

114TH CONGRESS
2D SESSION

H. R. 4368

To amend title XIX of the Social Security Act to clarify the treatment of lottery winnings and other lump sum income for purposes of income eligibility under the Medicaid program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 12, 2016

Mr. PITTS (for himself and Mr. GUTHRIE) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend title XIX of the Social Security Act to clarify the treatment of lottery winnings and other lump sum income for purposes of income eligibility under the Medicaid program, and for other purposes.

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. TREATMENT OF LOTTERY WINNINGS AND**
4 **OTHER LUMP-SUM INCOME FOR PURPOSES**
5 **OF INCOME ELIGIBILITY UNDER MEDICAID.**

6 (a) IN GENERAL.—Section 1902 of the Social Secu-
7 rity Act (42 U.S.C. 1396a) is amended—

1 (1) in subsection (a)(17), by striking “(e)(14),
2 (e)(14)” and inserting “(e)(14), (e)(15)”; and

3 (2) in subsection (e)—

4 (A) in paragraph (14) (relating to modified
5 adjusted gross income), by adding at the end
6 the following new subparagraph:

7 “(J) TREATMENT OF CERTAIN LOTTERY
8 WINNINGS AND INCOME RECEIVED AS A LUMP
9 SUM.—

10 “(i) IN GENERAL.—In the case of an
11 individual who is the recipient of qualified
12 lottery winnings (pursuant to lotteries oc-
13 curring on or after January 1, 2018) or
14 qualified lump sum income (received on or
15 after such date) and whose eligibility for
16 medical assistance is determined based on
17 the application of modified adjusted gross
18 income under subparagraph (A), a State
19 shall, in determining such eligibility, in-
20 clude such winnings or income (as applica-
21 ble) as income received—

22 “(I) in the month in which such
23 winnings or income (as applicable) is
24 received if the amount of such

1 winnings or income is less than
2 \$60,000;

3 “(II) over a period of two months
4 if the amount of such winnings or in-
5 come (as applicable) is greater than or
6 equal to \$60,000 but less than
7 \$70,000;

8 “(III) over a period of three
9 months if the amount of such
10 winnings or income (as applicable) is
11 greater than or equal to \$70,000 but
12 less than \$80,000; and

13 “(IV) over an additional one-
14 month period for each increment of
15 \$10,000 of such winnings or income
16 (as applicable) received, not to exceed
17 120 months (for winnings or income
18 of \$1,240,000 or more), if the amount
19 of such winnings or income is greater
20 than or equal to \$80,000.

21 “(ii) COUNTING IN EQUAL INSTALL-
22 MENTS.—For purposes of clause (i),
23 winnings or income to which such clause
24 applies shall be counted in equal monthly

1 installments over the applicable period of
2 months specified in such clause.

3 “(iii) QUALIFIED LOTTERY WINNINGS
4 DEFINED.—In this subparagraph, the term
5 ‘qualified lottery winnings’ means winnings
6 from a sweepstakes, lottery, or pool de-
7 scribed in paragraph (3) of section 4402 of
8 the Internal Revenue Code of 1986 or a
9 lottery operated by a multistate or multi-
10 jurisdictional lottery association, including
11 amounts awarded as a lump sum payment.

12 “(iv) QUALIFIED LUMP SUM INCOME
13 DEFINED.—In this subparagraph, the term
14 ‘qualified lump sum income’ means income
15 that is received as a lump sum from one
16 of the following sources:

17 “(I) Monetary winnings from
18 gambling (as defined by the Secretary
19 and including gambling activities de-
20 scribed in section 1955(b)(4) of title
21 18, United States Code).

22 “(II) Damages received, whether
23 by suit or agreement and whether as
24 lump sums or as periodic payments
25 (other than monthly payments), on

1 account of causes of action other than
2 causes of action arising from personal
3 physical injuries or physical sickness.

4 “(III) Income received as liquid
5 assets from the estate (as defined in
6 section 1917(b)(4)) of a deceased in-
7 dividual.”; and

8 (B) by striking “(14) EXCLUSION” and in-
9 serting “(15) EXCLUSION”.

10 (b) RULE OF CONSTRUCTION.—Nothing in the
11 amendment made by subsection (a)(2)(A) shall be con-
12 strued as preventing a State from intercepting the State
13 lottery winnings awarded to an individual in the State to
14 recover amounts paid by the State under the State Med-
15 icaid plan under title XIX of the Social Security Act for
16 medical assistance furnished to the individual.

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