTABLISHMENT OF FUNDS.—

“(1) PLAN RESERVE FUND.—

“(A) IN GENERAL.—There is established in the Treasury of the United States a ‘Plan Reserve Fund’, to be administered by the Secretary of Health and Human Services, for pur-

1 poses of establishing the Medicare Exchange
2 health plan and administering such plan, con-
3 sisting of amounts appropriated to such fund
4 during the period of fiscal years 2027 through
5 2036.

6 “(B) APPROPRIATION.—There is appro-
7 priated \$1,000,000,000, out of monies in the
8 Treasury not otherwise obligated, to the Plan
9 Reserve Fund for fiscal year 2027, to remain
10 available until expended.

11 “(2) DATA AND TECHNOLOGY FUND.—

12 “(A) IN GENERAL.—There is established in
13 the Treasury of the United States a ‘Data and
14 Technology Fund’, to be administered by the
15 Secretary of Health and Human Services, act-
16 ing through the Chief Actuary of the Centers
17 for Medicare & Medicaid Services, for purposes
18 of updating technology and performing data
19 collection under section 2205 in order to estab-
20 lish appropriate premiums for all geographic re-
21 gions of the United States, consisting of
22 amounts appropriated to such fund during the
23 period of fiscal years 2027 through 2036.

24 “(B) APPROPRIATION.—There is appro-
25 priated \$1,000,000,000, out of amounts in the

1 Treasury not otherwise appropriated, to the
2 Data and Technology Fund for fiscal year
3 2027, to remain available until expended.

4 “(c) RULEMAKING.—Not later than 180 days after
5 the date of enactment of the Medicare-X Choice Act of
6 2026, the Secretary shall promulgate such regulations as
7 may be necessary to carry out this title. Rules promul-
8 gated under this subsection shall be finalized not later
9 than 270 days after the date of enactment of the Medi-
10 care-X Choice Act of 2026.

11 **“SEC. 2202. AVAILABILITY OF PLAN.**

12 “(a) ELIGIBILITY.—An individual shall be eligible to
13 enroll in the health plan if such individual, for the entire
14 period for which enrollment is sought—

15 “(1) is a qualified individual within the mean-
16 ing of section 1312 of the Patient Protection and
17 Affordable Care Act (42 U.S.C. 18032); and

18 “(2) is not eligible for benefits under the Medi-
19 care program under title XVIII.

20 “(b) EXCHANGES.—In accordance with the time-
21 frame under section 2201(a)(2), the health plan shall be
22 made available through the American Health Benefit Ex-
23 changes described in sections 1311 and 1321 of the Pa-
24 tient Protection and Affordable Care Act (42 U.S.C.

1 18031, 18041), including the Small Business Health Op-
2 tions Program Exchange.

3 **“SEC. 2203. PLAN REQUIREMENTS.**

4 “(a) GENERAL REQUIREMENTS.—The health plan
5 shall comply with all requirements, as applicable, of sub-
6 title D of title I of the Patient Protection and Affordable
7 Care Act and title XXVII of the Public Health Service
8 Act applicable to qualified health plans, and such health
9 plan shall be a qualified health plan, including for pur-
10 poses of the Internal Revenue Code of 1986.

11 “(b) LEVELS OF COVERAGE.—The Secretary—

12 “(1) shall make available a silver level and gold
13 level version of the plan, in accordance with section
14 1301(a)(1)(C)(ii) of the Patient Protection and Af-
15 fordable Care Act; and

16 “(2) may make available no more than 2
17 versions of the plan for each of the 4 levels of cov-
18 erage described in subparagraphs (A) through (D) of
19 section 1302(d)(1) of the Patient Protection and Af-
20 fordable Care Act.

21 “(c) PRIMARY CARE SERVICES.—The health plan
22 shall provide coverage for primary care services, and shall
23 not impose any cost-sharing requirements for such serv-
24 ices.

1 **“SEC. 2204. ADMINISTRATIVE CONTRACTING.**

2 “(a) IN GENERAL.—The Secretary may enter into
3 contracts for the purpose of performing administrative
4 functions (including functions described in subsection
5 (a)(4) of section 1874A) with respect to the health plan
6 in the same manner as the Secretary may enter into con-
7 tracts under subsection (a)(1) of such section. The Sec-
8 retary shall have the same authority with respect to the
9 public health insurance option as the Secretary has under
10 such subsection (a)(1) and subsection (b) of section 1874A
11 with respect to title XVIII.

12 “(b) TRANSFER OF INSURANCE RISK.—Any contract
13 under subsection (a) shall not involve the transfer of in-
14 surance risk from the Secretary to the entity entering into
15 such contract with the Secretary, except in the case of an
16 alternative payment model under section 2209(h).

17 **“SEC. 2205. DATA COLLECTION.**

18 “Subject to all applicable privacy requirements, in-
19 cluding the requirements under the regulations promul-
20 gated pursuant to section 264(c) of the Health Insurance
21 Portability and Accountability Act of 1996 (42 U.S.C.
22 1320d–2 note), the Secretary may collect data from State
23 insurance commissioners and other relevant entities to es-
24 tablish rates for premiums and for other purposes, includ-
25 ing to improve quality, and reduce racial, ethnic, socio-
26 economic, geographic, gender, sexual identity, and other

1 health disparities, including such disparities experienced
2 by people with disabilities and older adults, with respect
3 to the health plan.

4 **“SEC. 2206. PREMIUMS; RISK POOL.**

5 “(a) SETTING PREMIUMS.—

6 “(1) IN GENERAL.—The Secretary shall estab-
7 lish premiums for the health plan that cover the full
8 actuarial cost of offering such plan, including the
9 administrative costs of offering such plan. Such pre-
10 miums shall vary geographically and between the
11 small group market and the individual market in ac-
12 cordance with differences in the cost of providing
13 such coverage. If, for any plan year, the amount col-
14 lected in premiums exceeds the amount required for
15 health care benefits and administrative costs in that
16 plan year, such excess amounts shall remain avail-
17 able to the Secretary to administer the health plan
18 and finance beneficiary costs in subsequent years.

19 “(2) INITIAL PLAN YEAR.—For plan year 2028,
20 the Secretary shall set premiums for the health plan
21 for each rating area in which the health plan is
22 available for such plan year, taking into consider-
23 ation the premium rates for plans offered in each
24 such rating area for plan year 2027.

1 “(b) RISK POOL.—After plan year 2028, all enrollees
 2 in the health plan within a State shall be members of a
 3 single risk pool, except that the Secretary may establish
 4 separate risk pools for the individual market and small
 5 group market if the State has not exercised its authority
 6 under section 1312(c)(3) of the Patient Protection and Af-
 7 fordable Care Act.

8 **“SEC. 2207. REIMBURSEMENT RATES.**

9 “(a) MEDICARE RATES.—

10 “(1) IN GENERAL.—Except as provided in para-
 11 graph (2) and subsections (b) and (c) and subject to
 12 subsection (d), the Secretary shall reimburse health
 13 care providers furnishing items and services under
 14 the health plan at rates determined for equivalent
 15 items and services under the original Medicare fee-
 16 for-service program under parts A and B of title
 17 XVIII.

18 “(2) AUTHORITY TO INCREASE PAYMENTS
 19 RATES IN RURAL AREAS.—If the Secretary deter-
 20 mines appropriate, the Secretary may increase the
 21 reimbursements rates described in paragraph (1) by
 22 up to 50 percent for items and services furnished in
 23 rural areas (as defined in section 1886(d)(2)(D)).

24 “(b) PRESCRIPTION DRUGS.—Subject to subsection
 25 (d), payment rates for prescription drugs shall be at a rate

1 negotiated by the Secretary. Such negotiations may be in
2 conjunction with negotiations for selected drugs under
3 part E of title XI.

4 “(c) ADDITIONAL ITEMS AND SERVICES.—Subject to
5 subsection (d), the Secretary shall establish reimburse-
6 ment rates for any items and services provided under the
7 health plan that are not items and services provided under
8 the original Medicare fee-for-service program under parts
9 A and B of title XVIII.

10 “(d) INNOVATIVE PAYMENT METHODS.—The Sec-
11 retary may utilize innovative payment methods, including
12 value-based payment arrangements, in making payments
13 for items and services (including prescription drugs) fur-
14 nished under the health plan.

15 “(e) COMPREHENSIVE STUDY ON COVERING ADDI-
16 TIONAL SERVICES.—

17 “(1) IN GENERAL.—The Secretary, acting
18 through the Administrator of the Centers for Medi-
19 care & Medicaid Services, shall conduct a com-
20 prehensive study, in consultation with stakeholders,
21 and develop recommendations for Congress on the
22 need for, and cost of providing coverage for, addi-
23 tional services under the health plan.

24 “(2) CONTENT.—The study shall under para-
25 graph (1) shall include—

1 “(A) consideration of providing coverage
2 for long-term services and supports, home and
3 community based services, assistive and ena-
4 bling technologies, and vision, hearing, and den-
5 tal services;

6 “(B) consideration of providing coverage
7 for other services in addition to the services de-
8 scribed in subparagraph (A) that could most
9 benefit the health and financial well-being of
10 beneficiaries, including by reducing health dis-
11 parities, if included for coverage under the plan;

12 “(C) the costs associated with covering ad-
13 ditional services described in subparagraphs (A)
14 and (B), for beneficiaries through cost-sharing
15 and premiums, and for the Federal Govern-
16 ment; and

17 “(D) an assessment of the implications of
18 covering such additional services for the risk
19 pool of the health plan and for the individual
20 and small group markets.

21 “(3) SUBMISSION OF REPORT.—Not later than
22 2 years after the date of enactment of this title, the
23 Secretary shall submit to Congress a report on the
24 findings and recommendations of the study under
25 this subsection and shall make such report publicly

1 available on the website of the Department of
2 Health and Human Services.

3 **“SEC. 2208. PARTICIPATING PROVIDERS.**

4 “(a) REQUIREMENT TO PARTICIPATE IN ORDER TO
5 BE ENROLLED UNDER MEDICARE.—Subject to sub-
6 section (d), beginning January 1, 2028, a health care pro-
7 vider may not be enrolled under the Medicare program
8 under section 1866(j) unless the provider is also a partici-
9 pating provider under the health plan.

10 “(b) REQUIREMENT TO PARTICIPATE IN ORDER TO
11 PARTICIPATE IN MEDICAID.—Subject to subsection (d),
12 beginning January 1, 2028, a health care provider may
13 not be a participating provider under a State Medicaid
14 plan under title XIX (or a waiver of such a plan) unless
15 the provider is also a participating provider under the
16 health plan.

17 “(c) ADDITIONAL PROVIDERS.—The Secretary shall
18 establish a process to allow health care providers not de-
19 scribed in subsection (a) or (b) to become a participating
20 provider under the health plan.

21 “(d) OPT-OUT.—The Secretary shall establish a
22 process by which a health care provider described in sub-
23 section (a) or (b) may opt out of being a participating
24 provider under the health plan, under exceptional cir-

1 cumstances where participation in the health plan threat-
2 ens the provider’s ability to operate.

3 **“SEC. 2209. DELIVERY SYSTEM REFORM FOR AN ENHANCED**
4 **HEALTH PLAN.**

5 “(a) IN GENERAL.—For plan years beginning with
6 plan year 2028, the Secretary may utilize innovative pay-
7 ment mechanisms and policies to determine payments for
8 items and services under the health plan. The payment
9 mechanisms and policies under this section may include
10 patient-centered medical home and other care manage-
11 ment payments, accountable care organizations, account-
12 able communities for health, value-based purchasing, bun-
13 dling of services, differential payment rates, performance
14 or utilization based payments, telehealth, remote patient
15 monitoring, partial capitation, and direct contracting with
16 providers.

17 “(b) REQUIREMENTS FOR INNOVATIVE PAYMENTS.—
18 The Secretary shall design and implement the payment
19 mechanisms and policies under this section in a manner
20 that—

21 “(1) seeks to—

22 “(A) improve health outcomes;

23 “(B) reduce health disparities (including
24 racial, ethnic, socioeconomic, geographic, gen-
25 der, sexual identity, and other disparities, in-

1 cluding such disparities experienced by people
2 with disabilities and older adults);

3 “(C) improve coordination to provide more
4 efficient and affordable quality care;

5 “(D) address geographic variation in the
6 provision of health services; or

7 “(E) prevent or manage chronic illness;

8 “(2) promotes care that is integrated, patient-
9 centered, quality, and efficient;

10 “(3) implements patient feedback mechanisms,
11 including culturally- and disability-competent mecha-
12 nisms; and

13 “(4) uses person-reported experiences to im-
14 prove service delivery.

15 “(c) ENCOURAGING THE USE OF HIGH-VALUE SERV-
16 ICES.—To the extent allowed by the benefit standards ap-
17 plied to all health benefits plans participating in the Ex-
18 changes (as described in section 2202(b)), the health plan
19 may modify cost-sharing and payment rates to encourage
20 the use of services that promote health and value.

21 “(d) PROMOTION OF DELIVERY SYSTEM REFORM.—
22 The Secretary shall monitor and evaluate the progress of
23 payment and delivery system reforms under this section
24 and shall seek to implement such reforms subject to the
25 following:

1 “(1) To the extent that the Secretary finds a
2 payment and delivery system reform successful in
3 improving quality and reducing costs, the Secretary
4 shall implement such reform on as large a geo-
5 graphic scale as practical and economical.

6 “(2) The Secretary may delay the implementa-
7 tion of such a reform in geographic areas in which
8 such implementation would place the public health
9 insurance option at a competitive disadvantage.

10 “(3) The Secretary may prioritize implementa-
11 tion of such a reform in high-cost geographic areas
12 or otherwise in order to reduce total program costs
13 or to promote high-value care.

14 “(4) The Secretary may prioritize implementa-
15 tion of such a reform to reduce racial, ethnic, socio-
16 economic, geographic, gender, sexual identity, or
17 other health disparities, including such disparities
18 experienced by people with disabilities or older
19 adults.

20 “(e) NON-UNIFORMITY PERMITTED.—Nothing in
21 this section shall prevent the Secretary from varying pay-
22 ments based on different payment structure models (such
23 as accountable care organizations and medical homes)
24 under the health plan for different geographic areas.

25 “(f) INTEGRATION WITH SOCIAL SERVICES.—

1 “(1) IN GENERAL.—The Secretary shall estab-
2 lish processes and, when appropriate, collaborate
3 with other agencies to integrate medical care under
4 the health plan with food, housing, transportation,
5 and income assistance if the Secretary determines
6 that such integration is expected to—

7 “(A) reduce spending without reducing the
8 quality of patient care;

9 “(B) improve the quality of patient care
10 without increasing spending; or

11 “(C) reduce racial, ethnic, socioeconomic,
12 geographic, gender, sexual identity, or other
13 health disparities, including any such disparities
14 experienced by people with disabilities or older
15 adults.

16 “(2) AUTHORIZATION OF A GRANT PROGRAM.—

17 “(A) IN GENERAL.—The Secretary may es-
18 tablish a grant program to permit broader ex-
19 perimentation with accountable communities for
20 health model.

21 “(B) ELIGIBLE RECIPIENTS.—The Sec-
22 retary may award a grant under this section
23 to—

1 “(i) an institution of higher learning
2 (as defined in section 3452(f) of title 38,
3 United States Code);

4 “(ii) a local educational agency (as de-
5 fined in section 8101 of the Elementary
6 and Secondary Education Act of 1965);

7 “(iii) a health care agency;

8 “(iv) a nonprofit entity that the Sec-
9 retary determines has a demonstrated his-
10 tory of community engagement; or

11 “(v) any other entity, as the Secretary
12 determines appropriate.

13 “(C) USE OF FUNDS.—A recipient of a
14 grant under this section may use the grant to—

15 “(i) support community needs assess-
16 ment;

17 “(ii) establish social service partner-
18 ships; or

19 “(iii) establish interactive data sys-
20 tems across health and social service pro-
21 viders.

22 “(D) AUTHORIZATION OF APPROPRIA-
23 TIONS.—There are authorized to be appro-
24 priated such sums as may be necessary to carry
25 out this paragraph.

1 “(3) REGULATIONS.—If the Secretary estab-
2 lishes a grant program under this section, the Sec-
3 retary shall promulgate regulations on—

4 “(A) the evaluation of applications for
5 grants under the program; and

6 “(B) administration of the program.

7 “(g) TELEHEALTH.—The Secretary shall ensure the
8 integration of telehealth tools, including technology-en-
9 abled collaborative learning and capacity building models,
10 that increase patient access to medical care (including spe-
11 cialty care), particularly in remote or underserved areas,
12 if the Secretary determines that such integration is ex-
13 pected to—

14 “(1) reduce spending without reducing the qual-
15 ity of patient care; or

16 “(2) improve the quality of patient care without
17 increasing spending.

18 “(h) ALTERNATIVE PAYMENT MODEL.—

19 “(1) IN GENERAL.—The Secretary shall evalu-
20 ate the possibility of providing incentives, and, if ap-
21 propriate, apply incentives, for enrollees in the
22 health plan who receive services from providers who
23 are participating in an alternative payment model
24 (as defined in section 1833(z)(3)(C)).

1 “(2) AUTHORITY TO USE APMS IN USE UNDER
 2 TRADITIONAL MEDICARE.—Nothing in this section
 3 shall preclude the Secretary from using alternative
 4 payment models (as so defined) under this title that
 5 are in use under title XVIII.

6 **“SEC. 2210. NO EFFECT ON MEDICARE BENEFITS OR MEDI-**
 7 **CARE TRUST FUNDS.**

8 “Nothing in this title shall—

9 “(1) affect the benefits available under title
 10 XVIII; or

11 “(2) impact the Federal Hospital Insurance
 12 Trust Fund under section 1817 or the Federal Sup-
 13 plementary Medical Insurance Trust Fund under
 14 section 1841 (including the Medicare Prescription
 15 Drug Account within such Trust Fund).”.

16 **SEC. 3. EXCLUSION OF PROVIDERS THAT PLACE ADDI-**
 17 **TIONAL RESTRICTIONS ON MEDICARE EX-**
 18 **CHANGE HEALTH PLAN PATIENTS FROM FED-**
 19 **ERAL HEALTH CARE PROGRAMS.**

20 Section 1128(b) of the Social Security Act (42 U.S.C.
 21 1320a–7(b)) is amended by adding at the end the fol-
 22 lowing new paragraph:

23 “(18) PLACEMENT OF RESTRICTIONS ON MEDI-
 24 CARE EXCHANGE HEALTH PLAN PATIENTS.—Any in-
 25 dividual or entity that places restrictions on the indi-

1 viduals the individual or provider will accept for
2 treatment and fails to either—

3 “(A) exempt enrollees in the Medicare Ex-
4 change health plan established under title XXII
5 from such restrictions; or

6 “(B) apply such restrictions to enrollees in
7 the Medicare Exchange health plan in the same
8 manner and to the same extent the restrictions
9 are applied to all other individuals seeking
10 care.”.

11 **SEC. 4. REINSURANCE.**

12 (a) IN GENERAL.—The Secretary of Health and
13 Human Services shall establish a mechanism to pool, on
14 a nationwide basis, the costs of the highest-cost patients
15 enrolled in individual health insurance coverage (as de-
16 fined in section 2791 of the Public Health Service Act (42
17 U.S.C. 300gg–91)) offered on or off the Exchanges, to the
18 extent such costs are not already pooled pursuant to sec-
19 tion 1343 of the Patient Protection and Affordable Care
20 Act (42 U.S.C. 18063), for the purpose of reducing pre-
21 miums for such individual health insurance coverage.

22 (b) AUTHORIZATION OF APPROPRIATIONS.—For pur-
23 poses of carrying out paragraph (1), there is authorized
24 to be appropriated \$10,000,000,000 for each of fiscal
25 years 2028, 2029, and 2030.

1 **SEC. 5. EXPANSION OF TAX CREDIT.**

2 (a) IN GENERAL.—Subparagraph (A) of section
3 36B(c)(1) of the Internal Revenue Code of 1986 is amend-
4 ed by striking “but does not exceed 400 percent”.

5 (b) APPLICABLE PERCENTAGES.—Section
6 36B(b)(3)(A) of the Internal Revenue Code of 1986 is
7 amended to read as follows:

8 “(A) APPLICABLE PERCENTAGE.—The ap-
9 plicable percentage for any taxable year shall be
10 the percentage such that the applicable percent-
11 age for any taxpayer whose household income is
12 within an income tier specified in the following
13 table shall increase, on a sliding scale in a lin-
14 ear manner, from the initial premium percent-
15 age to the final premium percentage specified in
16 such table for such income tier:

“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—
Up to 150 percent	0	0
150 percent up to 200 percent	0	2.0
200 percent up to 250 percent	2.0	4.0
250 percent up to 300 percent	4.0	6.0
300 percent up to 400 percent	6.0	8.5
400 percent and up	8.5	8.5.”.

17 (c) LIMITATION ON RECAPTURE.—Clause (i) of sec-
18 tion 36B(f)(2)(B) of the Internal Revenue Code of 1986
19 is amended—

- 1 (1) by striking “In the case of a taxpayer” and
 2 all that follows through “the amount of the in-
 3 crease” and inserting “The amount of the increase”;
 4 (2) by striking the period at the end of the last
 5 row of the table; and
 6 (3) by adding at the end of the table the fol-
 7 lowing new row:

“400 percent and up	\$5,000.”.
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8 (d) **FIXING THE FAMILY GLITCH.**—

9 (1) **IN GENERAL.**—Clause (i) of section
 10 36B(c)(2)(C) of the Internal Revenue Code of 1986
 11 is amended to read as follows:

12 “(i) **COVERAGE MUST BE AFFORD-**
 13 **ABLE.**—

14 “(I) **EMPLOYEES.**—An employee
 15 shall not be treated as eligible for
 16 minimum essential coverage if such
 17 coverage consists of an eligible em-
 18 ployer-sponsored plan (as defined in
 19 section 5000A(f)(2)) and the employ-
 20 ee’s required contribution (within the
 21 meaning of section 5000A(e)(1)(B))
 22 with respect to the plan exceeds 9.5
 23 percent of the employee’s household
 24 income.

1 “(II) FAMILY MEMBERS.—An in-
 2 dividual who is eligible to enroll in an
 3 eligible employer-sponsored plan (as
 4 defined in section 5000A(f)(2)) by
 5 reason of a relationship the individual
 6 bears to the employee shall not be
 7 treated as eligible for minimum essen-
 8 tial coverage by reason of such eligi-
 9 bility to enroll if the employee’s re-
 10 quired contribution (within the mean-
 11 ing of section 5000A(e)(1)(B), deter-
 12 mined by substituting ‘family’ for
 13 ‘self-only’) with respect to the plan ex-
 14 ceeds 9.5 percent of the employee’s
 15 household income.”.

16 (2) CONFORMING AMENDMENTS.—

17 (A) Clause (ii) of section 36B(c)(2)(C) of
 18 the Internal Revenue Code of 1986 is amended
 19 by striking “Except as provided in clause (iii),
 20 an employee” and inserting “An individual”.

21 (B) Clause (iii) of section 36B(c)(2)(C) of
 22 such Code is amended by striking “the last sen-
 23 tence of clause (i)” and inserting “clause
 24 (i)(II)”.

1 (C) Clause (iv) of section 36B(e)(2)(C) of
 2 such Code is amended by striking “the 9.5 per-
 3 cent under clause (i)(II)” and inserting “the
 4 9.5 percent under clauses (i)(I) and (i)(II)”.

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

8 **SEC. 6. AUTHORITY TO NEGOTIATE FAIR PRICES FOR MEDI-**
 9 **CARE PRESCRIPTION DRUGS.**

10 (a) IN GENERAL.—Section 1860D–11 of the Social
 11 Security Act (42 U.S.C. 1395w–111) is amended by strik-
 12 ing subsection (i).

13 (b) EFFECTIVE DATE.—The amendment made by
 14 this section shall take effect on the date of enactment of
 15 this Act.

16 **SEC. 7. STRENGTHENING ANTITRUST ENFORCEMENT IN**
 17 **HEALTH CARE MARKETS.**

18 There are authorized to be appropriated for the pur-
 19 pose of studying health care markets, including anti-
 20 competitive practices within those markets, and taking ap-
 21 propriate antitrust enforcement action for each of fiscal
 22 years 2027 through 2031, to remain available until ex-
 23 pended—

24 (1) \$50,000,000 to the Antitrust Division of
 25 the Department of Justice; and

1 (2) \$100,000,000 to the Federal Trade Com-
2 mission.

3 **SEC. 8. REPORTS.**

4 The Antitrust Division of the Department of Justice
5 and the Federal Trade Commission shall submit to Con-
6 gress a report—

7 (1) not later than the date that is 1 year after
8 the date of enactment of this Act, detailing the ac-
9 tivities on which the Antitrust Division or the Com-
10 mission spent funds authorized under section 7; and

11 (2) not later than September 30, 2032, that in-
12 cludes—

13 (A) the findings of any study conducted by
14 the Antitrust Division or the Commission on or
15 after the date of enactment of this Act;

16 (B) the activities on which the Antitrust
17 Division or the Commission spent funds author-
18 ized under section 7; and

19 (C) the impact of any enforcement action
20 taken on or after the date of enactment of this
21 Act by the Antitrust Division or the Commis-
22 sion on improving consumer access to afford-
23 able health care.

○