

119TH CONGRESS  
2D SESSION

# S. 3956

To amend the Internal Revenue Code of 1986 to impose an annual tax on the net value of assets held by a taxpayer, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MARCH 2, 2026

Mr. SANDERS introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to impose an annual tax on the net value of assets held by a taxpayer, 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. SHORT TITLE, ETC.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Make Billionaires Pay Their Fair Share Act”.

6       (b) TABLE OF CONTENTS.—The table of contents of  
7       this Act is as follows:

Sec. 1. Short title, etc.

### TITLE I—WEALTH TAX

Sec. 101. Imposition of tax on net value of assets.

Sec. 102. Enforcement.

## TITLE II—AFFORDABILITY REBATES

Sec. 201. Affordability rebates.

## TITLE III—HEALTH CARE PROVISIONS

Sec. 301. Repeal of reconciliation health provisions.

Sec. 302. Increase in eligibility for premium tax credit.

TITLE IV—MEDICARE DENTAL, HEARING, AND VISION  
EXPANSION

Sec. 401. Short title.

Sec. 402. Coverage of dental and oral health care.

Sec. 403. Providing coverage for hearing care under the Medicare program.

Sec. 404. Providing coverage for vision care under the Medicare program.

Sec. 405. Phase-in of impact of dental and oral health coverage on part B premiums.

## TITLE V—HOUSING TRUST FUND

Sec. 501. Authorization of appropriations.

## TITLE VI—AFFORDABLE CHILD CARE FOR WORKING FAMILIES

Sec. 601. Birth through five child care and early learning entitlement.

TITLE VII—ESTABLISHING A \$60,000 A YEAR MINIMUM SALARY  
FOR EVERY PUBLIC SCHOOL TEACHER IN THE UNITED STATES

Sec. 701. Purposes.

Sec. 702. Definitions.

Sec. 703. Ensuring teachers are paid a livable and competitive wage.

Sec. 704. Collective bargaining and related rules.

TITLE VIII—INVESTMENTS IN HOME AND COMMUNITY-BASED  
SERVICES AND LONG-TERM CARE QUALITY AND WORKFORCE

Sec. 801. HCBS improvement planning grants.

Sec. 802. HCBS Improvement Program.

Sec. 803. Funding for Federal activities related to Medicaid HCBS.

Sec. 804. Funding for HCBS quality measurement and improvement.

Sec. 805. Permanent extension of Medicaid protections against spousal impoverishment for recipients of home and community-based services.

Sec. 806. Permanent extension of Money Follows the Person Rebalancing demonstration.

1                   **TITLE I—WEALTH TAX**2   **SEC. 101. IMPOSITION OF TAX ON NET VALUE OF ASSETS.**

3       (a) IN GENERAL.—The Internal Revenue Code of  
4 1986 is amended by inserting after subtitle B the fol-  
5 lowing new subtitle:

1                   **“Subtitle B-1—Wealth Tax**

“CHAPTER 18—DETERMINATION OF WEALTH TAX

2                   **“CHAPTER 18—DETERMINATION OF**  
 3                   **WEALTH TAX**

“Sec. 2901. Imposition of tax.

“Sec. 2902. Net value of assets.

“Sec. 2903. Special rules.

“Sec. 2904. Administrative provisions.

4                   **“SEC. 2901. IMPOSITION OF TAX.**

5                   “(a) IN GENERAL.—In the case of an applicable tax-  
 6 payer, there is hereby imposed a tax computed equal to  
 7 5 percent of the net value of assets held by the taxpayer  
 8 for the calendar year.

9                   “(b) APPLICABLE TAXPAYER.—

10                   “(1) IN GENERAL.—For purposes of this chap-  
 11 ter, the term ‘applicable taxpayer’ means any indi-  
 12 vidual or trust if the net value of all assets held by  
 13 the taxpayer for the calendar year exceeds  
 14 \$1,000,000,000.

15                   “(2) INFLATION ADJUSTMENT.—

16                   “(A) IN GENERAL.—In the case of any cal-  
 17 endar year after 2026, the \$1,000,000,000  
 18 amount under paragraph (1) shall be increased  
 19 by an amount equal to—

20                   “(i) such dollar amount, multiplied by

21                   “(ii) the cost-of-living adjustment de-  
 22 termined under section 1(f)(3) for the cal-

1           endar year in which the taxable year be-  
 2           gins, determined by substituting in sub-  
 3           paragraph (A)(ii) thereof ‘calendar year  
 4           2025’ for ‘calendar year 2016’.

5           “(B) ROUNDING.—If any amount as ad-  
 6           justed under subparagraph (A) is not a multiple  
 7           of \$1,000,000, such dollar amount shall be  
 8           rounded to the next lowest multiple of  
 9           \$1,000,000.

10          “(c) TREATMENT OF MARRIED INDIVIDUALS.—For  
 11         purposes of this section, individuals who are married (as  
 12         defined in section 7703) shall be treated as one taxpayer.

13         **“SEC. 2902. NET VALUE OF ASSETS.**

14          “(a) IN GENERAL.—The net value of assets held by  
 15         an applicable taxpayer for any calendar year shall be the  
 16         excess of—

17                 “(1) the value of all property of the taxpayer,  
 18                 real or personal, tangible or intangible, wherever sit-  
 19                 uated, on the last day of such calendar year (com-  
 20                 puted without regard to any debt owed by the tax-  
 21                 payer and secured by the property), over

22                 “(2) the amount of any debt owed by the tax-  
 23                 payer on the last day of such calendar year.

24          “(b) INCLUSION OF PROPERTY OF RELATED CHIL-  
 25         DREN.—For purposes of this subtitle, any property of an

1 individual who is a child of the taxpayer (as defined in  
 2 section 152(f)(1)) and has not attained the age of 18 shall  
 3 be treated as property held by the taxpayer for any cal-  
 4 endar year before the year in which such individual attains  
 5 the age of 18.

6 “(c) ESTABLISHMENT OF VALUATION RULES.—

7 “(1) AUTHORITY OF SECRETARY.—The Sec-  
 8 retary shall establish rules and methods for deter-  
 9 mining the value of any asset for purposes of this  
 10 subtitle.

11 “(2) GENERAL RULES.—Except as otherwise  
 12 provided in this paragraph, the rules and methods  
 13 established under paragraph (1) may be similar to  
 14 the rules of part III of subchapter A of chapter 11  
 15 (other than the rules of sections 2031(c), 2032A,  
 16 2035, and 2044).

17 “(3) RULES FOR ASSETS THE VALUE OF WHICH  
 18 IS NOT READILY ASCERTAINABLE.—

19 “(A) IN GENERAL.—In the case of any  
 20 property the value of which is not readily ascer-  
 21 tainable, the Secretary may allow the taxpayer  
 22 to elect to use a value which is equal to the  
 23 most recent readily ascertainable value of such  
 24 property increased by an average rate of appre-  
 25 ciation applicable to assets of a similar class.

1           “(B) LIMITATION.—The Secretary may  
 2           not allow a taxpayer to make an election under  
 3           this paragraph for any calendar year if the tax-  
 4           payer made an election under this paragraph  
 5           for the preceding calendar year.

6   **“SEC. 2903. SPECIAL RULES.**

7           “(a) DECEASED INDIVIDUALS.—In the case of any  
 8           individual who dies during a calendar year—

9           “(1) section 2901 shall be applied as if the cal-  
 10          endar year ended on the day of the individual’s  
 11          death, and

12          “(2) the amount of the tax imposed under such  
 13          section shall be reduced by an amount which bears  
 14          the same ratio to such amount (determined without  
 15          regard to this subsection) as—

16                 “(A) the number of days in the calendar  
 17                 year after the date of the individual’s death,  
 18                 bears to

19                 “(B) 365.

20          “(b) TRUSTS.—

21                 “(1) GRANTOR TRUSTS.—If a grantor or an-  
 22                 other person is treated as the owner of any portion  
 23                 of a trust under subpart E of part I of subchapter  
 24                 J of chapter 1, then the grantor or such other per-  
 25                 son shall be treated as holding that portion of the

1 assets of such trust, and any remaining portion shall  
 2 be subject to tax as provided in section 2901.

3 “(2) INCOMPLETE GIFTS.—In the case of any  
 4 person who makes a transfer of property to a trust  
 5 which is not treated as a gift for purposes of chapter  
 6 11, the portion of such trust attributable to such  
 7 property shall be treated as the property of the per-  
 8 son making the transfer and not the property of  
 9 such trust.

10 “(3) AGGREGATION RULES.—The rules of sec-  
 11 tion 643(f) shall apply for purposes of this subtitle.

12 “(c) APPLICATION TO NONRESIDENTS.—

13 “(1) IN GENERAL.—In the case of any taxpayer  
 14 who is a non resident and not a citizen of the United  
 15 States, section 2901(a) shall be applied by sub-  
 16 stituting ‘net value of domestic assets’ for ‘net value  
 17 of all assets’.

18 “(2) NET VALUE OF DOMESTIC ASSETS.—For  
 19 purposes of this subtitle, the term ‘net value of do-  
 20 mestic assets’ means—

21 “(A) the value of all property of the tax-  
 22 payer, real or personal, tangible or intangible,  
 23 situated in the United States (determined under  
 24 rules similar to the rules under subchapter B of  
 25 chapter 11), on the last day of such calendar

1           year (computed without regard to any debt  
2           owed by the taxpayer and secured by the prop-  
3           erty), over

4           “(B) the amount of any debt owed by the  
5           taxpayer and secured by assets described in  
6           subparagraph (A), determined as of the last  
7           day of such calendar year.

8           “(3) TREATMENT OF MARRIED INDIVIDUALS.—

9           In the case of married individuals, this subsection  
10          shall only apply if both individuals are non residents  
11          and not citizens of the United States.

12          “(d) APPLICATION TO COVERED EXPATRIATES.—

13                 “(1) IN GENERAL.—In the case of an applicable  
14          taxpayer who is a covered expatriate the expatriation  
15          date of which occurs during the calendar year—

16                         “(A) section 2901 shall be applied as if the  
17          calendar year ended on the day before the expa-  
18          triation, and

19                         “(B) the rate of tax under 2901(a) for  
20          such calendar year shall be 60 percent.

21          “(2) COVERED EXPATRIATE; EXPATRIATION  
22          DATE.—For purposes of this subsection—

23                         “(A) COVERED EXPATRIATE.—The term  
24          ‘covered expatriate’ has the meaning given such  
25          term under section 877A, except that in the



1 case of married individuals, such taxpayer shall  
 2 be treated as a covered expatriate only if nei-  
 3 ther individual is a United States citizen or  
 4 lawful permanent resident of the United States  
 5 (within the meaning of section 7701(b)(6)).

6 “(B) EXPATRIATION DATE.—The term ‘ex-  
 7 patriation date’ has the meaning given such  
 8 term under section 877A(g)(3).

9 **“SEC. 2904. ADMINISTRATIVE PROVISIONS.**

10 “(a) WEALTH REGISTRY.—The Secretary shall es-  
 11 tablish a registry of ownership for assets taken into ac-  
 12 count under section 2902(a)(1), including publicly traded  
 13 securities, digital assets, shares of closely held businesses,  
 14 and real estate within the United States. For purposes of  
 15 establishing and maintaining the registry under the pre-  
 16 ceding sentence, the Secretary shall—

17 “(1) rely on existing sources of information, in-  
 18 cluding central depositories for securities and State,  
 19 local, and foreign real property records; and

20 “(2) require timely reporting of newly acquired  
 21 assets in conjunction with information required  
 22 under existing information reporting requirements.

23 “(b) INFORMATION REPORTING.—

1           “(1) IN GENERAL.—The Secretary shall by reg-  
2           ulations require the reporting of information con-  
3           cerning the value of assets, including—

4                   “(A) the value of any accounts which pay  
5                   interest reportable under section 6049,

6                   “(B) the value of publicly traded stock  
7                   with respect to which dividends are reported  
8                   under section 6042,

9                   “(C) the value of any applicable privately  
10                  held business,

11                  “(D) the value of any assets held through  
12                  mutual funds or brokerage accounts,

13                  “(E) the value of any assets held in eligible  
14                  retirement plans (as defined in section  
15                  402(c)(8)(B)), and

16                  “(F) such other assets as the Secretary de-  
17                  termines is appropriate.

18           “(2) METHOD OF REPORTING.—The Secretary  
19           shall, where appropriate, require the reporting made  
20           under paragraph (1) to be made as a part of exist-  
21           ing income reporting requirements.

22           “(3) APPLICABLE PRIVATELY HELD BUSI-  
23           NESS.—For purposes of this subsection, the term  
24           ‘applicable privately held business’ means any trade  
25           or businesses—

1           “(A) which does not meet the gross re-  
 2           ceipts test under section 448(c) for the taxable  
 3           year ending with or within the calendar year,

4           “(B) in which an individual who was an  
 5           applicable taxpayer (other than a covered expa-  
 6           triate, as defined in section 2903(d)(2)) for the  
 7           preceding calendar year holds (directly or indi-  
 8           rectly) 5 percent or more of the ownership in-  
 9           terests (by value), and

10           “(C) to which paragraph (1)(B) does not  
 11           apply.

12           “(c) TIME FOR PAYMENT OF TAX.—The due date for  
 13           returns with respect to the tax imposed under this subtitle  
 14           shall be not later than the latest due date for which a  
 15           return of tax under subtitle A would be due if the tax-  
 16           payer’s taxable year ended on December 31 and the tax-  
 17           payer owed tax for such taxable year.”.

18           (b) NO DEDUCTION FROM INCOME TAXES.—Section  
 19           275 of the Internal Revenue Code of 1986 is amended by  
 20           inserting after paragraph (6) the following new paragraph:

21           “(7) Taxes imposed by chapter 18.”.

22           (c) INFORMATION REPORTING PENALTIES.—Section  
 23           6724(d)(1) of the Internal Revenue Code of 1986 is  
 24           amended by striking “and” at the end of subparagraph  
 25           (C), by striking the period at the end of subparagraph (D)

1 and inserting “, and”, and by inserting after subpara-  
 2 graph (D) the following new subparagraph:

3 “(E) any statement or return required to  
 4 be filed under section 2904(b) which is not re-  
 5 ported under any other provision of this para-  
 6 graph.”.

7 (d) CLERICAL AMENDMENT.—The table of subtitles  
 8 of the Internal Revenue Code of 1986 is amended by in-  
 9 serting after the item relating to subtitle B the following  
 10 new item:

“Subtitle B-1—Wealth Tax”.

11 (e) EFFECTIVE DATE.—The amendments made by  
 12 this section shall apply to calendar years beginning after  
 13 the date of the enactment of this Act.

14 **SEC. 102. ENFORCEMENT.**

15 (a) STANDARD.—The Secretary of the Treasury shall  
 16 audit not less than 50 percent of taxpayers required to  
 17 pay the tax imposed under section 2901 of the Internal  
 18 Revenue Code of 1986 (as added by section 101) in each  
 19 calendar year.

20 (b) FUNDING.—There is hereby appropriated to each  
 21 fiscal year ending after the date of the enactment of this  
 22 Act, out of any moneys in the Treasury not otherwise ap-  
 23 propriated, amounts equivalent to 1 percent of the reve-  
 24 nues attributable to the tax imposed under section 2901  
 25 of the Internal Revenue Code of 1986 (as added by section

1 101) for necessary expenses for enforcement activities of  
 2 the Internal Revenue Service to determine and collect  
 3 taxes owed under such section.

## 4 **TITLE II—AFFORDABILITY** 5 **REBATES**

### 6 **SEC. 201. AFFORDABILITY REBATES.**

7 (a) IN GENERAL.—Section 6428B of the Internal  
 8 Revenue Code of 1986 is amended—

9 (1) in the heading, by striking “**2021 RECOV-**  
 10 **ERY REBATES TO INDIVIDUALS**” and inserting  
 11 “**AFFORDABILITY REBATES**”,

12 (2) in subsection (a), by striking “2021 an  
 13 amount equal to the 2021 rebate amount” and in-  
 14 serting “2026 an amount equal to the affordability  
 15 rebate amount”,

16 (3) by striking subsection (b) and inserting the  
 17 following:

18 “(b) AFFORDABILITY REBATE AMOUNT.—For pur-  
 19 poses of this section, the term ‘affordability rebate  
 20 amount’ means, with respect to any taxpayer for any tax-  
 21 able year, the sum of—

22 “(1) \$3,000 (\$6,000 in the case of a joint re-  
 23 turn), plus

24 “(2) \$3,000 multiplied by the number of de-  
 25 pendents of the taxpayer for such taxable year.”,

1 (4) in subsection (e)(2)—

2 (A) in subparagraph (A), by striking  
3 “\$1,400” and inserting “\$3,000”, and

4 (B) in subparagraph (B)—

5 (i) in the matter preceding clause (i),  
6 by striking “\$2,800” and inserting  
7 “\$6,000”, and

8 (ii) in clause (i), by striking “\$1,400”  
9 and inserting “\$3,000”, and

10 (5) in subsection (g)—

11 (A) in paragraph (1), by striking “2019”  
12 and inserting “2024”,

13 (B) in paragraph (2)(B), by striking “Jan-  
14 uary 1, 2021” each place it appears and insert-  
15 ing “January 1, 2026”,

16 (C) in paragraph (3), by striking “Decem-  
17 ber 31, 2021” and inserting “December 31,  
18 2026”,

19 (D) in paragraph (5)—

20 (i) in the heading, by striking “2020”  
21 and inserting “2025”,

22 (ii) in subparagraph (A)—

23 (I) in the heading, by striking  
24 “2020” and inserting “2025”, and

(II) by striking “beginning in 2020, paragraph (1) shall be applied with respect to such individual by substituting ‘2020’ for ‘2019’” and inserting “beginning in 2025, paragraph (1) shall be applied with respect to such individual by substituting ‘2025’ for ‘2024’”, and

(iii) in subparagraph (B)—

(I) in clause (i), by striking “2020” and inserting “2025”,

(II) in clause (ii)—

(aa) in subclause (I), by striking “2020” and inserting “2025”, and

(bb) in subclause (II), by striking “2021” and inserting “2026”, and

(III) in clause (iii)—

(aa) in the heading, by striking “2020” and inserting “2025”, and

(bb) by striking “2020” each place it appears and inserting “2025”, and

1 (E) in the heading of paragraph (6), by  
 2 striking “2019 OR 2020” and inserting “2024 OR  
 3 2025”.

4 (b) CONFORMING AMENDMENT.—The table of sec-  
 5 tions for subchapter B of chapter 65 of the Internal Rev-  
 6 enue Code of 1986 is amended by striking the item relat-  
 7 ing to section 6428B and inserting the following new item:  
 “Sec. 6428B. Affordability rebates.”.

## 8 **TITLE III—HEALTH CARE** 9 **PROVISIONS**

### 10 **SEC. 301. REPEAL OF RECONCILIATION HEALTH PROVI-** 11 **SIONS.**

12 (a) IN GENERAL.—Except as provided in subsection  
 13 (b), subtitle B of title VII of An Act to provide for rec-  
 14 onciliation pursuant to title II of H. Con. Res. 14 (Public  
 15 Law 119–21) is repealed and any law or regulation re-  
 16 ferred to in such subtitle shall be applied as if such sub-  
 17 title and the amendments made by such subtitle had not  
 18 been enacted.

19 (b) EXCEPTIONS.—

20 (1) IN GENERAL.—Subsection (a) shall not  
 21 apply to the provisions of and amendments made by  
 22 sections 71202, 71306, and 71401 of such Act.

23 (2) AVAILABILITY OF FUNDS ALLOCATED  
 24 UNDER THE RURAL HEALTH TRANSFORMATION PRO-  
 25 GRAM.—Section 2105(h) of the Social Security Act



1 (42 U.S.C. 1397ee(h)), as added by Public Law  
2 119–21, is amended—

3 (A) in paragraph (1)(B)—

4 (i) in the subparagraph heading by  
5 striking “UNEXPENDED OR UNOBLI-  
6 GATED” and inserting “AVAILABILITY OF”;

7 (ii) by striking clauses (i) through (iii)  
8 and inserting the following:

9 “(i) IN GENERAL.—Subject to clause  
10 (ii), funds allocated to a State from  
11 amounts appropriated under subparagraph  
12 (A) shall remain available until ex-  
13 pended.”; and

14 (iii) by redesignating clause (iv) as  
15 clause (ii); and

16 (B) in paragraph (2)(C), by striking  
17 “paragraph (1)(B)(iv)” and inserting “para-  
18 graph (1)(B)(ii)”.

19 **SEC. 302. INCREASE IN ELIGIBILITY FOR PREMIUM TAX**  
20 **CREDIT.**

21 (a) IN GENERAL.—Subparagraph (A) of section  
22 36B(c)(1) of the Internal Revenue Code of 1986 is amend-  
23 ed by striking “but does not exceed 400 percent”.

24 (b) APPLICABLE PERCENTAGES.—

(1) IN GENERAL.—Subparagraph (A) of section 36B(b)(3) of the Internal Revenue Code of 1986 is amended to read as follows:

“(A) APPLICABLE PERCENTAGE.—The applicable percentage for any taxable year shall be the percentage such that the applicable percentage for any taxpayer whose household income is within an income tier specified in the following table shall increase, on a sliding scale in a linear manner, from the initial premium percentage to the final premium percentage specified in 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 higher .....	8.5	8.5.”.

(2) CONFORMING AMENDMENTS RELATING TO AFFORDABILITY OF COVERAGE.—

(A) Paragraph (1) of section 36B(c) of such Code is amended by striking subparagraph (E).

(B) Subparagraph (C) of section 36B(c)(2) of such Code is amended by striking clause (iv).

1 (C) Paragraph (4) of section 36B(c) of  
 2 such Code is amended by striking subparagraph  
 3 (F).

4 (c) EFFECTIVE DATE.—The amendments made by  
 5 this section shall apply to taxable years beginning after  
 6 December 31, 2025.

7 **TITLE IV—MEDICARE DENTAL,**  
 8 **HEARING, AND VISION EX-**  
 9 **PANSION**

10 **SEC. 401. SHORT TITLE.**

11 This title may be cited as the “Medicare Dental,  
 12 Hearing, and Vision Expansion Act of 2026”.

13 **SEC. 402. COVERAGE OF DENTAL AND ORAL HEALTH CARE.**

14 (a) COVERAGE.—Section 1861(s)(2) of the Social Se-  
 15 curity Act (42 U.S.C. 1395x(s)(2)) is amended—

16 (1) in subparagraph (JJ), by striking “and” at  
 17 the end;

18 (2) in subparagraph (KK), by inserting “and”  
 19 after the semicolon; and

20 (3) by adding at the end the following new sub-  
 21 paragraph:

22 “(LL) dental and oral health services (as de-  
 23 fined in subsection (ooo));”.

24 (b) DENTAL AND ORAL HEALTH SERVICES DE-  
 25 FINED.—Section 1861 of the Social Security Act (42

1 U.S.C. 1395x) is amended by adding at the end the fol-  
 2 lowing new subsection:

3 “(ooo) DENTAL AND ORAL HEALTH SERVICES.—

4 “(1) IN GENERAL.—Except as provided in para-  
 5 graph (2), the term ‘dental and oral health services’  
 6 means the following items and services that are fur-  
 7 nished by a doctor of dental surgery or of dental  
 8 medicine (as described in subsection (r)(2)) or an  
 9 oral health professional (as defined in paragraph  
 10 (3)) on or after January 1, 2028 (or January 1,  
 11 2027, in the case of dentures):

12 “(A) PREVENTIVE AND SCREENING SERV-  
 13 ICES.—Preventive and screening services, in-  
 14 cluding oral exams, dental cleanings, dental x-  
 15 rays, and fluoride treatments.

16 “(B) PROCEDURES AND TREATMENT  
 17 SERVICES.—Services to address oral disease, in-  
 18 cluding services such as restorative services,  
 19 prosthodontic and endodontic services, including  
 20 fillings, bridges, crowns, and root canals, peri-  
 21 odontal maintenance, periodontal sealing and  
 22 root planing, tooth extractions, therapeutic  
 23 pulpotomy, and other related items and serv-  
 24 ices.

1                   “(C) DENTURES AND DENTAL PROS-  
 2                   THETICS.—Complete dentures, partial dentures,  
 3                   and implants, including related items and serv-  
 4                   ices.

5                   “(2) EXCLUSIONS.—Such term does not include  
 6                   items and services for which, as of the date of the  
 7                   enactment of this subsection, coverage was permis-  
 8                   sible under section 1862(a)(12) and cosmetic serv-  
 9                   ices not otherwise covered under section  
 10                  1862(a)(10).

11                  “(3) ORAL HEALTH PROFESSIONAL.—The term  
 12                  ‘oral health professional’ means, with respect to den-  
 13                  tal and oral health services, a health professional  
 14                  (other than a doctor of dental surgery or of dental  
 15                  medicine (as described in subsection (r)(2))) who is  
 16                  licensed to furnish such services, acting within the  
 17                  scope of such license, by the State in which such  
 18                  services are furnished.”.

19                  (c) PAYMENT; COINSURANCE; AND LIMITATIONS.—

20                  (1) IN GENERAL.—Section 1833(a)(1) of the  
 21                  Social Security Act (42 U.S.C. 1395l(a)(1)) is  
 22                  amended—

23                         (A) in subparagraph (N), by inserting  
 24                         “and dental and oral health services (as defined

1           in section 1861(ooo))” after “section  
2           1861(hhh)(1))”;

3                   (B) by striking “and” before “(HH)”;

4                   (C) by inserting before the semicolon at  
5           the end the following: “and (II) with respect to  
6           dental and oral health services (as defined in  
7           section 1861(ooo)), the amount paid shall be  
8           the payment amount specified under section  
9           1834(bb)”.

10           (2) PAYMENT AND LIMITS SPECIFIED.—Section  
11           1834 of the Social Security Act (42 U.S.C. 1395m)  
12           is amended by adding at the end the following new  
13           subsection:

14           “(bb) PAYMENT AND LIMITS FOR DENTAL AND ORAL  
15           HEALTH SERVICES.—

16                   “(1) PAYMENT.—The payment amount under  
17           this part for dental and oral health services (as de-  
18           fined in section 1861(ooo)) shall be, subject to para-  
19           graphs (3) and (4), 80 percent (or 100 percent, in  
20           the case of preventive and screening services de-  
21           scribed in section 1861(ooo)(1)(A)) of the lesser  
22           of—

23                           “(A) the actual charge for the service; or

24                           “(B)(i) in the case of such services fur-  
25           nished by a doctor of dental surgery or of den-

tal medicine (as described in section 1861(r)(2)), the amount determined under the fee schedule established under paragraph (2); or

“(ii) in the case of such services furnished by an oral health professional (as defined in section 1861(ooo)(3)), 85 percent of the amount determined under the fee schedule established under paragraph (2).

“(2) ESTABLISHMENT OF FEE SCHEDULE FOR DENTAL AND ORAL HEALTH SERVICES.—

“(A) ESTABLISHMENT.—

“(i) IN GENERAL.—The Secretary shall establish a fee schedule for dental and oral health services furnished in 2028 (or 2027, in the case of dentures) and subsequent years. The fee schedule amount for a dental or oral health service shall be equal to 70 percent of the national median fee (as determined under subparagraph (B)) for the service or a similar service for the year (or, in the case of dentures, at the bundled payment amount under clause (iv) of such subparagraph), adjusted by the geographic adjustment factor established

under section 1848(e)(2) for the area for the year.

“(ii) CONSULTATION.—In carrying out this paragraph, the Secretary shall consult annually with organizations representing dentists and other providers who furnish dental and oral health services and shall share with such providers the data and data analysis used to determine fee schedule amounts under this paragraph.

“(B) DETERMINATION OF NATIONAL MEDIAN FEE.—

“(i) IN GENERAL.—For purposes of subparagraph (A), the Secretary shall apply the national median fee for a dental or oral health service for 2028 (or 2027, in the case of dentures) and subsequent years in accordance with this subparagraph.

“(ii) USE OF 2020 DENTAL FEE SURVEY.—

“(I) IN GENERAL.—Except as provided in clause (iii) and clause (iv), the national median fee for a dental or oral health service shall be equal to—



1                   “(aa) for 2028 (or 2027, in  
 2                   the case of dentures), the median  
 3                   fee for the service in the table ti-  
 4                   tled ‘General Practitioners–Na-  
 5                   tional’ of the ‘2020 Survey of  
 6                   Dental Fees’ published by the  
 7                   American Dental Association, in-  
 8                   creased by the applicable percent  
 9                   increase for the year determined  
 10                  under subclause (II), as reduced  
 11                  by the productivity adjustment  
 12                  under subclause (III); and

13                  “(bb) for 2029 (or 2028, in  
 14                  the case of dentures) and subse-  
 15                  quent years, the amount deter-  
 16                  mined under this subclause for  
 17                  the preceding year, updated pur-  
 18                  suant to subparagraph (C)(i).

19                  “(II) APPLICABLE PERCENT IN-  
 20                  CREASE.—The applicable percent in-  
 21                  crease determined under this sub-  
 22                  clause for a year is an amount equal  
 23                  to the percentage increase between—

24                         “(aa) the consumer price  
 25                         index for all urban consumers

1 (United States city average) end-  
2 ing with June of the previous  
3 year; and

4 “(bb) the consumer price  
5 index for all urban consumers  
6 (United States city average) end-  
7 ing with June of 2027 (or 2026,  
8 in the case of dentures).

9 “(III) PRODUCTIVITY ADJUST-  
10 MENT.—After determining the appli-  
11 cable percentage increase under sub-  
12 clause (II) for a year, the Secretary  
13 shall reduce such percentage increase  
14 by the productivity adjustment de-  
15 scribed in section  
16 1886(b)(3)(B)(xi)(II).

17 “(iii) DETERMINATION IF INSUFFI-  
18 CIENT SURVEY DATA.—If the Secretary de-  
19 termines there is insufficient data under  
20 the Survey described in clause (ii) with re-  
21 spect to a dental or oral health service, the  
22 national median fee for the service for a  
23 year shall be equal to an amount estab-  
24 lished for the service using 1 or more of

the following methods, as determined appropriate by the Secretary:

“(I) The payment basis determined under section 1848.

“(II) Fee schedules for dental and oral health services which shall include, as practicable, fee schedules—

“(aa) under Medicare Advantage plans under part C;

“(bb) under State plans (or waivers of such plans) under title XIX; and

“(cc) established by other health care payers.

“(iv) SPECIAL RULE FOR DENTURES.—

“(I) IN GENERAL.—The Secretary shall make payment for dentures and associated professional services as a bundled payment as determined by the Secretary.

“(II) PAYMENT CONSIDERATIONS.—In establishing such bundled payment, the Secretary shall con-

1           sider the national median fee for the  
 2           service for the year determined under  
 3           clause (ii) or (iii) and the rate deter-  
 4           mined for such dentures under the  
 5           Federal Supply Schedule of the Gen-  
 6           eral Services Administration, as pub-  
 7           lished by such Administration in  
 8           2021, updated to the year involved  
 9           using the applicable percent increase  
 10          for the year determined under clause  
 11          (ii)(II), as reduced by the productivity  
 12          adjustment under clause (ii)(III), and  
 13          shall ensure that the payment compo-  
 14          nent for dentures under such bundled  
 15          payment does not exceed the max-  
 16          imum rate determined for such den-  
 17          tures under the Federal Supply  
 18          Schedule, as so published and updated  
 19          to the year involved.

20           “(C) ANNUAL UPDATE AND ADJUST-  
 21          MENTS.—

22           “(i) ANNUAL UPDATE.—The Sec-  
 23          retary shall update payment amounts de-  
 24          termined under the fee schedule from year  
 25          to year beginning in 2029 (or 2028, in the

case of dentures) by increasing such amounts from the prior year by the percentage increase in the consumer price index for all urban consumers (United States city average) for the 12-month period ending with June of the preceding year, reduced by the productivity adjustment described in section 1886(b)(3)(B)(xi)(II).

“(ii) ADJUSTMENTS.—

“(I) IN GENERAL.—The Secretary shall, to the extent the Secretary determines to be necessary and subject to subclause (II), adjust the amounts determined under the fee schedule established under this paragraph for 2029 (or 2028, in the case of dentures) and subsequent years to take into account changes in dental practice, coding changes, new data on work, practice, or malpractice expenses, or the addition of new procedures.

“(II) LIMITATION ON ANNUAL ADJUSTMENTS.—The adjustments

1 under subclause (I) for a year shall  
 2 not cause the amount of expenditures  
 3 under this part for the year to differ  
 4 by more than \$20,000,000 from the  
 5 amount of expenditures under this  
 6 part that would have been made if  
 7 such adjustments had not been made.

8 “(3) LIMITATIONS.—With respect to dental and  
 9 oral health services that are preventive and screen-  
 10 ing services described in paragraph (1)(A) of section  
 11 1861(ooo)—

12 “(A) payment shall be made under this  
 13 part for—

14 “(i) not more than 2 oral exams in a  
 15 year;

16 “(ii) not more than 2 dental cleanings  
 17 in a year;

18 “(iii) not more than 1 fluoride treat-  
 19 ment in a year; and

20 “(iv) not more than 1 full-mouth se-  
 21 ries of x-rays as part of a preventive and  
 22 screening oral exam every 3 years; and

23 “(B) in the case of preventive and screen-  
 24 ing services not described in subparagraph (A),  
 25 payment shall be made under this part only at

1           such frequencies determined appropriate by the  
2           Secretary.

3           “(4) INCENTIVES FOR RURAL PROVIDERS.—In  
4           the case of dental and oral health services furnished  
5           by a doctor of dental surgery or of dental medicine  
6           (as described in section 1861(r)(2)) or an oral  
7           health professional (as defined in section  
8           1861(ooo)(3)) who predominantly furnishes such  
9           services under this part in an area that is designated  
10          by the Secretary (under section 332(a)(1)(A) of the  
11          Public Health Service Act) as a health professional  
12          shortage area, in addition to the amount of payment  
13          that would otherwise be made for such services  
14          under this subsection, there also shall be paid an  
15          amount equal to 10 percent of the payment amount  
16          for the service under this subsection for such doctor  
17          or professional.

18          “(5) LIMITATION ON BENEFICIARY LIABILITY.—The provisions of section 1848(g) shall apply  
19          to a nonparticipating doctor of dental surgery or of  
20          dental medicine (as described in section 1861(r)(2))  
21          who does not accept payment on an assignment-re-  
22          lated basis for dental and oral health services fur-  
23          nished with respect to an individual enrolled under  
24

1       this part in the same manner as such provisions  
2       apply with respect to a physician’s service.

3               “(6) ESTABLISHMENT OF DENTAL ADMINIS-  
4       TRATOR.—The Secretary shall designate 1 or more  
5       (not to exceed 4) medicare administrative contrac-  
6       tors under section 1874A to establish coverage poli-  
7       cies and establish such policies and process claims  
8       for payment for dental and oral health services, as  
9       determined appropriate by the Secretary.”.

10       (d) INCLUSION OF ORAL HEALTH PROFESSIONALS  
11   AS CERTAIN PRACTITIONERS.—Section 1842(b)(18)(C) of  
12   the Social Security Act (42 U.S.C. 1395u(b)(18)(C)) is  
13   amended by adding at the end the following new clause:

14               “(ix) With respect to 2029 and each subsequent  
15       year, an oral health professional (as defined in sec-  
16       tion 1861(ooo)(3)).”.

17       (e) EXCLUSION MODIFICATIONS.—Section 1862(a)  
18   of the Social Security Act (42 U.S.C. 1395y(a)) is amend-  
19   ed—

20               (1) in paragraph (1)—

21                       (A) in subparagraph (O), by striking  
22               “and” at the end;

23                       (B) in subparagraph (P), by striking the  
24               semicolon at the end and inserting “, and”; and



1 (C) by adding at the end the following new  
 2 subparagraph:

3 “(Q) in the case of dental and oral health serv-  
 4 ices (as defined in section 1861(ooo)) for which a  
 5 limitation is applicable under section 1834(bb)(3),  
 6 which are furnished more frequently than is pro-  
 7 vided under such section;”; and

8 (2) in paragraph (12), by inserting before the  
 9 semicolon at the end the following: “and except that  
 10 payment shall be made under part B for dental and  
 11 oral health services that are covered under section  
 12 1861(s)(2)(LL)”.

13 (f) INCLUSION AS EXCEPTED MEDICAL TREAT-  
 14 MENT.—Section 1821(b)(5)(A) of the Social Security Act  
 15 (42 U.S.C. 1395i–5(b)(5)(A)) is amended—

16 (1) in clause (ii), by striking “or” at the end;

17 (2) in clause (iii), by striking the period and in-  
 18 serting “, or”; and

19 (3) by adding at the end the following new  
 20 clause:

21 “(iv) consisting of dental and oral  
 22 health services (as defined in subsection  
 23 (ooo) of section 1861) that are payable  
 24 under part B as a result of the amend-

1                   ments made by the Medicare Dental, Hear-  
2                   ing, and Vision Expansion Act of 2026.”.

3           (g) RURAL HEALTH CLINICS AND FEDERALLY  
4 QUALIFIED HEALTH CENTERS.—

5           (1) COVERAGE OF DENTAL AND ORAL HEALTH  
6 SERVICES.—Section 1861(aa) of the Social Security  
7 Act (42 U.S.C. 1395x(aa)), is amended—

8                   (A) in paragraph (1)—

9                           (i) in subparagraph (C), by striking  
10 “and” at the end;

11                           (ii) in subparagraph (D), by inserting  
12 “and” after the comma at the end; and

13                           (iii) by inserting after subparagraph  
14 (D) the following new subparagraph:

15                   “(E) dental and oral health services (as de-  
16 fined in subsection (ooo)) furnished by a doctor  
17 of dental surgery or of dental medicine (as de-  
18 scribed in subsection (r)(2)) or an oral health  
19 professional (as defined in subsection (ooo)(3))  
20 who is employed by or working under contract  
21 with a rural health clinic if such rural health  
22 clinic furnishes such services,”; and

23                   (B) in paragraph (3)(A), by striking “(D)”  
24 and inserting “(E)”.

1           (2) TEMPORARY PAYMENT RATES FOR CERTAIN  
2           SERVICES UNDER THE RHC AIR AND FQHC PPS.—

3           (A) AIR.—Section 1833 of the Social Se-  
4           curity Act (42 U.S.C. 1395l) is amended—

5                   (i) in subsection (a)(3)(A), by insert-  
6                   ing “(which shall, in the case of dental and  
7                   oral health services (as defined in section  
8                   1861(ooo))), in lieu of any limits on rea-  
9                   sonable costs otherwise applicable, be  
10                  based on the rates payable for such serv-  
11                  ices under the payment basis determined  
12                  under section 1848 until such time as the  
13                  Secretary determines sufficient data has  
14                  been collected to otherwise apply such lim-  
15                  its (or January 1, 2031, if no such deter-  
16                  mination has been made as of such date))”  
17                  after “may prescribe in regulations”; and

18                  (ii) by adding at the end the following  
19                  new subsection:

20           “(ee) DISREGARD OF COSTS ATTRIBUTABLE TO CER-  
21           TAIN SERVICES FROM CALCULATION OF RHC AIR.—  
22           Payments for rural health clinic services other than dental  
23           and oral health services (as defined in section 1861(ooo))  
24           under the methodology for all-inclusive rates (established  
25           by the Secretary) under subsection (a)(3) shall not take

1 into account the costs of such services while rates for such  
 2 services are based on rates payable for such services under  
 3 the payment basis established under section 1848.”.

4 (B) PPS.—Section 1834(o) of the Social  
 5 Security Act (42 U.S.C. 1395m(o)) is amended  
 6 by adding at the end the following new para-  
 7 graph:

8 “(6) TEMPORARY PAYMENT RATES BASED ON  
 9 PFS FOR CERTAIN SERVICES.—The Secretary shall,  
 10 in establishing payment rates for dental and oral  
 11 health services (as defined in section 1861(ooo)) that  
 12 are federally qualified health center services under  
 13 the prospective payment system established under  
 14 this subsection, in lieu of the rates otherwise appli-  
 15 cable under such system, base such rates on rates  
 16 payable for such services under the payment basis  
 17 established under section 1848 until such time as  
 18 the Secretary determines sufficient data has been  
 19 collected to otherwise establish rates for such serv-  
 20 ices under such system (or January 1, 2031, if no  
 21 such determination has been made as of such date).  
 22 Payments for federally qualified health center serv-  
 23 ices other than such dental and oral health services  
 24 under such system shall not take into account the  
 25 costs of such services while rates for such services

1       are based on rates payable for such services under  
 2       the payment basis established under section 1848.”.

3       (h) IMPLEMENTATION.—In addition to amounts oth-  
 4       erwise available, there is appropriated to the Secretary of  
 5       Health and Human Services for fiscal year 2026, out of  
 6       any money in the Treasury not otherwise appropriated,  
 7       \$900,000,000, to remain available until expended, for pur-  
 8       poses of implementing the amendments made by this sec-  
 9       tion during the period beginning on January 1, 2026, and  
 10      ending on September 30, 2035.

11   **SEC. 403. PROVIDING COVERAGE FOR HEARING CARE**  
 12                           **UNDER THE MEDICARE PROGRAM.**

13       (a) PROVISION OF AUDIOLOGY SERVICES BY QUALI-  
 14       FIED AUDIOLOGISTS AND HEARING AID EXAMINATION  
 15       SERVICES BY QUALIFIED HEARING AID PROFES-  
 16       SIONALS.—

17               (1) IN GENERAL.—Section 1861(l) of the So-  
 18       cial Security Act (42 U.S.C. 1395x(l)) is amend-  
 19       ed—

20                       (A) in paragraph (3)—

21                               (i) by inserting “(A)” after “(3)”;

22                               (ii) in subparagraph (A), as added by  
 23       clause (i) of this subparagraph—

1 (I) by striking “means such hear-  
 2 ing and balance assessment services”  
 3 and inserting “means—

4 “(i) such hearing and balance assess-  
 5 ment services and, beginning January 1,  
 6 2028, such hearing aid examination serv-  
 7 ices and treatment services (including  
 8 aural rehabilitation, vestibular rehabilita-  
 9 tion, and cerumen management)”;

10 (II) in clause (i), as added by  
 11 subclause (I) of this clause, by strik-  
 12 ing the period at the end and insert-  
 13 ing “; and”; and

14 (III) by adding at the end the  
 15 following new clause:

16 “(ii) beginning January 1, 2028, such  
 17 hearing aid examination services furnished  
 18 by a qualified hearing aid professional (as  
 19 defined in paragraph (4)(C)) as the profes-  
 20 sional is legally authorized to perform  
 21 under State law (or the State regulatory  
 22 mechanism provided by State law), as  
 23 would otherwise be covered if furnished by  
 24 a physician.”; and

1 (iii) by adding at the end the fol-  
2 lowing new subparagraph:

3 “(B) Beginning January 1, 2028, audiology  
4 services described in subparagraph (A)(i) shall be  
5 furnished without a requirement for an order from  
6 a physician or practitioner.”; and

7 (B) in paragraph (4), by adding at the end  
8 the following new subparagraph:

9 “(C) The term ‘qualified hearing aid pro-  
10 fessional’ means an individual who—

11 “(i) is licensed or registered as a  
12 hearing aid dispenser, hearing aid spe-  
13 cialist, hearing instrument dispenser, or re-  
14 lated professional by the State in which the  
15 individual furnishes such services; and

16 “(ii) is accredited by the National  
17 Board for Certification in Hearing Instru-  
18 ment Sciences or meets such other require-  
19 ments as the Secretary determines appro-  
20 priate (including requirements relating to  
21 educational certifications or accreditations)  
22 taking into account any additional relevant  
23 requirements for hearing aid specialists,  
24 hearing aid dispensers, and hearing instru-  
25 ment dispensers established by Medicare

1 Advantage organizations under part C,  
 2 State plans (or waivers of such plans)  
 3 under title XIX, and group health plans  
 4 and health insurance issuers (as such  
 5 terms are defined in section 2791 of the  
 6 Public Health Service Act).”.

7 (2) PAYMENT FOR QUALIFIED HEARING AID  
 8 PROFESSIONALS.—Section 1833(a)(1) of the Social  
 9 Security Act (42 U.S.C. 1395l(a)(1)), as amended  
 10 by section 402(c)(1), is amended—

11 (A) by striking “and” before “(II)”; and

12 (B) by inserting before the semicolon at  
 13 the end the following: “and (JJ) with respect to  
 14 hearing aid examination services (as described  
 15 in paragraph (3)(A)(ii) of section 1861(l)) fur-  
 16 nished by a qualified hearing aid professional  
 17 (as defined in paragraph (4)(C) of such sec-  
 18 tion), the amounts paid shall be equal to 80  
 19 percent of the lesser of the actual charge for  
 20 such services or 85 percent of the amount for  
 21 such services determined under the payment  
 22 basis determined under section 1848”.

23 (3) INCLUSION OF QUALIFIED AUDIOLOGISTS  
 24 AND QUALIFIED HEARING AID PROFESSIONALS AS



1 CERTAIN PRACTITIONERS TO RECEIVE PAYMENT ON  
2 AN ASSIGNMENT-RELATED BASIS.—

3 (A) QUALIFIED AUDIOLOGISTS.—Section  
4 1842(b)(18)(C) of the Social Security Act (42  
5 U.S.C. 1395u(b)(18)(C)), as amended by sec-  
6 tion 402(d), is amended by adding at the end  
7 the following new clause:

8 “(x) Beginning on January 1, 2028, a qualified  
9 audiologist (as defined in section 1861(l)(4)(B)).”.

10 (B) QUALIFIED HEARING AID PROFES-  
11 SIONALS.—Section 1842(b)(18) of the Social  
12 Security Act (42 U.S.C. 1395u(b)(18)) is  
13 amended—

14 (i) in each of subparagraphs (A) and  
15 (B), by striking “subparagraph (C)” and  
16 inserting “subparagraph (C) or, beginning  
17 on January 1, 2028, subparagraph (E)”;  
18 and

19 (ii) by adding at the end the following  
20 new subparagraph:

21 “(E) A practitioner described in this subparagraph  
22 is a qualified hearing aid professional (as defined in sec-  
23 tion 1861(l)(4)(C)).”.

24 (b) COVERAGE OF HEARING AIDS.—

1           (1) INCLUSION OF HEARING AIDS AS PROS-  
 2           THETIC DEVICES.—Section 1861(s)(8) of the Social  
 3           Security Act (42 U.S.C. 1395x(s)(8)) is amended by  
 4           inserting “, and including hearing aids (as described  
 5           in section 1834(h)(7)) furnished on or after January  
 6           1, 2028, to individuals with moderately severe, se-  
 7           vere, or profound hearing loss” before the semicolon  
 8           at the end.

9           (2) PAYMENT LIMITATIONS FOR HEARING  
 10          AIDS.—Section 1834(h) of the Social Security Act  
 11          (42 U.S.C. 1395m(h)) is amended by adding at the  
 12          end the following new paragraphs:

13               “(6) PAYMENT ONLY ON AN ASSIGNMENT-RE-  
 14               LATED BASIS.—Payment for hearing aids for which  
 15               payment may be made under this part may be made  
 16               only on an assignment-related basis. The provisions  
 17               of subparagraphs (A) and (B) of section  
 18               1842(b)(18) shall apply to hearing aids in the same  
 19               manner as they apply to services furnished by a  
 20               practitioner described in subparagraph (C) of such  
 21               section.

22               “(7) LIMITATIONS FOR HEARING AIDS.—

23                       “(A) IN GENERAL.—Payment may be  
 24                       made under this part with respect to an indi-  
 25                       vidual, with respect to hearing aids furnished

1 by a qualified hearing aid supplier (as defined  
2 in subparagraph (C)) on or after January 1,  
3 2028—

4 “(i) not more than once per ear dur-  
5 ing a 5-year period;

6 “(ii) only for types of such hearing  
7 aids that are determined appropriate by  
8 the Secretary; and

9 “(iii) only if furnished pursuant to a  
10 written order of a physician, qualified au-  
11 diologist (as defined in section  
12 1861(l)(4)), qualified hearing aid profes-  
13 sional (as defined in subparagraph (C) of  
14 such section), physician assistant, nurse  
15 practitioner, or clinical nurse specialist.

16 “(B) SPECIAL RULE.—The payment basis  
17 determined under this subsection (including  
18 after application of paragraph (1)(H), relating  
19 to application of competitive acquisition) for  
20 hearing aids furnished by a qualified hearing  
21 aid supplier on or after January 1, 2028, shall  
22 not exceed the rate determined for such hearing  
23 aids under the Federal Supply Schedule of the  
24 General Services Administration, as published  
25 by such Administration in 2021, updated to the

1 year involved using the applicable percent in-  
 2 crease for the year.

3 “(C) DEFINITIONS.—In this subsection:

4 “(i) HEARING AID.—The term ‘hear-  
 5 ing aid’ means the item and related serv-  
 6 ices including selection, fitting, adjustment,  
 7 and patient education and training.

8 “(ii) QUALIFIED HEARING AID SUP-  
 9 PLIER.—The term ‘qualified hearing aid  
 10 supplier’ means—

11 “(I) a qualified audiologist;

12 “(II) a physician (as defined in  
 13 section 1861(r)(1));

14 “(III) a physician assistant,  
 15 nurse practitioner, or clinical nurse  
 16 specialist;

17 “(IV) a qualified hearing aid pro-  
 18 fessional (as defined in section  
 19 1861(ll)(4)(C)); and

20 “(V) other suppliers as deter-  
 21 mined by the Secretary.”.

22 (3) APPLICATION OF COMPETITIVE ACQUISI-  
 23 TION.—

1 (A) IN GENERAL.—Section 1834(h)(1)(H)  
 2 of the Social Security Act (42 U.S.C.  
 3 1395m(h)(1)(H)) is amended—

4 (i) in the header, by inserting “AND  
 5 HEARING AIDS” after “ORTHOTICS”;

6 (ii) in the matter preceding clause (i),  
 7 by inserting “or of hearing aids described  
 8 in paragraph (2)(E) of such section,” after  
 9 “2011,”; and

10 (iii) in clause (i), by inserting “or  
 11 such hearing aids” after “such orthotics”.

12 (B) CONFORMING AMENDMENTS.—

13 (i) IN GENERAL.—Section 1847(a)(2)  
 14 of the Social Security Act (42 U.S.C.  
 15 1395w–3(a)(2)) is amended by adding at  
 16 the end the following new subparagraph:

17 “(E) HEARING AIDS.—Hearing aids de-  
 18 scribed in section 1861(s)(8) for which payment  
 19 would otherwise be made under section  
 20 1834(h).”.

21 (ii) EXEMPTION OF CERTAIN ITEMS  
 22 FROM COMPETITIVE ACQUISITION.—Sec-  
 23 tion 1847(a)(7) of the Social Security Act  
 24 (42 U.S.C. 1395w–3(a)(7)) is amended by

1 adding at the end the following new sub-  
 2 paragraph:

3 “(C) CERTAIN HEARING AIDS.—Those  
 4 items and services described in paragraph  
 5 (2)(E) if furnished by a physician or other  
 6 practitioner (as defined by the Secretary) to the  
 7 physician’s or practitioner’s own patients as  
 8 part of the physician’s or practitioner’s profes-  
 9 sional service.”.

10 (iii) IMPLEMENTATION.—Section  
 11 1847(a) of the Social Security Act (42  
 12 U.S.C. 1395w–3(a)) is amended by adding  
 13 at the end the following new paragraph:

14 “(8) COMPETITION WITH RESPECT TO HEARING  
 15 AIDS.—Not later than January 1, 2031, the Sec-  
 16 retary shall begin the competition with respect to the  
 17 items and services described in paragraph (2)(E).”.

18 (4) PHYSICIAN SELF-REFERRAL LAW.—Section  
 19 1877(b) of the Social Security Act (42 U.S.C.  
 20 1395nn(b)) is amended by adding at the end the fol-  
 21 lowing new paragraph:

22 “(6) HEARING AIDS AND SERVICES.—In the  
 23 case of hearing aid examination services and hearing  
 24 aids—

1           “(A) furnished on or after January 1,  
2           2028, and before January 1, 2030; and

3           “(B) furnished on or after January 1,  
4           2030, if the financial relationship specified in  
5           subsection (a)(2) meets such requirements the  
6           Secretary imposes by regulation to protect  
7           against program or patient abuse.”.

8           (c) EXCLUSION MODIFICATION.—Section 1862(a)(7)  
9           of the Social Security Act (42 U.S.C. 1395y(a)(7)) is  
10          amended by inserting “(except such hearing aids or exami-  
11          nations therefor as described in and otherwise allowed  
12          under section 1861(s)(8))” after “hearing aids or exami-  
13          nations therefor”.

14          (d) INCLUSION AS EXCEPTED MEDICAL TREAT-  
15          MENT.—Section 1821(b)(5)(A)(iv) of the Social Security  
16          Act (42 U.S.C. 1395i–5(b)(5)(A)(iv)), as added by section  
17          402(f), is amended by inserting “, audiology services de-  
18          scribed in subsection (ll)(3) of such section, or hearing  
19          aids described in subsection (s)(8) of such section” after  
20          “section 1861)”.

21          (e) RURAL HEALTH CLINICS AND FEDERALLY  
22          QUALIFIED HEALTH CENTERS.—

23                 (1) CLARIFYING COVERAGE OF AUDIOLOGY  
24          SERVICES AS PHYSICIANS’ SERVICES.—Section  
25          1861(aa)(1)(A) of the Social Security Act (42

1 U.S.C. 1395x(aa)(1)(A)) is amended by inserting  
 2 “(including audiology services (as defined in sub-  
 3 section (ll)(3)))” after “physicians’ services”.

4 (2) INCLUSION OF QUALIFIED AUDIOLOGISTS  
 5 AND QUALIFIED HEARING AID PROFESSIONALS AS  
 6 RHC AND FQHC PRACTITIONERS.—Section  
 7 1861(aa)(1)(B) of the Social Security Act (42  
 8 U.S.C. 1395x(aa)(1)(B)) is amended by inserting  
 9 “or by a qualified audiologist or a qualified hearing  
 10 aid professional (as such terms are defined in sub-  
 11 section (ll)),” after “(as defined in subsection  
 12 (hh)(1)),”.

13 (3) TEMPORARY PAYMENT RATES FOR CERTAIN  
 14 SERVICES UNDER THE RHC AIR AND FQHC PPS.—

15 (A) AIR.—Section 1833 of the Social Se-  
 16 curity Act (42 U.S.C. 1395l), as amended by  
 17 section 402(g)(2)(A), is amended—

18 (i) in subsection (a)(3)(A), by insert-  
 19 ing “or audiology services (as defined in  
 20 section 1861(ll)(3))” after “(as defined in  
 21 section 1861(ooo))”; and

22 (ii) in subsection (ee), by inserting “or  
 23 audiology services (as defined in section  
 24 1861(ll)(3))” after “(as defined in section  
 25 1861(ooo))”.



1 (B) PPS.—Section 1834(o)(6) of the So-  
2 cial Security Act (42 U.S.C. 1395m(o)(6)), as  
3 added by section 402(g)(2)(B), is amended—

4 (i) in the first sentence, by inserting  
5 “or audiology services (as defined in sec-  
6 tion 1861(ll)(3))” after “(as defined in sec-  
7 tion 1861(ooo))”; and

8 (ii) in the second sentence, by insert-  
9 ing “or such audiology services” after  
10 “such dental and oral health services”.

11 (f) EXPEDITING IMPLEMENTATION.—The Secretary  
12 of Health and Human Services shall implement this sec-  
13 tion for 2028 and 2029 through program instruction or  
14 other forms of program guidance.

15 (g) FUNDING.—In addition to amounts otherwise  
16 available, there is appropriated to the Secretary of Health  
17 and Human Services for fiscal year 2026, out of any  
18 money in the Treasury not otherwise appropriated,  
19 \$370,000,000, to remain available until expended, for pur-  
20 poses of implementing the amendments made by this sec-  
21 tion during the period beginning on January 1, 2027, and  
22 ending on September 30, 2036.

1 **SEC. 404. PROVIDING COVERAGE FOR VISION CARE UNDER**  
 2 **THE MEDICARE PROGRAM.**

3 (a) COVERAGE.—Section 1861(s)(2) of the Social Se-  
 4 curity Act (42 U.S.C. 1395x(s)(2)), as amended by section  
 5 402(a), is amended—

6 (1) in subparagraph (KK), by striking “and” at  
 7 the end;

8 (2) in subparagraph (LL), by inserting “and”  
 9 after the semicolon; and

10 (3) by adding at the end the following new sub-  
 11 paragraph:

12 “(MM) vision services (as defined in subsection  
 13 (ppp));”.

14 (b) VISION SERVICES DEFINED.—Section 1861 of  
 15 the Social Security Act (42 U.S.C. 1395x), as amended  
 16 by section 402(b), is amended by adding at the end the  
 17 following new subsection:

18 “(ppp) VISION SERVICES.—The term ‘vision services’  
 19 means routine eye examinations to determine the refrac-  
 20 tive state of the eyes, including procedures performed dur-  
 21 ing the course of such examination, furnished on or after  
 22 January 1, 2028, by or under the direct supervision of  
 23 an ophthalmologist or optometrist who is legally author-  
 24 ized to furnish such examinations or procedures (as appli-  
 25 cable) under State law (or the State regulatory mechanism

1 provided by State law) of the State in which the examina-  
 2 tions or procedures are furnished.”.

3 (c) PAYMENT LIMITATIONS.—Section 1834 of the  
 4 Social Security Act (42 U.S.C. 1395m), as amended by  
 5 section 402(c)(2), is amended by adding at the end the  
 6 following new subsection:

7 “(cc) LIMITATION FOR VISION SERVICES.—With re-  
 8 spect to vision services (as defined in section 1861(ppp))  
 9 and an individual, payment shall be made under this part  
 10 for only 1 routine eye examination described in such sub-  
 11 section during a 2-year period.”.

12 (d) PAYMENT UNDER PHYSICIAN FEE SCHEDULE.—  
 13 Section 1848(j)(3) of the Social Security Act (42 U.S.C.  
 14 1395w–4(j)(3)) is amended by inserting “(2)(MM),” be-  
 15 fore “(3)”.

16 (e) COVERAGE OF CONVENTIONAL EYEGLASSES.—  
 17 Section 1861(s)(8) of the Social Security Act (42 U.S.C.  
 18 1395x(s)(8)), as amended by section 403(b)(1), is amend-  
 19 ed by striking “, and including one pair of conventional  
 20 eyeglasses or contact lenses furnished subsequent to each  
 21 cataract surgery with insertion of an intraocular lens” and  
 22 inserting “, including 1 pair of conventional eyeglasses or  
 23 contact lenses furnished subsequent to each cataract sur-  
 24 gery with insertion of an intraocular lens, if furnished be-  
 25 fore January 1, 2028, and including conventional eye-

1 glasses (as described in section 1834(h)(8)), whether or  
 2 not furnished subsequent to such a surgery, if furnished  
 3 on or after January 1, 2028”.

4 (f) SPECIAL PAYMENT RULES FOR EYEGLASSES.—

5 (1) LIMITATIONS.—Section 1834(h) of the So-  
 6 cial Security Act (42 U.S.C. 1395m(h)), as amended  
 7 by section 403(b)(2), is amended by adding at the  
 8 end the following new paragraph:

9 “(8) PAYMENT LIMITATIONS FOR EYE-  
 10 GLASSES.—

11 “(A) IN GENERAL.—With respect to con-  
 12 ventional eyeglasses furnished to an individual  
 13 on or after January 1, 2028, subject to sub-  
 14 paragraph (B), payment shall be made under  
 15 this part only during a 2-year period, for 1 pair  
 16 of eyeglasses (including lenses and the frame).

17 “(B) EXCEPTION.—With respect to a 2-  
 18 year period described in subparagraph (A), in  
 19 the case of an individual who receives cataract  
 20 surgery with insertion of an intraocular lens,  
 21 payment shall be made under this part for 1  
 22 pair of conventional eyeglasses furnished subse-  
 23 quent to such cataract surgery during such pe-  
 24 riod.

“(C) SPECIAL RULE.—The payment basis determined under this subsection (including after application of paragraph (1)(H), relating to application of competitive acquisition) for conventional eyeglasses furnished to an individual on or after January 1, 2028, shall not exceed the rate determined for such eyeglasses under the Federal Supply Schedule of the General Services Administration, as published by such Administration in 2021, updated to the year involved using the applicable percent increase for the year.

“(D) NO COVERAGE OF CERTAIN ITEMS.—Payment shall not be made under this part for deluxe eyeglasses or conventional reading glasses.”.

(2) APPLICATION OF COMPETITIVE ACQUISITION.—

(A) IN GENERAL.—Section 1834(h)(1)(H) of the Social Security Act (42 U.S.C. 1395m(h)(1)(H)), as amended by section 403(b)(3)(A), is amended—

(i) in the heading, by striking “AND HEARING AIDS” and inserting “HEARING AIDS, AND EYEGLASSES”;

1 (ii) in the matter preceding clause

2 (i)—

3 (I) by striking “or of hearing  
4 aids” and inserting “of hearing aids”;  
5 and

6 (II) by inserting “or of eyeglasses  
7 described in paragraph (2)(F) of such  
8 section,” after “paragraph (2)(E) of  
9 such section,”; and

10 (iii) in clause (i), by striking “or such  
11 hearing aids” and inserting “, such hear-  
12 ing aids, or such eyeglasses”.

13 (B) CONFORMING AMENDMENT.—Section  
14 1847(a)(2) of the Social Security Act (42  
15 U.S.C. 1395w–3(a)(2)), as amended by section  
16 403(b)(3)(B)(i), is amended by adding at the  
17 end the following new subparagraph:

18 “(F) EYEGLASSES.—Eyeglasses described  
19 in section 1861(s)(8) for which payment would  
20 otherwise be made under section 1834(h).”.

21 (C) IMPLEMENTATION.—Section 1847(a)  
22 of the Social Security Act (42 U.S.C. 1395w–  
23 3(a)), as amended by section 403(b)(3)(B)(iii),  
24 is amended by adding at the end the following  
25 new paragraph:

1           “(9) COMPETITION WITH RESPECT TO EYE-  
 2           GLASSES.—Not later than January 1, 2030, the Sec-  
 3           retary shall begin the competition with respect to the  
 4           items and services described in paragraph (2)(F).”.

5           (g) EXCLUSION MODIFICATIONS.—Section 1862(a)  
 6 of the Social Security Act (42 U.S.C. 1395y(a)), as  
 7 amended by section 402(e), is amended—

8           (1) in paragraph (1)—

9                   (A) in subparagraph (P), by striking  
 10           “and” at the end;

11                   (B) in subparagraph (Q), by striking the  
 12           semicolon at the end and inserting “, and”; and

13                   (C) by adding at the end the following new  
 14           subparagraph:

15                   “(R) in the case of vision services (as defined  
 16           in section 1861(ppp)) that are routine eye examina-  
 17           tions as described in such section, which are fur-  
 18           nished more frequently than once during a 2-year  
 19           period;”;

20           (2) in paragraph (7)—

21                   (A) by inserting “(other than such an ex-  
 22           amination that is a vision service that is cov-  
 23           ered under section 1861(s)(2)(MM))” after  
 24           “eye examinations”; and

1 (B) by inserting “(other than such a proce-  
 2 dure that is a vision service that is covered  
 3 under section 1861(s)(2)(MM))” after “refrac-  
 4 tive state of the eyes”.

5 (h) INCLUSION AS EXCEPTED MEDICAL TREAT-  
 6 MENT.—Section 1821(b)(5)(A)(iv) of the Social Security  
 7 Act (42 U.S.C. 1395i–5(b)(5)(A)(iv)), as added by section  
 8 402(f) and amended by section 403(d), is amended—

9 (1) by striking “or hearing aids” and inserting  
 10 “hearing aids”; and

11 (2) by inserting “, or vision services (as defined  
 12 in subsection (ppp) of such section)” after “sub-  
 13 section (s)(8) of such section”.

14 (i) RURAL HEALTH CLINICS AND FEDERALLY  
 15 QUALIFIED HEALTH CENTERS.—

16 (1) CLARIFYING COVERAGE OF VISION SERV-  
 17 ICES AS PHYSICIANS’ SERVICES.—Section  
 18 1861(aa)(1)(A) of the Social Security Act (42  
 19 U.S.C. 1395x(aa)(1)(A)), as amended by section  
 20 403(e)(1), is amended by inserting “and vision serv-  
 21 ices (as defined in subsection (ppp))” after “(as de-  
 22 fined in subsection (ll)(3))”.

23 (2) TEMPORARY PAYMENT RATES FOR CERTAIN  
 24 SERVICES UNDER THE RHC AIR AND FQHC PPS.—



(A) AIR.—Section 1833 of the Social Security Act (42 U.S.C. 1395l), as amended by sections 402(g)(2)(A) and 403(e)(3)(A), is amended—

(i) in subsection (a)(3)(A)—

(I) by striking “or audiology” and inserting “, audiology”; and

(II) by inserting “, or vision services (as defined in section 1861(ppp))” after “(as defined in section 1861(ll)(3))”; and

(ii) in subsection (ee)—

(I) by striking “or audiology” and inserting “, audiology”; and

(II) by inserting “, or vision services (as defined in section 1861(ppp))” after “(as defined in section 1861(ll)(3))”.

(B) PPS.—Section 1834(o)(6) of the Social Security Act (42 U.S.C. 1395m(o)(6)), as added by section 402(g)(2)(B) and amended by section 403(e)(3)(B), is amended—

(i) in the first sentence—

(I) by striking “or audiology” and inserting “, audiology”; and

1 (II) by inserting “, or vision serv-  
 2 ices (as defined in section  
 3 1861(ppp))” after “(as defined in sec-  
 4 tion 1861(ll)(3))”; and  
 5 (ii) in the second sentence, by striking  
 6 “or such audiology services” and inserting  
 7 “, such audiology services, or such vision  
 8 services”.

9 (j) EXPEDITING IMPLEMENTATION.—The Secretary  
 10 of Health and Human Services shall implement this sec-  
 11 tion for 2028 and 2029 through program instruction or  
 12 other forms of program guidance.

13 (k) FUNDING.—In addition to amounts otherwise  
 14 available, there is appropriated to the Secretary of Health  
 15 and Human Services for fiscal year 2026, out of any  
 16 money in the Treasury not otherwise appropriated,  
 17 \$500,000,000, to remain available until expended, for pur-  
 18 poses of implementing the amendments made by this sec-  
 19 tion during the period beginning on January 1, 2027, and  
 20 ending on September 30, 2035.

21 **SEC. 405. PHASE-IN OF IMPACT OF DENTAL AND ORAL**  
 22 **HEALTH COVERAGE ON PART B PREMIUMS.**

23 Section 1839(a) of the Social Security Act (42 U.S.C.  
 24 1395r(a)) is amended—

1           (1) in the second sentence of paragraph (1), by  
2           striking “and (7)” and inserting “(7), and (8)”;

3           (2) in paragraph (3), by striking “The Sec-  
4           retary” and inserting “Subject to paragraph (8)(C),  
5           the Secretary”; and

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

7           “(8) SPECIAL RULE FOR 2027 THROUGH 2031.—

8                 “(A) DETERMINATION OF ALTERNATIVE  
9           MONTHLY ACTUARIAL RATE FOR EACH OF 2027  
10           THROUGH 2031.—For each of 2027 through  
11           2031, the Secretary shall, at the same time as  
12           and in addition to the determination of the  
13           monthly actuarial rate for enrollees age 65 and  
14           over determined in each of 2026 through 2030  
15           for the succeeding calendar year according to  
16           paragraph (1), determine an alternative month-  
17           ly actuarial rate for enrollees age 65 and over  
18           for the year as described in subparagraph (B).

19                 “(B) ALTERNATIVE MONTHLY ACTUARIAL  
20           RATE DESCRIBED.—

21                 “(i) IN GENERAL.—The alternative  
22           monthly actuarial rate described in this  
23           subparagraph is—

24                         “(I) for 2027 and 2028, the  
25           monthly actuarial rate for enrollees

1 age 65 and over for the year, deter-  
 2 mined as if the amendments made by  
 3 section 402 of the Medicare Dental,  
 4 Hearing, and Vision Expansion Act of  
 5 2026 did not apply; and

6 “(II) for 2029, 2030, and 2031,  
 7 the monthly actuarial rate for enroll-  
 8 ees age 65 and over for the year, de-  
 9 termined as if the amendments made  
 10 by such section 402 did not apply,  
 11 plus the applicable percent of the  
 12 amount by which—

13 “(aa) the monthly actuarial  
 14 rate for enrollees age 65 and over  
 15 for the year determined accord-  
 16 ing to paragraph (1); exceeds

17 “(bb) the monthly actuarial  
 18 rate for enrollees age 65 and over  
 19 for the year, determined as if the  
 20 amendments made by such sec-  
 21 tion 402 did not apply.

22 “(ii) DEFINITION OF APPLICABLE  
 23 PERCENT.—For purposes of this subpara-  
 24 graph, the term ‘applicable percent’  
 25 means—

1 “(I) for 2029, 25 percent;

2 “(II) for 2030, 50 percent; and

3 “(III) for 2031, 75 percent.

4 “(C) APPLICATION TO PART B PREMIUM  
 5 AND OTHER PROVISIONS OF THIS PART.—For  
 6 each of 2027 through 2031, the Secretary shall  
 7 use the alternative monthly actuarial rate for  
 8 enrollees age 65 and over for the year deter-  
 9 mined under subparagraph (A), in lieu of the  
 10 monthly actuarial rate for such enrollees for the  
 11 year determined according to paragraph (1),  
 12 when determining the monthly premium rate  
 13 for the year under paragraph (3) and sub-  
 14 section (j), the part B deductible under section  
 15 1833(b), and the premium subsidy and monthly  
 16 adjustment amount under subsection (i).”.

## 17 **TITLE V—HOUSING TRUST FUND**

### 18 **SEC. 501. AUTHORIZATION OF APPROPRIATIONS.**

19 Section 1338(a) of the Federal Housing Enterprises  
 20 Financial Safety and Soundness Act of 1992 (12 U.S.C.  
 21 4568(a)) is amended by adding at the end the following:

22 “(3) AUTHORIZATION OF APPROPRIATIONS.—  
 23 There is authorized to be appropriated to the Hous-  
 24 ing Trust Fund \$85,647,000,000 for each of fiscal  
 25 years 2026 through 2035.”.

1   **TITLE VI—AFFORDABLE CHILD**  
 2   **CARE FOR WORKING FAMILIES**  
 3   **SEC. 601. BIRTH THROUGH FIVE CHILD CARE AND EARLY**  
 4                   **LEARNING ENTITLEMENT.**

5           (a) CHILD CARE DEFINITIONS.—The definitions in  
 6 section 658P of the Child Care and Development Block  
 7 Grant Act of 1990 (42 U.S.C. 9858n) shall apply to this  
 8 section, except as provided in subsection (b) and as other-  
 9 wise specified.

10          (b) ADDITIONAL DEFINITIONS.—In this section:

11           (1) CHILD CARE CERTIFICATE.—

12               (A) IN GENERAL.—The term “child care  
 13 certificate” means a certificate (that may be a  
 14 check or other disbursement) that is issued by  
 15 a State, tribal, territorial, or local government  
 16 under this section directly to a parent who shall  
 17 use such certificate only as payment for child  
 18 care services or as a deposit for child care serv-  
 19 ices if such a deposit is required of other chil-  
 20 dren being cared for by the provider.

21               (B) RULE.—Nothing in this section shall  
 22 preclude the use of such certificates for sec-  
 23 tarian child care services if freely chosen by the  
 24 parent. For the purposes of this section, child

1           care certificates shall be considered indirect  
2           Federal financial assistance to the provider.

3           (2) CHILD EXPERIENCING HOMELESSNESS.—

4           The term “child experiencing homelessness” means  
5           an individual who is a homeless child or youth under  
6           section 725 of the McKinney-Vento Homeless Assist-  
7           ance Act (42 U.S.C. 11434a).

8           (3) ELIGIBLE ACTIVITY.—The term “eligible  
9           activity”, with respect to a parent, shall include, at  
10          minimum, activities consisting of—

11                   (A) full-time or part-time employment;

12                   (B) self-employment;

13                   (C) job search activities;

14                   (D) job training;

15                   (E) secondary, postsecondary, or adult  
16           education, including education through a pro-  
17           gram of high school classes, a course of study  
18           at an institution of higher education, classes to-  
19           wards an equivalent of a high school diploma  
20           recognized by State law, or English as a second  
21           language classes;

22                   (F) health treatment (including mental  
23           health and substance use treatment) for a con-  
24           dition that prevents the parent from partici-  
25           pating in other eligible activities;

1           (G) activities to prevent child abuse and  
2 neglect, or family violence prevention or inter-  
3 vention activities;

4           (H) employment and training activities  
5 under the supplemental nutrition assistance  
6 program established under section 6(d)(4) the  
7 Food and Nutrition Act of 2008 (7 U.S.C.  
8 2015(d)(4));

9           (I) employment and training activities  
10 under the Workforce Innovation and Oppor-  
11 tunity Act (29 U.S.C. 3101 et seq.);

12           (J) a work activity described in subsection  
13 (d) of section 407 of the Social Security Act  
14 (42 U.S.C. 607) for which, consistent with  
15 clauses (ii) and (iii) of section 402(a)(1)(A) of  
16 such Act (42 U.S.C. 602(a)(1)(A)), a parent or  
17 caretaker is treated as being engaged in work  
18 for a month in a fiscal year for purposes of the  
19 program of block grants to States for tem-  
20 porary assistance for needy families established  
21 under part A of title IV of the Social Security  
22 Act (42 U.S.C. 601 et seq.); and

23           (K) taking leave under the Family and  
24 Medical Leave Act of 1993 (29 U.S.C. 2601 et  
25 seq.) (or equivalent provisions for Federal em-



1            ployees), a State or local paid or unpaid leave  
2            law, or a program of employer-provided leave.

3            (4) ELIGIBLE CHILD.—

4                    (A) IN GENERAL.—The term “eligible  
5            child” means an individual—

6                            (i) who is less than 6 years of age;

7                            (ii) who is not yet in kindergarten;

8                            (iii) whose family income does not ex-  
9            ceed 250 percent of the State median in-  
10           come for a family of the same size for the  
11           fiscal year involved, for each fiscal year be-  
12           ginning with fiscal year 2026; and

13                            (iv) who—

14                                    (I) resides with a parent or par-  
15           ents who are participating in an eligi-  
16           ble activity;

17                                    (II) is included in a population of  
18           vulnerable children identified by the  
19           lead agency involved, which at a min-  
20           imum shall include children with dis-  
21           abilities, infants and toddlers with dis-  
22           abilities, children experiencing home-  
23           lessness, children in foster care, chil-  
24           dren in kinship care, and children who

are receiving, or need to receive, child protective services; or

(III) resides with a parent who is more than 65 years of age.

(B) LONGER-TERM PERIOD ELIGIBILITY.—

For purposes of determining eligibility under this paragraph, an individual who is determined to be an eligible child shall continue to be considered an eligible child and shall not be required to reverify eligibility for purposes of this section during the period—

(i) that begins on the date of the termination; and

(ii) that ends on the earlier of the date the individual becomes 6 years of age or the date the individual enters kindergarten.

(5) ELIGIBLE CHILD CARE PROVIDER.—

(A) IN GENERAL.—The term “eligible child care provider” means a center-based child care provider, a family child care provider, or other provider of child care services for compensation that—

(i) is licensed to provide child care services under State law applicable to the

1 child care services it provides or, in the  
 2 case of an Indian Tribe or tribal organiza-  
 3 tion, meets the rules set by the Secretary;

4 (ii) participates in the State's tiered  
 5 system for measuring and supporting the  
 6 quality of eligible child care providers de-  
 7 scribed in subsection (f)(3)(B), or, in the  
 8 case of an Indian Tribe or tribal organiza-  
 9 tion, meets the rules set by the Sec-  
 10 retary—

11 (I) not later than 3 years after  
 12 the State first receives funds under  
 13 this section; and

14 (II) for the remainder of the pe-  
 15 riod for which the provider receives  
 16 funds under this section; and

17 (iii) satisfies the State and local re-  
 18 quirements, including those requirements  
 19 described in section 658E(c)(2)(I) of the  
 20 Child Care and Development Block Grant  
 21 Act of 1990 (42 U.S.C. 9858c(c)(2)(I)),  
 22 applicable to the child care services it pro-  
 23 vides.

24 (B) SPECIAL RULE.—A child care provider  
 25 who is eligible to provide child care services in

1           a State for children receiving assistance under  
2           the Child Care and Development Block Grant  
3           Act of 1990 (42 U.S.C. 9857 et seq.) on the  
4           date the State submits an application for funds  
5           under this section, and remains in compliance  
6           with any licensing or registration standards, or  
7           regulations, of the State, shall be deemed to be  
8           an eligible child care provider under this section  
9           for 3 years after the State first receives funds  
10          under this section.

11          (6) FMAP.—The term “FMAP” has the mean-  
12          ing given the term “Federal medical assistance per-  
13          centage” in the first sentence of section 1905(b) of  
14          the Social Security Act (42 U.S.C. 1396d(b)).

15          (7) FAMILY CHILD CARE PROVIDER.—The term  
16          “family child care provider” means one or more indi-  
17          viduals who provide child care services, in a private  
18          residence other than the residences of the children  
19          involved, for less than 24 hours per day per child,  
20          or for 24 hours per day per child due to the nature  
21          of the work of the parent involved.

22          (8) INCLUSIVE CARE.—The term “inclusive”,  
23          with respect to care (including child care), means  
24          care provided by an eligible child care provider—

(A) for whom the percentage of children served by the provider who are children with disabilities or infants or toddlers with disabilities reflects the prevalence of children with disabilities and infants and toddlers with disabilities (whichever the provider serves) among children within the State involved; and

(B) that provides care and full participation for children with disabilities and infants and toddlers with disabilities (whichever the provider serves) alongside children who are—

(i) not children with disabilities; and

(ii) not infants and toddlers with disabilities.

(9) INFANT OR TODDLER.—The term “infant or toddler” means an individual who is less than 3 years of age.

(10) INFANT OR TODDLER WITH A DISABILITY.—The term “infant or toddler with a disability” has the meaning given the term in section 632 of the Individuals with Disabilities Education Act (20 U.S.C. 1432).

(11) LEAD AGENCY.—The term “lead agency” means the agency designated under subsection (e).

1           (12) PROVIDER TYPE.—The term “provider  
2       type” means a type that is—

- 3                   (A) a center-based child care provider;  
4                   (B) a family child care provider; or  
5                   (C) another non-center-based child care  
6       provider.

7           (13) STAFFED FAMILY CHILD CARE NET-  
8       WORK.—The term “staffed family child care net-  
9       work” means a nonprofit organization or nonprofit  
10      cooperative—

- 11                   (A) that may be a component of a child  
12      care resource and referral organization;  
13                   (B) that has at least one paid staff mem-  
14      ber; and  
15                   (C) that offers evidence-based professional  
16      development, quality improvement support,  
17      business support, and technical assistance, in-  
18      cluding on achieving licensure as a child care  
19      provider, to family child care providers.

20          (14) STATE.—The term “State” means any of  
21      the 50 States and the District of Columbia.

22          (15) TERRITORY.—The term “territory” means  
23      the Commonwealth of Puerto Rico, the Virgin Is-  
24      lands of the United States, Guam, American Samoa,

1 and the Commonwealth of the Northern Mariana Is-  
2 lands.

3 (c) APPROPRIATIONS.—

4 (1) STATES, INDIAN TRIBES AND TRIBAL ORGA-  
5 NIZATIONS, AND TERRITORIES ENTITLEMENT.—In  
6 addition to amounts otherwise available, there is ap-  
7 propriated to the Department of Health and Human  
8 Services for fiscal year 2026 and each subsequent  
9 fiscal year, out of any money in the Treasury not  
10 otherwise appropriated, such sums as may be nec-  
11 essary for payments to States, territories, and In-  
12 dian Tribes and tribal organizations for carrying out  
13 the child care program described in this section  
14 (other than carrying out activities described in para-  
15 graph (2) or (3)).

16 (2) GRANTS TO LOCALITIES; AWARDS TO HEAD  
17 START AGENCIES.—In addition to amounts otherwise  
18 available, there is appropriated to the Department of  
19 Health and Human Services for fiscal year 2026,  
20 out of any money in the Treasury not otherwise ap-  
21 propriated \$20,000,000,000, to carry out the pro-  
22 gram of grants to localities, and the program of  
23 awards to Head Start agencies, described in sub-  
24 section (i).

1           (3)   FEDERAL   ADMINISTRATION.—Notwith-  
2           standing paragraph (1) or (2), of the funds appro-  
3           priated under this section for a fiscal year, the Sec-  
4           retary of Health and Human Services may reserve  
5           an amount equal to not more than 0.5 percent of the  
6           funds appropriated under this section for the prior  
7           fiscal year, for purposes of Federal administration of  
8           this section.

9           (d)   ESTABLISHMENT OF BIRTH THROUGH FIVE  
10          CHILD CARE AND EARLY LEARNING ENTITLEMENT PRO-  
11          GRAM.—

12           (1)   IN GENERAL.—The Secretary is authorized  
13           to administer a child care and early learning entitle-  
14           ment program under which an eligible child, in a  
15           State, territory, or Indian Tribe, or served by a trib-  
16           al organization, with an approved application under  
17           subsection (f) or (g), shall be provided an oppor-  
18           tunity to obtain high-quality child care services, sub-  
19           ject to the requirements of this section.

20           (2)   ASSISTANCE   FOR   EVERY   ELIGIBLE  
21          CHILD.—Beginning on October 1, 2026, every child  
22           who applies for assistance under this section, who is  
23           in a State with an approved application under sub-  
24           section (f), or in a territory or Indian Tribe or  
25           served by a tribal organization with an approved ap-



1        plication under subsection (g), and who is deter-  
 2        mined, by a lead agency (or other entity designated  
 3        by a lead agency) for the State, territory, Indian  
 4        Tribe, or tribal organization involved, following  
 5        standards and procedures established by the Sec-  
 6        retary by rule, to be an eligible child, shall be offered  
 7        assistance for and shall be entitled to receive direct  
 8        child care services in accordance with and subject to  
 9        the requirements and limitations of this section.

10       (e) LEAD AGENCY.—The Governor of a State or the  
 11       head of a territory or Indian Tribe, desiring for the State,  
 12       territory, or Indian tribe or a related tribal organization  
 13       to receive a payment under this section, shall designate  
 14       a lead agency (such as a State agency or joint interagency  
 15       office) to administer the child care program carried out  
 16       under this section.

17       (f) APPLICATIONS AND STATE PLANS.—

18                (1) APPLICATION.—To be eligible to receive as-  
 19       sistance under this section, a State shall prepare  
 20       and submit to the Secretary for approval an applica-  
 21       tion containing a State plan that meets the require-  
 22       ments under paragraph (3) and contains such infor-  
 23       mation as the Secretary may require.

24                (2) PERIOD COVERED BY PLAN.—A State plan  
 25       contained in the application shall be designed to be

1 implemented during a period of not more than 3  
2 years.

3 (3) REQUIREMENTS FOR STATE PLANS.—The  
4 Secretary shall award funds under this section to  
5 States with an approved application that contains a  
6 State plan, submitted under paragraph (1), at such  
7 time, in such manner, and containing such informa-  
8 tion as the Secretary shall by rule require, including,  
9 at a minimum, the following:

10 (A) PAYMENT RATES AND COST ESTI-  
11 MATION.—

12 (i) PAYMENT RATES.—The State plan  
13 shall certify that payment rates for the  
14 provision of direct child care services for  
15 which assistance is provided in accordance  
16 with this section for the period covered by  
17 the plan, within 3 years after the State  
18 first receives funds under this section—

19 (I) will be sufficient to meet the  
20 cost of child care (including fixed  
21 costs such as rent or mortgage, and  
22 salaries), and set (with pay being  
23 paid) in accordance with a cost esti-  
24 mation model or cost study described

1 in clause (ii) that is approved by the  
2 Secretary; and

3 (II) will correspond to differences  
4 in quality (including improved quality)  
5 based on the State's tiered system for  
6 measuring and supporting the quality  
7 of eligible child care providers de-  
8 scribed in subparagraph (B).

9 (ii) COST ESTIMATION.—Such State  
10 plan shall—

11 (I) demonstrate that the State  
12 has, after consulting with relevant en-  
13 tities and stakeholders, developed and  
14 uses a statistically valid and reliable  
15 cost estimation model or cost study  
16 for the payment rates for direct child  
17 care services in the State that are suf-  
18 ficient to cover providers' fixed costs  
19 and reflect the cost of child care at  
20 each of the tiers of the State's tiered  
21 system for measuring and supporting  
22 the quality of eligible child care pro-  
23 viders described in subparagraph (B),  
24 and variations in the cost of direct  
25 child care services by geographic area,

1 provider type, and age of child, and  
2 the additional costs associated with  
3 providing inclusive care;

4 (II) certify that the entities and  
5 stakeholders consulted included the  
6 State Advisory Council on Early  
7 Childhood Education and Care des-  
8 ignated or established in section  
9 642B(b)(1)(A)(i) of the Head Start  
10 Act (42 U.S.C. 9837b(b)(1)(A)(i))  
11 (including State Directors of Head  
12 Start Collaboration), administrators  
13 of local child care programs and Head  
14 Start agencies, organizations rep-  
15 resenting child care directors, teach-  
16 ers, and other staff, local child care  
17 resource and referral organizations,  
18 organizations representing parents of  
19 children with disabilities and parents  
20 of infants and toddlers with disabil-  
21 ities, the State interagency coordi-  
22 nating council established under sec-  
23 tion 641 of the Individuals with Dis-  
24 abilities Education Act (20 U.S.C.  
25 1441), the State advisory panel estab-

1 lished under section 612(a)(21) of the  
2 Individuals with Disabilities Edu-  
3 cation Act (20 U.S.C. 1412(a)(21)),  
4 organizations and labor organizations  
5 representing child care providers, and  
6 other appropriate entities;

7 (III) certify that the State—

8 (aa) not later than 30 days  
9 after finalizing the cost esti-  
10 mation model or cost study, pub-  
11 lished a detailed report con-  
12 taining the child care costs esti-  
13 mated with the cost estimation  
14 model or cost study, and includ-  
15 ing an explanation detailing how  
16 the wage requirements described  
17 in subclause (IV)(cc) were ap-  
18 plied in the estimation of such  
19 costs; and

20 (bb) not later than 60 days  
21 after publishing the report de-  
22 scribed in item (aa), established  
23 a system to receive public com-  
24 ment on the report on the subject  
25 of making changes to the cost es-

1           timination model or cost study,  
2           provided an opportunity for the  
3           public to comment on the report  
4           through that system, and sub-  
5           mitted the report to the Sec-  
6           retary;

7           (IV) certify that the State's pay-  
8           ment rates for direct child care serv-  
9           ices for which assistance is provided  
10          in accordance with this section—

11                 (aa) are set (with pay being  
12                 paid) in accordance with the  
13                 most recent estimates from the  
14                 most recent cost estimation  
15                 model or cost study under sub-  
16                 clause (I), so that providers at  
17                 each tier of the tiered system for  
18                 measuring and supporting the  
19                 quality of eligible child care pro-  
20                 viders described in subparagraph  
21                 (B) receive a payment that is  
22                 sufficient to fully meet the re-  
23                 quirements of such tier;

24                 (bb) are set so as to provide  
25                 payments to providers not at the

1 top tier of the tiered system that  
2 are sufficient to enable the pro-  
3 viders to increase quality to meet  
4 the requirements for the next  
5 tier;

6 (cc) ensure adequate wages  
7 for staff of child care providers  
8 providing such direct child care  
9 services that—

10 (AA) at a minimum,  
11 provide a living wage for all  
12 staff of such child care pro-  
13 viders; and

14 (BB) are equivalent to  
15 wages for elementary edu-  
16 cators with similar creden-  
17 tials and experience in the  
18 State; and

19 (dd) are adjusted on an an-  
20 nual basis for cost of living in-  
21 creases to ensure those payment  
22 rates remain sufficient to meet  
23 the requirements of this section;

24 (V) certify that the State will up-  
25 date, not less often than once every 3

1 years, the cost estimation model or  
2 cost study described in subclause (I);  
3 and

4 (VI) certify that the State has es-  
5 tablished a system for appeals of the  
6 determination of child care costs esti-  
7 mated with the cost estimation model  
8 or cost study.

9 (iii) PAYMENT PRACTICES.—Such  
10 State plan shall include an assurance that  
11 the State will implement payment practices  
12 that support the fixed costs of providing  
13 direct child care services.

14 (B) TIERED SYSTEM FOR MEASURING AND  
15 SUPPORTING THE QUALITY OF ELIGIBLE CHILD  
16 CARE PROVIDERS.—Such State plan shall cer-  
17 tify that the State has implemented, or assure  
18 that the State will implement within 3 years  
19 after first receiving funds under this section,  
20 with input (from early childhood education and  
21 development experts, from a diverse group of  
22 child care providers of a variety of provider  
23 types, from families, and from organizations  
24 representing child care directors, teachers, and  
25 other staff), a tiered system for measuring and



1 supporting the quality of eligible child care pro-  
2 viders who provide child care services for which  
3 assistance is made available under this section.

4 Such tiered system shall—

5 (i) include a set of standards, for de-  
6 termining the tier of quality of a child care  
7 provider, that—

8 (I) uses standards for a highest  
9 tier that at a minimum are equivalent  
10 to Head Start program performance  
11 standards described in section  
12 641A(a)(1)(B) of the Head Start Act  
13 (42 U.S.C. 9836a(a)(1)(B)) or other  
14 equivalent evidence-based standards  
15 approved by the Secretary; and

16 (II) includes quality indicators  
17 and thresholds that are appropriate  
18 for child development from child care  
19 providers of a variety of provider  
20 types, including child care centers and  
21 the settings of family child care pro-  
22 viders, and are appropriate for pro-  
23 viders serving different age groups  
24 (including mixed age groups) of chil-  
25 dren;

1                   (ii) include a different set of stand-  
2                   ards that includes indicators, when appro-  
3                   priate, for care during nontraditional hours  
4                   of operation; and

5                   (iii) provide for sufficient resources  
6                   and supports for child care providers at  
7                   tiers lower than the highest tier to facili-  
8                   tate progression toward meeting higher  
9                   quality standards.

10               (C) ACHIEVING HIGH QUALITY FOR ALL  
11               CHILDREN.—Such State plan shall certify the  
12               State has implemented, or will implement with-  
13               in 3 years after first receiving funds under this  
14               section, policies and financing practices that  
15               will ensure all eligible children can choose to at-  
16               tend child care, with services provided by eligi-  
17               ble child care providers from any of a variety of  
18               provider types including family child care pro-  
19               viders, at the highest quality tier within 6 years  
20               after the date of enactment of this Act.

21               (D) COMPENSATION.—Such plan shall pro-  
22               vide a certification that the State has or will  
23               have within 3 years after first receiving funds  
24               under this section, a wage ladder for staff of el-  
25               igible child care providers receiving assistance

under this section, including a certification that wages for such staff, at a minimum, will meet the requirements of subparagraph (A)(ii)(IV)(cc).

(E) SLIDING FEE SCALE FOR COPAYMENTS.—

(i) IN GENERAL.—Except as provided in clause (ii)(I), the State plan shall provide an assurance that the State will for the period covered by the plan use a sliding fee scale described in clause (ii) to determine a copayment for a family receiving assistance under this section (or, for a family receiving part-time care, a reduced copayment that is the proportionate amount of the full copayment).

(ii) SLIDING FEE SCALE.—A full copayment described in clause (i) shall use a sliding fee scale that provides that, for a family with a family income—

(I) of not more than 85 percent of State median income for a family of the same size, the family shall not pay a copayment, toward the cost of

1 the child care involved for all eligible  
2 children in the family;

3 (II) of more than 85 percent but  
4 not more than 100 percent of State  
5 median income for a family of the  
6 same size, the copayment shall be  
7 more than 0 but not more than 2 per-  
8 cent of that family income, toward  
9 such cost for all such children;

10 (III) of more than 100 percent  
11 but not more than 125 percent of  
12 State median income for a family of  
13 the same size, the copayment shall be  
14 more than 2 but not more than 4 per-  
15 cent of that family income, toward  
16 such cost for all such children;

17 (IV) of more than 125 percent  
18 but not more than 150 percent of  
19 State median income for a family of  
20 the same size, the copayment shall be  
21 more than 4 but not more than 7 per-  
22 cent of that family income, toward  
23 such cost for all such children; and

24 (V) of more than 150 percent but  
25 not more than 250 percent of the

1 State median income for a family of  
2 the same size, the copayment shall be  
3 7 percent of that family income, to-  
4 ward such cost for all such children.

5 (F) PROHIBITION ON CHARGING MORE  
6 THAN COPAYMENT.—The State plan shall cer-  
7 tify that, after the State develops and begins  
8 using the cost estimation model or cost study  
9 described in subparagraph (A)(ii), the State will  
10 not permit a child care provider receiving finan-  
11 cial assistance under this section to charge, for  
12 direct child care services for an eligible child,  
13 more than the total of—

14 (i) the financial assistance provided  
15 for the child under this section; and

16 (ii) any applicable copayment pursu-  
17 ant to subparagraph (E).

18 (G) ELIGIBILITY.—The State plan shall  
19 assure that each child who receives assistance  
20 under this section will be considered to meet all  
21 eligibility requirements for such assistance, and  
22 will receive such assistance, for not less than 12  
23 months unless the child has aged out of the  
24 program, and the child's eligibility determina-  
25 tion and redetermination, including any deter-

1 mination based on the State's definition of eligi-  
2 ble activities, shall be implemented in a manner  
3 that supports child well-being and reduces bar-  
4 riers to enrollment, including continuity of serv-  
5 ices.

6 (H) POLICIES TO SUPPORT ACCESS TO  
7 CHILD CARE FOR UNDERSERVED POPU-  
8 LATIONS.—The State plan shall demonstrate  
9 that the State will prioritize increasing access  
10 to, and the quality and the supply of, child care  
11 in the State for underserved populations, in-  
12 cluding at a minimum, low-income children,  
13 children in underserved areas, infants and tod-  
14 dlers, children with disabilities and infants and  
15 toddlers with disabilities, children who are dual  
16 language learners, children experiencing home-  
17 lessness, children in foster or kinship care, chil-  
18 dren who receive care during nontraditional  
19 hours, and vulnerable children as defined by the  
20 lead agency pursuant to subsection  
21 (b)(4)(A)(iv)(II).

22 (I) POLICIES.—The State plan shall in-  
23 clude a certification that the State will apply,  
24 under this section, the policies and procedures  
25 described in subparagraphs (A), (B), (I), (J),

1 (K)(i), (R), and (U) of section 658E(c)(2) of  
2 the Child Care and Development Block Grant  
3 Act of 1990 (42 U.S.C. 9858c(c)(2)), and the  
4 policies and procedures described in section  
5 658H of such Act (42 U.S.C. 9858f), to child  
6 care services provided under this section.

7 (J) LICENSING.—The State plan shall  
8 demonstrate that the State has consulted or will  
9 consult with organizations (including labor or-  
10 ganizations and child care and early learning  
11 organizations) representing eligible child care  
12 providers (including family child care pro-  
13 viders), child care associations, child care direc-  
14 tors, teachers, and other staff (including child  
15 care directors, teachers, and other staff serving  
16 higher proportions of underserved populations  
17 as identified under subparagraph (H)), early  
18 childhood education and development experts,  
19 maternal and child health experts, and families  
20 to develop, within 2.5 years after first receiving  
21 funds under this section, licensing standards  
22 appropriate for child care providers and a path-  
23 way to such licensure that is available to and  
24 appropriate for child care providers in a variety  
25 of settings, that will offer providers eligible

1 under the Child Care and Development Block  
2 Grant Act of 1990 (42 U.S.C. 9857 et seq.) a  
3 reasonable pathway to become eligible providers  
4 under this section, and that will assure an ade-  
5 quate supply of child care. Such plan shall de-  
6 scribe the timeline the State will use to ensure  
7 sufficient time for providers described in sub-  
8 section (b)(5)(B) to comply with such licensing  
9 standards in order to remain eligible providers  
10 after 3.5 years after the State first receives  
11 funding under this section.

12 (K) FINANCIAL SUPPORT FOR PRO-  
13 VIDERS.—Such plan shall describe how the  
14 State will use funds reserved under subsection  
15 (h)(1)(C) to enable eligible child care providers  
16 from a variety of provider types to achieve li-  
17 censure, including paying for the costs of re-  
18 quired background checks, health screening,  
19 and initial and ongoing training, and other  
20 costs associated with achieving licensure.

21 (L) PROHIBITION ON SUSPENSIONS, EX-  
22 PULSIONS, AND AVERSIVE BEHAVIORAL INTER-  
23 VENTIONS.—The State plan shall provide an as-  
24 surance that the State will—



1 (i) provide assistance to carry out this  
 2 section only to eligible child care providers  
 3 that prohibit—

4 (I) the use of suspension and ex-  
 5 pulsion of children; and

6 (II) the use of aversive behavioral  
 7 interventions; and

8 (ii) provide training resources to eligi-  
 9 ble child care providers and information to  
 10 families to support the prohibition of prac-  
 11 tices described in subclauses (I) and (II) of  
 12 clause (i).

13 (g) PAYMENTS.—

14 (1) IN GENERAL.—For each fiscal year:

15 (A) CHILD CARE ASSISTANCE FOR ELIGI-  
 16 BLE CHILDREN.—

17 (i) IN GENERAL.—The Secretary shall  
 18 pay to each State with an approved appli-  
 19 cation under subsection (f), and that State  
 20 shall be entitled to, an amount for each  
 21 quarter equal to 90 percent of expendi-  
 22 tures (which shall be the Federal share of  
 23 such expenditures) in the quarter for direct  
 24 child care services described under sub-  
 25 section (h)(1)(B) for eligible children.

1 (ii) EXCEPTION.—Funds reserved  
2 from the total under subsection (h)(1)(C)  
3 shall be subject to subparagraph (B).

4 (iii) PROHIBITION.—Activities de-  
5 scribed in subparagraph (B) and subpara-  
6 graph (C) may not be included in the cost  
7 of direct child care services described in  
8 this subparagraph.

9 (B) ACTIVITIES TO IMPROVE THE QUALITY  
10 AND SUPPLY OF CHILD CARE SERVICES.—The  
11 Secretary shall pay to each State with such an  
12 approved application, and that State shall be  
13 entitled to, an amount equal to the FMAP of  
14 expenditures (which shall be the Federal share  
15 of such expenditures) to carry out activities to  
16 improve the quality and supply of child care  
17 services under subsection (h)(1)(C) subject to  
18 the limit specified in clause (i) of such sub-  
19 section.

20 (C) ADMINISTRATION.—The Secretary  
21 shall pay to each State with such an approved  
22 application, and that State shall be entitled to,  
23 an amount equal to 50 percent of expenditures  
24 (which shall be the Federal share of such ex-

penditures) for the costs of administration incurred by the State—

(i) which shall include costs incurred by the State in carrying out the child care program established in this section; and

(ii) which may include, at the option of the State, costs associated with carrying out requirements, policies, and procedures described in section 658H of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858f).

(2) ADVANCE PAYMENT; RETROSPECTIVE ADJUSTMENT.—For each fiscal year, the Secretary shall make payments under this subsection for a period on the basis of advance estimates of expenditures submitted by the State and such other investigation as the Secretary may find necessary, and shall reduce or increase the payments as necessary to adjust for any overpayment or underpayment for previous periods. No interest shall be charged or paid on any amount due because of an overpayment or underpayment for previous periods.

(3) TERRITORIES AND TRIBES.—

(A) IN GENERAL.—For each fiscal year, from amounts appropriated under subsection

(c)(1), the Secretary shall make payments to territories, and Indian Tribes and tribal organizations, as the case may be, with applications submitted as described in subparagraph (B), and approved by the Secretary for the purpose of carrying out the child care program described in this section, consistent, to the extent practicable as determined by the Secretary (subject to subsection (d)(2)), with the requirements applicable to States.

(B) APPLICATIONS.—

(i) TERRITORIES.—A territory seeking a payment under this paragraph shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may specify.

(ii) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—An Indian Tribe or a tribal organization seeking a payment under this paragraph shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may specify.

(C) COSTS.—The Secretary shall make the payments to such territories, Indian Tribes, and

tribal organizations on the basis of their relative need. Each entity that is such a territory, Indian Tribe, or tribal organization shall be entitled to such a payment as may be necessary to pay for 100 percent of the expenses of carrying out the activities described in subsection (h)(1), and to pay for 100 percent of the costs of administration incurred by the entity, which shall include costs incurred by the entity in carrying out the child care program, and which may include, at the option of the entity, costs associated with carrying out requirements, policies, and procedures described in section 658H of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858f).

(h) USE OF FUNDS.—

(1) USE OF FUNDS.—

(A) IN GENERAL.—Starting on October 1, 2026, a State shall use amounts provided to the State under subsection (g)(1) for direct child care services (provided on a sliding fee scale basis), activities to improve the quality and supply of child care services consistent with subparagraph (C), and State administration consistent with subsection (g)(1)(C).

1 (B) CHILD CARE ASSISTANCE FOR ELIGI-  
2 BLE CHILDREN.—

3 (i) IN GENERAL.—For fiscal year  
4 2026 and each subsequent fiscal year,  
5 from payments made to the State under  
6 subsection (g)(1) for that particular fiscal  
7 year, the State shall ensure that parents of  
8 eligible children can access direct child  
9 care services provided by an eligible child  
10 care provider under this section through a  
11 grant or contract as described in clause (ii)  
12 or a certificate as described in clause (iii).

13 (ii) GRANTS AND CONTRACTS.—The  
14 State shall award grants or contracts to el-  
15 igible child care providers, consistent with  
16 the requirements under this section, for  
17 the provision of child care services for eli-  
18 gible children under this section that, at a  
19 minimum—

20 (I) support providers' operating  
21 expenses to meet and sustain health,  
22 safety, quality, licensing, and wage  
23 standards required under this section;  
24 and

1 (II) address underserved popu-  
2 lations described in subsection  
3 (f)(3)(H).

4 (iii) CERTIFICATES.—The State shall  
5 issue a child care certificate directly to a  
6 parent who shall use such certificate only  
7 as payment for direct child care services or  
8 as a deposit for direct child care services if  
9 such a deposit is required of other children  
10 being cared for by the provider, consistent  
11 with the requirements under this section.

12 (C) ACTIVITIES TO IMPROVE THE QUALITY  
13 AND SUPPLY OF CHILD CARE SERVICES.—

14 (i) QUALITY CHILD CARE ACTIVI-  
15 TIES.—

16 (I) AMOUNT.—For fiscal year  
17 2026 and each subsequent fiscal year,  
18 from the total of the payments made  
19 to the State for a particular fiscal  
20 year, the State shall reserve and use  
21 a quality child care amount equal to  
22 not less than 5 percent and not more  
23 than 10 percent of the amount made  
24 available to the State through such  
25 payments for the previous fiscal year.

(II) USE OF QUALITY CHILD

CARE AMOUNT.—Each State shall use the quality child care amount described in subclause (I) to implement activities described in this subparagraph to improve the quality and supply of child care services by eligible child care providers, and increase the number of available slots in the State for child care services funded under this section, prioritizing assistance for child care providers who are in underserved communities and who are providing, or are seeking to provide, child care services for underserved populations identified in subsection (f)(3)(H).

(III) ADMINISTRATION.—Activi-

ties funded under this subparagraph may be administered—

(aa) directly by the lead

agency; or

(bb) through other State

government agencies, local or re-

gional child care resource and re-



1           ferral organizations, community  
2           development financial institu-  
3           tions, other intermediaries with  
4           experience supporting child care  
5           providers, or other appropriate  
6           entities that enter into a contract  
7           with the State to provide such  
8           assistance.

9           (ii) QUALITY AND SUPPLY ACTIVI-  
10          TIES.—Activities funded under the quality  
11          child care amount described in clause (i)  
12          shall include each of the following:

13                   (I) STARTUP GRANTS AND SUP-  
14                   PLY EXPANSION GRANTS.—

15                           (aa) IN GENERAL.—From a  
16                           portion of the quality child care  
17                           amount, a State shall make start-  
18                           up and supply expansion grants  
19                           to support child care providers  
20                           who are providing, or seeking to  
21                           provide, child care services to  
22                           children receiving assistance  
23                           under this section, with priority  
24                           for providers providing or seeking  
25                           to provide child care in under-

1 served communities and for un-  
 2 derserved populations identified  
 3 in subsection (f)(3)(H), to—

4 (AA) support startup  
 5 and expansion costs; and

6 (BB) assist such pro-  
 7 viders in meeting health and  
 8 safety requirements, achiev-  
 9 ing licensure, conducting  
 10 background checks, and  
 11 meeting requirements in the  
 12 State's tiered system for  
 13 measuring and supporting  
 14 the quality of eligible child  
 15 care providers.

16 (bb) REQUIREMENT.—As a  
 17 condition of receiving a startup  
 18 or supply expansion grant under  
 19 this subclause, a child care pro-  
 20 vider shall commit to meeting the  
 21 requirements of an eligible pro-  
 22 vider under this section, and pro-  
 23 viding child care services to chil-  
 24 dren receiving assistance under  
 25 this section on an ongoing basis.

1 (II) QUALITY GRANTS.—From a  
2 portion of the quality child care  
3 amount, a State shall provide quality  
4 grants to support eligible child care  
5 providers in providing child care serv-  
6 ices to children receiving assistance  
7 under this section to improve the  
8 quality of such providers, including—

9 (aa) supporting such pro-  
10 viders in meeting or making  
11 progress toward the requirements  
12 for the highest tier of the State’s  
13 tiered system for measuring and  
14 supporting the quality of eligible  
15 child care providers under sub-  
16 section (f)(3)(B); and

17 (bb) supporting such pro-  
18 viders in sustaining child care  
19 quality, including supporting in-  
20 creased wages for staff and sup-  
21 porting payment of fixed costs.

22 (III) FACILITIES GRANTS.—

23 (aa) IN GENERAL.—From a  
24 portion of the quality child care  
25 amount, a State shall provide

1 support, including through  
2 awarding facilities grants, for re-  
3 modeling, renovation, or repair of  
4 a building or facility to the ex-  
5 tent permitted under section  
6 658F(b) of the Child Care and  
7 Development Block Grant Act of  
8 1990 (42 U.S.C. 9858d(b)).

9 (bb) ADDITIONAL USES.—

10 For fiscal year 2026 and subse-  
11 quent fiscal years, a State may  
12 award such facilities grants for  
13 construction, permanent improve-  
14 ment, or major renovation of a  
15 building or facility primarily used  
16 for providing direct child care  
17 services, in accordance with the  
18 following:

19 (AA) Federal interest  
20 provisions will not apply to  
21 the renovation or rebuilding  
22 of privately owned family  
23 child care homes under this  
24 subclause.

1 (BB) Eligible child care  
 2 providers may not use funds  
 3 for buildings or facilities  
 4 that are used primarily for  
 5 sectarian instruction or reli-  
 6 gious worship.

7 (CC) The Secretary  
 8 shall develop parameters on  
 9 the use of funds under this  
 10 subclause for family child  
 11 care homes.

12 (DD) The Secretary  
 13 shall not retain Federal in-  
 14 terest after a period of 10  
 15 years in any facility built,  
 16 renovated, or repaired with  
 17 funds awarded under this  
 18 subclause.

19 (IV) STATE ACTIVITIES TO IM-  
 20 PROVE THE QUALITY OF CHILD CARE  
 21 SERVICES.—A State shall use a por-  
 22 tion of the quality child care amount  
 23 to improve the quality of child care  
 24 services available for this program,  
 25 which shall include—

1           (aa) supporting the training  
2           and professional development of  
3           the early childhood workforce, in-  
4           cluding supporting degree attain-  
5           ment, continued education, and  
6           credentialing for early childhood  
7           educators;

8           (bb)     developing,     imple-  
9           menting,     or     enhancing     the  
10          State's tiered system for meas-  
11          uring and supporting the quality  
12          of eligible child care providers  
13          under subsection (f)(3)(B);

14          (cc) improving the supply  
15          and quality of developmentally  
16          appropriate and inclusive child  
17          care programs and services for  
18          underserved populations de-  
19          scribed in subsection (f)(3)(H);

20          (dd) improving access to  
21          child care services for vulnerable  
22          children as defined by the lead  
23          agency pursuant to subsection  
24          (b)(4)(A)(iv)(II);

1 (ee) providing outreach and  
2 enrollment support for families of  
3 eligible children;

4 (ff) supporting eligible child  
5 care providers to eliminate use of  
6 suspensions, expulsions, and  
7 aversive behavioral interventions,  
8 including through adaptations  
9 and interventions by special edu-  
10 cators, mental health consultants,  
11 and other community resource  
12 personnel, such as behavior  
13 coaches, psychologists, and other  
14 appropriate specialists, and  
15 through the provision of mental  
16 health services for the providers;

17 (gg) improving coordination  
18 between States and local govern-  
19 ment with respect to licensing  
20 and other regulatory require-  
21 ments for eligible child care pro-  
22 viders; and

23 (hh) establishing or sup-  
24 porting a system of local or re-  
25 gional child care resource and re-

1           ferral organizations that is co-  
2           ordinated, to the extent deter-  
3           mined appropriate by the State,  
4           by a statewide public or private  
5           nonprofit, community-based or  
6           regionally based, lead child care  
7           resource and referral organiza-  
8           tion, as described in section  
9           658E(c)(3)(B)(iii) of the Child  
10          Care and Development Block  
11          Grant Act of 1990 (42 U.S.C.  
12          9858c(c)(3)(B)(iii)).

13           (V) TECHNICAL ASSISTANCE.—  
14          From a portion of the quality child  
15          care amount, the State, in coordina-  
16          tion with local governments and  
17          staffed family child care networks as  
18          appropriate, shall provide technical as-  
19          sistance to increase the supply and  
20          quality of eligible child care providers  
21          who are providing, or seeking to pro-  
22          vide, child care services to children re-  
23          ceiving assistance under this section,  
24          including providing support to enable  
25          providers to achieve licensure.



1 (i) GRANTS TO LOCALITIES AND AWARDS TO HEAD  
2 START PROGRAMS.—

3 (1) ELIGIBLE LOCALITY DEFINED.—In this  
4 subsection, the term “eligible locality” means a city,  
5 county, or other unit of general local government.

6 (2) GRANTS TO LOCALITIES.—

7 (A) IN GENERAL.—After reserving a por-  
8 tion of the funds appropriated under subsection  
9 (c)(2), the Secretary shall use the portion to  
10 award local Birth Through Five Child Care and  
11 Early Learning Grants, as determined by the  
12 Secretary, to eligible localities located in States  
13 that have not received payments under sub-  
14 section (g). The Secretary shall award the  
15 grants to eligible localities in such a State from  
16 the allotment made for that State under sub-  
17 paragraph (B).

18 (B) ALLOTMENTS.—

19 (i) POVERTY LINE DEFINED.—In this  
20 subparagraph, the term “poverty line”  
21 means the poverty line defined and revised  
22 as described in section 673 of the Commu-  
23 nity Services Block Grant Act (42 U.S.C.  
24 9902).

1                   (ii) GENERAL AUTHORITY.—For each  
2                   State described in subparagraph (A), the  
3                   Secretary shall allot for the State for a fis-  
4                   cal year an amount that bears the same re-  
5                   lationship to the portion described in sub-  
6                   paragraph (A) for the fiscal year as the  
7                   number of children from families with fam-  
8                   ily incomes that are at or below 200 per-  
9                   cent of the poverty line, and who are under  
10                  the age of 6, in the State bears to the total  
11                  number of all such children in all States  
12                  described in subparagraph (A).

13               (C) APPLICATION.—To receive a grant  
14               from the corresponding State allotment under  
15               subparagraph (B), an eligible locality shall sub-  
16               mit an application to the Secretary at such  
17               time, in such manner, and containing such in-  
18               formation as the Secretary may require. The re-  
19               quirements for the application shall, to the  
20               greatest extent practicable, be consistent with  
21               the State plan requirements applicable to States  
22               under subsection (f).

23               (D) REQUIREMENTS.—The Secretary shall  
24               specify the requirements for an eligible locality  
25               to provide access to child care, which child care

requirements shall, to the greatest extent practicable, be consistent with the requirements applicable to States under this section.

(E) RECOUPMENT OF UNUSED FUNDS.—

Notwithstanding any other provision of this section, for each of fiscal years 2026 through 2030, the Secretary shall have the authority to recoup any unused funds allotted under subparagraph (B) for awards under paragraph (3)(A) to Head Start agencies in accordance with paragraph (3).

(3) HEAD START EXPANSION IN NONPARTICIPATING STATES.—

(A) IN GENERAL.—The Secretary shall use funds appropriated under subsection (c)(2) and not reserved under paragraph (2)(A) and funds recouped under paragraph (2) to make awards to Head Start agencies in a State described in paragraph (2)(A) to carry out the purposes of the Head Start Act (42 U.S.C. 9831 et seq.) in such State.

(B) RULE.—For purposes of carrying out the Head Start Act in circumstances not involving awards under this paragraph, funds awarded under subparagraph (A) shall not be in-

1           cluded in the calculation of a “base grant” as  
 2           such term is defined in section 640(a)(7)(A) of  
 3           the Head Start Act (42 U.S.C. 9835(a)(7)(A)).

4           (C) DEFINITION.—In this paragraph, the  
 5           term “Head Start agency” means an entity des-  
 6           ignated or eligible to be designated as a Head  
 7           Start agency under section 641(a)(1) of the  
 8           Head Start Act (42 U.S.C. 9836(a)(1)) or as  
 9           an Early Head Start agency (by receiving a  
 10          grant) under section 645A(a) of such Act (42  
 11          U.S.C. 9840a(a)(1)).

12          (4) PRIORITY FOR SERVING UNDERSERVED  
 13          POPULATIONS.—In making determinations to award  
 14          a grant or make an award under this subsection, the  
 15          Secretary shall give priority to entities serving a  
 16          high percentage of individuals from underserved  
 17          populations described in subsection (f)(3)(H).

18          (j) PROGRAM REQUIREMENTS.—

19          (1) PROHIBITION ON ADDITIONAL ELIGIBILITY  
 20          REQUIREMENTS.—No individual shall be determined,  
 21          by the Secretary, a State, or another recipient of  
 22          funds under this section, to be ineligible for child  
 23          care services provided under this section, except on  
 24          the basis of eligibility requirements specified in or  
 25          under this section.

1 (2) MAINTENANCE OF EFFORT.—

2 (A) IN GENERAL.—A State that receives  
3 payments under this section for a fiscal year, in  
4 using the funds made available through the  
5 payments, shall maintain the expenditures of  
6 the State for child care services at the average  
7 level of such expenditures by the State for the  
8 3 preceding fiscal years.

9 (B) COUNTING RULE.—State expenditures  
10 counted for purposes of meeting the require-  
11 ment in subparagraph (A) may also be counted  
12 for purposes of meeting the requirement to pro-  
13 vide a non-Federal share under subparagraph  
14 (A), (B), or (C), as appropriate, of subsection  
15 (g)(1).

16 (3) SUPPLEMENT NOT SUPPLANT.—Funds re-  
17 ceived under this section shall be used to supplement  
18 and not supplant other Federal, State, and local  
19 public funds expended to provide child care services  
20 in the State on the date of enactment of this Act,  
21 calculated as the average amount of such Federal,  
22 State, and local public funds expended for fiscal year  
23 2026 and each subsequent fiscal year that ended be-  
24 fore the date on which the average is calculated.

1           (4) ALLOWABLE SOURCES OF NON-FEDERAL  
2     SHARE.—For purposes of providing the non-Federal  
3     share required under subsection (g)(1), a State’s  
4     non-Federal share—

5           (A) for direct child care services described  
6     in subsection (g)(1)(A)—

7           (i) shall not include contributions  
8     being used as a non-Federal share or  
9     match for another Federal award; and

10          (ii) shall be provided from State or  
11     local sources, contributions from philan-  
12     thropy or other private organizations, or a  
13     combination of such sources and contribu-  
14     tions; and

15          (B) for activities to improve the quality  
16     and supply of child care services described in  
17     subsection (g)(1)(B), and administration de-  
18     scribed in subsection (g)(1)(C)—

19          (i) shall not include contributions  
20     being used as a non-Federal share or  
21     match for another Federal award;

22          (ii) shall be provided from State or  
23     local sources, contributions from philan-  
24     thropy or other private organizations, or a

1 combination of such sources and contribu-  
2 tions; and

3 (iii) may be in cash or in-kind, fairly  
4 evaluated, including facilities or property,  
5 equipment, or services.

6 (5) REPORTS.—A State, Indian Tribe, tribal or-  
7 ganization, or territory receiving funds under this  
8 section shall provide to the Secretary such periodic  
9 reports, providing a detailed accounting of the uses  
10 of the funds received under this section, as the Sec-  
11 retary may require for the administration of this  
12 section. The State, Indian Tribe, tribal organization,  
13 or territory shall begin to provide the reports begin-  
14 ning not later than 60 days after its initial receipt  
15 of a payment under subsection (g).

16 (k) MONITORING AND ENFORCEMENT.—

17 (1) REVIEW OF COMPLIANCE WITH REQUIRE-  
18 MENTS AND STATE PLAN.—The Secretary shall re-  
19 view and monitor compliance of States, territories,  
20 tribal entities, and local entities with this section  
21 and State compliance with the State plan described  
22 in subsection (f)(3).

23 (2) ISSUANCE OF RULE.—The Secretary shall  
24 establish by rule procedures for—

1 (A) receiving, processing, and determining  
2 the validity of complaints or findings concerning  
3 any failure of a State to comply with the State  
4 plan or any other requirement of this section;

5 (B) notifying a State when the Secretary  
6 has determined there has been a failure by the  
7 State to comply with a requirement of this sec-  
8 tion; and

9 (C) imposing sanctions under this sub-  
10 section for such a failure.

11 (l) FEDERAL ADMINISTRATION.—Using funds re-  
12 served under subsection (c)(3), the Secretary shall carry  
13 out administration of this section, shall provide (including  
14 through the use of grants or cooperative agreements) tech-  
15 nical assistance to States, territories, Indian Tribes, and  
16 tribal organizations, and shall carry out research, and  
17 evaluations related to this section.

18 (m) NONPOSTSECONDARY EDUCATION PROGRAM.—  
19 For purposes of section 401 of the Personal Responsibility  
20 and Work Opportunity Reconciliation Act of 1996 (8  
21 U.S.C. 1611), the program carried out under this section  
22 shall be considered to be a program of nonpostsecondary  
23 education.



1 **TITLE VII—ESTABLISHING A**  
2 **\$60,000 A YEAR MINIMUM SAL-**  
3 **ARY FOR EVERY PUBLIC**  
4 **SCHOOL TEACHER IN THE**  
5 **UNITED STATES**

6 **SEC. 701. PURPOSES.**

7 The purposes of this title are to—

8 (1) ensure public elementary and secondary  
9 school teachers earn a livable and competitive salary  
10 that—

11 (A) includes a starting annual base salary  
12 of not less than \$60,000; and

13 (B) increases regularly throughout a teach-  
14 er's career;

15 (2) increase Federal investments in public  
16 schools; and

17 (3) call upon States and local governments to  
18 increase investments in public education in order to  
19 ensure that every public school student is taught by  
20 a qualified teacher.

21 **SEC. 702. DEFINITIONS.**

22 (a) **DEFINITIONS.**—In this title:

23 (1) **ESEA TERMS.**—The terms “elementary  
24 school”, “outlying area”, and “secondary school”  
25 have the meanings given those terms in section 8101

1 of the Elementary and Secondary Education Act of  
2 1965 (20 U.S.C. 7801).

3 (2) ANNUAL ADJUSTMENT PERCENTAGE.—The  
4 term “annual adjustment percentage”, with respect  
5 to a fiscal year, means a percentage equal to the es-  
6 timated percentage change in the Consumer Price  
7 Index, as determined by the Secretary, for the most  
8 recent calendar year ending prior to the beginning of  
9 such fiscal year.

10 (3) ANNUAL BASE SALARY.—The term “annual  
11 base salary”—

12 (A) means the base salary, calculated as  
13 an annual rate of pay, of a full-time teacher;  
14 and

15 (B) excludes—

16 (i) any additional compensation  
17 earned by the teacher for taking on addi-  
18 tional responsibilities (such as coaching or  
19 teaching during the summer or after  
20 school); and

21 (ii) bonuses, stipends, and awards.

22 (4) AVERAGE TEACHER SALARY BASELINES.—  
23 The term “average teacher salary baselines” means,  
24 for each of the following years of service as teachers,  
25 the average annual base salaries of all full-time

1 teachers employed by local educational agencies in  
2 the State:

3 (A) 0 years, or starting teacher salaries.

4 (B) 3 years.

5 (C) 5 years.

6 (D) 10 years.

7 (E) 15 years.

8 (F) 20 years.

9 (G) 25 years.

10 (5) CONSUMER PRICE INDEX.—The term “Con-  
11 sumer Price Index” has the meaning given the term  
12 in section 478(f) of the Higher Education Act of  
13 1965 (20 U.S.C. 1087rr(f)).

14 (6) MINIMUM SALARY FOR TEACHERS.—The  
15 term “minimum salary for teachers” means an  
16 amount, determined by the State, that all full-time  
17 teachers employed by a local educational agency are,  
18 at a minimum, required by the State to be com-  
19 pensated by such agency as their annual base salary,  
20 and which—

21 (A) for teachers in their first year of  
22 teaching, shall be an annual rate of pay that is  
23 not less than the amount described in sub-  
24 section (b); and

1 (B) for teachers with more than 2 years of  
2 experience, shall be an annual rate of pay  
3 that—

4 (i) is greater than the amount de-  
5 scribed in subsection (b); and

6 (ii) increases as the experience of a  
7 teacher increases.

8 (7) SECRETARY.—The term “Secretary” means  
9 the Secretary of Education.

10 (8) TEACHER.—The term “teacher” means—

11 (A) an employee of a local educational  
12 agency—

13 (i) with a primary duty of teaching  
14 and who is employed and engaged in teach-  
15 ing in a public elementary school or sec-  
16 ondary school served by such agency and is  
17 not a substitute teacher;

18 (ii) who fully meets all applicable pub-  
19 lic elementary school or secondary school  
20 teacher certification and licensure require-  
21 ments of the State in which the school is  
22 located; and

23 (iii) if the teacher is a special edu-  
24 cation teacher, who meets the qualifica-  
25 tions described in section 612(a)(14)(C) of

1           the Individuals with Disabilities Education  
2           Act; and

3           (B) other full-time public elementary  
4           school or secondary school personnel employed  
5           by a local educational agency whose annual  
6           base salary is determined in accordance with  
7           such agency's salary schedule or system for a  
8           full-time teacher.

9       (b) SPECIAL RULES.—

10           (1) IN GENERAL.—For each fiscal year, the  
11           amount described in subsection (a)(6)(A) shall be  
12           determined under this subsection.

13           (2) FISCAL YEARS 2027 THROUGH 2031.—For  
14           each of fiscal years 2027 through 2031, the amount  
15           described in subsection (a)(6)(A) is \$60,000.

16           (3) FISCAL YEARS 2032 AND AFTER.—

17           (A) IN GENERAL.—For the fiscal year pe-  
18           riod 2032 through 2036 and for each subse-  
19           quent 5 fiscal year period, the amount described  
20           in subsection (a)(6)(A) shall be adjusted for in-  
21           flation as described in subparagraph (B).

22           (B) DETERMINATION.—The amount shall  
23           be equal to the amount applicable for the pre-  
24           vious 5 fiscal year period, increased by the  
25           greater of—

- 1 (i) the aggregate annual adjustment  
 2 percentage over the previous 5 fiscal years;  
 3 or  
 4 (ii) 2 percent of the amount applicable  
 5 under this subsection for the previous 5  
 6 fiscal year period.

7 **SEC. 703. ENSURING TEACHERS ARE PAID A LIVABLE AND**  
 8 **COMPETITIVE WAGE.**

9 (a) AUTHORIZATION AND APPROPRIATIONS FOR  
 10 STATES.—

11 (1) IN GENERAL.—There are authorized to be  
 12 appropriated to carry out this section such sums as  
 13 may be necessary for fiscal year 2027 and each suc-  
 14 ceeding fiscal year.

15 (2) APPROPRIATIONS FOR STATES.—In addition  
 16 to amounts otherwise available to carry out this sec-  
 17 tion, there are appropriated, out of any money in the  
 18 Treasury not otherwise appropriated, to the Sec-  
 19 retary to carry out this section—

20 (A) for fiscal year 2027, \$14,500,000,000;  
 21 and

22 (B) for each succeeding fiscal year, the  
 23 amount appropriated under this section for the  
 24 preceding fiscal year, increased by the annual  
 25 adjustment percentage.

1 (b) PROGRAM AUTHORIZED.—

2 (1) IN GENERAL.—From amounts made avail-  
 3 able to carry out this section, and after making the  
 4 reservations described in paragraph (2), the Sec-  
 5 retary shall award grants, through allotments de-  
 6 scribed in paragraph (3), to States to enable States  
 7 to guarantee that all teachers employed by local edu-  
 8 cational agencies in the State are compensated with  
 9 a livable and competitive salary, which shall be an  
 10 amount that—

11 (A) is at least the minimum salary for  
 12 teachers;

13 (B) increases throughout each teacher's  
 14 career; and

15 (C) is, to the greatest extent practicable,  
 16 commensurate with annual salaries for college-  
 17 educated and similarly experienced professionals  
 18 in the region in which such agencies are lo-  
 19 cated, as determined in accordance with proce-  
 20 dures and requirements established by the Sec-  
 21 retary.

22 (2) RESERVATIONS.—

23 (A) IN GENERAL.—From the amount ap-  
 24 propriated under subsection (a) for a fiscal  
 25 year, the Secretary shall reserve—

1 (i) one-half of 1 percent for allotments  
2 for payments to the outlying areas, to be  
3 distributed among those outlying areas on  
4 the basis of their relative need, as deter-  
5 mined by the Secretary, to ensure that  
6 teachers are paid a livable and competitive  
7 salary, in accordance with the purposes of  
8 this title;

9 (ii) one-half of 1 percent for the Sec-  
10 retary of the Interior to be allocated by the  
11 Director of the Bureau of Indian Edu-  
12 cation for programs or activities operated  
13 or funded by the Bureau for Bureau-fund-  
14 ed schools (as defined in section 1141 of  
15 the Education Amendments of 1978 (25  
16 U.S.C. 2021)) to ensure teachers are paid  
17 a livable and competitive salary, in accord-  
18 ance with the purposes of this title; and

19 (iii) 1 percent for program adminis-  
20 tration, technical assistance, and data col-  
21 lection for the program under this section.

22 (B) SPECIAL RULE.—Notwithstanding any  
23 other provision of this title, the requirements of  
24 this section and section 702 shall not apply to  
25 recipients described in clause (i) and (ii) of sub-



1 paragraph (A), except that such recipients shall  
2 use funds described in this paragraph to ensure  
3 that teachers are paid a livable and competitive  
4 salary.

5 (3) ALLOTMENTS.—

6 (A) IN GENERAL.—After making the res-  
7ervations under paragraph (2), the Secretary  
8 shall allot 50 percent of the remaining amount  
9 appropriated under subsection (a) in accordance  
10 with subparagraph (B) and allot the other 50  
11 percent of such remaining amount in accord-  
12ance with subparagraph (C).

13 (B) TARGETED FORMULA.—From an  
14 amount equal to 50 percent of the amounts ap-  
15propriated under subsection (a) and remaining  
16after the reservations of funds under paragraph  
17(2) (referred to in this section as the “targeted  
18formula amounts”), the Secretary shall allot to  
19each State having a plan approved by the Sec-  
20retary under subsection (d) an amount that  
21bears the same relationship to such targeted  
22formula amounts as the total amount that local  
23educational agencies in the State received under  
24section 1125 of the Elementary and Secondary  
25Education Act of 1965 (20 U.S.C. 6335) for

1 the preceding fiscal year bears to the amount  
2 all local educational agencies in all States re-  
3 ceived under such section for the preceding fis-  
4 cal year.

5 (C) EFIG FORMULA.—From an amount  
6 equal to 50 percent of the amounts appro-  
7 priated under subsection (a) and remaining  
8 after the reservations of funds under paragraph  
9 (2) (referred to in this section as the “EFIG  
10 formula amounts”), the Secretary shall allot to  
11 each State having a plan approved by the Sec-  
12 retary under subsection (d) an amount that  
13 bears the same relationship to such EFIG for-  
14 mula amounts as the amount the State received  
15 under section 1125A of the Elementary and  
16 Secondary Education Act of 1965 (20 U.S.C.  
17 20 U.S.C. 6337) for the preceding fiscal year  
18 bears to the amount all States received under  
19 such section for the preceding fiscal year.

20 (D) FINAL ALLOTMENTS.—For the pur-  
21 poses of this section, a State’s allotment shall  
22 be the sum of a State’s allotments calculated  
23 under subparagraph (B) and subparagraph (C).

24 (c) IMPROVING TEACHER SALARIES.—

1           (1) IN GENERAL.—Subject to paragraph (3), a  
2       State that receives an allotment under this section  
3       shall ensure that the annual base salary of a full-  
4       time teacher employed by a local educational agency  
5       in the State is an amount that—

6           (A) is at least the minimum salary for  
7       teachers;

8           (B) increases throughout each teacher's  
9       career; and

10          (C) is, to the greatest extent practicable,  
11       commensurate with annual salaries for college-  
12       educated and similarly experienced professionals  
13       in the region in which such agencies are lo-  
14       cated, as determined in accordance with proce-  
15       dures and requirements established by the Sec-  
16       retary.

17          (2) COMPLIANCE.—To comply with paragraph  
18       (1), a State shall adopt one or more of the following  
19       laws or policies to ensure that every full-time teacher  
20       employed by a local educational agency in the State  
21       receives an annual base salary that is not less than  
22       the minimum salary for teachers:

23           (A) A statewide salary schedule that en-  
24       sures that the salary of every full-time teacher

1 employed by a local educational agency in the  
2 State is—

3 (i) an amount not less than the min-  
4 imum salary for teachers established by  
5 the State under subsection (d)(1)(A); and  
6 (ii) increases as the experience of a  
7 teacher increases.

8 (B) A statewide minimum annual base sal-  
9 ary for teachers who are in their first year of  
10 teaching that not less than the minimum salary  
11 for teachers established by the State under sub-  
12 section (d)(1)(A).

13 (C) A State law to increase salaries for  
14 teachers.

15 (3) TIMING.—The Secretary shall ensure that,  
16 not later than 3 years after a State receives an allot-  
17 ment under this section, each such State meets the  
18 teacher salary requirements described in paragraph  
19 (1).

20 (d) STATE PLAN.—

21 (1) IN GENERAL.—In order to receive an allot-  
22 ment under subsection (b)(3), a State shall submit  
23 a State plan to the Secretary at such time, in such  
24 manner, and containing such information as the Sec-

1       retary may reasonably require. Such State plan shall  
2       include, at a minimum each of the following:

3               (A) A description of the State's minimum  
4       salary for teachers, including the State's plan  
5       to ensure that the State will meet the require-  
6       ments of subsection (c)(1) not later than 3  
7       years after the State receives an allotment  
8       under this section.

9               (B) A description of the State's plan to in-  
10      crease the State's per-pupil expenditures or the  
11      aggregate expenditures of the State with re-  
12      spect to the provision of free public education  
13      in the State, in a manner that—

14               (i) supports local educational agencies  
15      in increasing salaries or wages for teach-  
16      ers, paraprofessionals, specialized instruc-  
17      tional support personnel, classified school  
18      employees, principals, other school leaders,  
19      school librarians, school bus drivers, and  
20      other staff across their careers, including  
21      through providing increased resources to  
22      local educational agencies; and

23               (ii) does not—

24               (I) increase average class sizes or  
25      student to full-time equivalent teacher

1 ratios at the State, local educational  
2 agency, or school level;

3 (II) reduce planning time; or

4 (III) require teachers to teach  
5 additional classes.

6 (C) An identification, with respect to the  
7 average teacher salary baselines in the most re-  
8 cent fiscal year, of the statewide average and  
9 the average in each local educational agency in  
10 the State.

11 (D) An identification of the number and  
12 percentage of teachers employed by local edu-  
13 cational agencies in the State who earn a salary  
14 of less than \$60,000 annually, disaggregated by  
15 each period of service specified in the average  
16 teacher salary baselines, across the State and in  
17 each such local educational agency.

18 (E) A description of the State's plan to  
19 comply with the equitable distribution of teach-  
20 ers requirement under section 1111(g)(1)(B) of  
21 the Elementary and Secondary Education Act  
22 of 1965 (20 U.S.C. 6311(g)(1)(B)).

23 (2) PUBLIC COMMENT.—Each State shall make  
24 the State plan publicly available for public comment  
25 for a period of not less than 30 days, by electronic

1 means and in an easily accessible format, prior to  
2 submission to the Secretary for approval under this  
3 subsection. Upon submission, the State plan shall in-  
4 clude a summary of the comments submitted to the  
5 Secretary, with a description of how the State ad-  
6 dressed the comments, and make such summary  
7 with description publicly available on the website of  
8 the State educational agency.

9 (e) STATE USE OF FUNDS.—Each State that receives  
10 an allotment under subsection (b) shall—

11 (1) reserve not more than 1 percent of the  
12 amounts allotted to the State under subsection  
13 (b)(3)(D) to provide technical assistance and con-  
14 duct monitoring to ensure that all local educational  
15 agencies meet the requirements described in sub-  
16 section (c);

17 (2) reserve not more than 4 percent of the  
18 amounts allotted to the State under subsection  
19 (b)(3)(D) to conduct statewide efforts to—

20 (A) increase teacher compensation across  
21 the State in accordance with in subsection (c);

22 (B) identify and reform policies and prac-  
23 tices at the State, local educational agency, and  
24 school-level to promote excellent teaching for all

1 students, particularly subgroups of students;  
2 and

3 (C) address structural and organizational  
4 challenges in the teaching profession, in order  
5 to—

6 (i) raise the standards, status, and  
7 salaries of the teaching profession; and

8 (ii) attract and retain promising and  
9 talented young people to teaching; and

10 (3) from the amounts allotted to the State  
11 under subsection (b)(3)(D) that are remaining after  
12 reserving amounts under paragraphs (1) and (2), al-  
13 locate—

14 (A) 50 percent of such remaining amounts  
15 to local educational agencies in the State in ac-  
16 cordance with the targeted formula described in  
17 section 1125(b) of the Elementary and Sec-  
18 ondary Education Act of 1965 (20 U.S.C.  
19 6335(b)); and

20 (B) 50 percent of such remaining amounts  
21 to local educational agencies in the State in ac-  
22 cordance with the formula described in section  
23 1125A(d) of the Elementary and Secondary  
24 Education Act of 1965 (20 U.S.C. 6337(d)).



1       (f) REPORTING REQUIREMENTS.—Not later than 1  
2 year after receiving an allotment under this section and  
3 annually thereafter, a State that receives an allotment  
4 under this section shall submit a report to the Secretary  
5 and publish such report in a clear and easily accessible  
6 format on the website of the State. Such report shall con-  
7 tain any information required by the Secretary and in-  
8 clude, at a minimum—

9           (1) data on the average teacher salary baselines  
10       for the previous fiscal year, disaggregated by the  
11       statewide average and the average in each local edu-  
12       cational agency in the State;

13          (2) updated data on the number of teachers  
14       employed by local educational agencies in the State  
15       who earn less than the minimum salary for teachers,  
16       disaggregated by each period of service described in  
17       section 702(a)(4), across the State and employed by  
18       each local educational agency;

19          (3) a description of the actions the State edu-  
20       cational agency will take in the next fiscal year to  
21       support local educational agencies described in para-  
22       graph (2) in decreasing the number of teachers em-  
23       ployed by such agencies who earn less than the min-  
24       imum salary for teachers;

1           (4) a description of actions taken by the State  
2           to increase the State's per-pupil expenditures or the  
3           aggregate expenditures of the State with respect to  
4           the provision of free public education in the State,  
5           in a manner that—

6                   (A) supports local educational agencies in  
7                   increasing salaries or wages for teachers, para-  
8                   professionals, specialized instructional support  
9                   personnel, classified school employees, prin-  
10                  cipals, other school leaders, school librarians,  
11                  school bus drivers, and other staff across their  
12                  careers, including through providing increased  
13                  resources to local educational agencies; and

14                  (B) does not—

15                   (i) increase average class sizes or stu-  
16                   dent to full-time equivalent teacher ratios  
17                   at the State, local educational agency, or  
18                   school level;

19                   (ii) reduce planning time; or

20                   (iii) require teachers to teach addi-  
21                   tional classes; and

22           (5) a description of how the State improved the  
23           equitable distribution of teachers in such fiscal year,  
24           as required under section 1111(g)(1)(B) of the Ele-

1       mentary and Secondary Education Act of 1965 (20  
2       U.S.C. 6311(g)(1)(B)).

3 **SEC. 704. COLLECTIVE BARGAINING AND RELATED RULES.**

4       (a) RULE OF CONSTRUCTION FOR COLLECTIVE BAR-  
5 GAINING.—

6           (1) IN GENERAL.—Subject to paragraph (2),  
7       nothing in section 703 shall be construed to alter or  
8       otherwise affect the rights, remedies, and procedures  
9       afforded to school or local educational agency em-  
10      ployees under Federal, State, or local laws (including  
11      applicable regulations or court orders) or under the  
12      terms of collective bargaining agreements, memo-  
13      randa of understanding, or other agreements be-  
14      tween such employers and their employees.

15          (2) COMPLIANCE.—Paragraph (1) shall not be  
16      construed to exempt a State, local educational agen-  
17      cy, or school from complying with section 703 or  
18      from negotiating in compliance with State labor laws  
19      to comply with section 703.

20      (b) RULE OF CONSTRUCTION FOR ADDITIONAL PAY  
21 OR OTHER SALARY AUGMENTING SYSTEMS.—Nothing in  
22 section 703 shall be construed to prevent States or local  
23 educational agencies from supplementing the annual base  
24 salary of teachers or other staff employed by such agen-  
25 cies—

1 (1) for additional skills, knowledge, duties, and  
 2 responsibilities;

3 (2) by salary systems that increase teachers'  
 4 compensation through supplemental pay that is not  
 5 part of an annual base salary; or

6 (3) through the provision of bonuses, stipends,  
 7 or awards.

8 **TITLE VIII—INVESTMENTS IN**  
 9 **HOME AND COMMUNITY-**  
 10 **BASED SERVICES AND LONG-**  
 11 **TERM CARE QUALITY AND**  
 12 **WORKFORCE**

13 **SEC. 801. HCBS IMPROVEMENT PLANNING GRANTS.**

14 (a) FUNDING.—

15 (1) IN GENERAL.—In addition to amounts oth-  
 16 erwise available, there is appropriated to the Sec-  
 17 retary for fiscal year 2027, out of any money in the  
 18 Treasury not otherwise appropriated, \$130,000,000,  
 19 to remain available until expended, for carrying out  
 20 this section.

21 (2) TECHNICAL ASSISTANCE AND GUIDANCE.—

22 In addition to amounts otherwise available, there is  
 23 appropriated to the Secretary for fiscal year 2027,  
 24 out of any money in the Treasury not otherwise ap-  
 25 propriated, \$5,000,000, to remain available until ex-

1       pended, for purposes of issuing guidance and pro-  
2       viding technical assistance to States intending to  
3       apply for, or which are awarded, a planning grant  
4       under this section, and for other administrative ex-  
5       penses related to awarding planning grants under  
6       this section.

7       (b) AWARD AND USE OF GRANTS.—

8           (1) DEADLINE FOR AWARD OF GRANTS.—From  
9       the amount appropriated under subsection (a)(1),  
10      the Secretary, not later than 12 months after the  
11      date of enactment of this Act, shall solicit State re-  
12      quests for HCBS improvement planning grants and  
13      award such grants to all States that meet such re-  
14      quirements as determined by the Secretary.

15          (2) USE OF FUNDS.—Subject to paragraph (3),  
16      a State awarded a planning grant under this section  
17      shall use the grant to carry out planning activities  
18      for purposes of developing and submitting to the  
19      Secretary an HCBS improvement plan for the State  
20      that meets the requirements of subsection (c). A  
21      State may use planning grant funds to support ac-  
22      tivities related to the implementation of the HCBS  
23      improvement plan for the State.

24          (3) LIMITATION ON USE OF FUNDS.—None of  
25      the funds awarded to a State under this section may

1 be used by a State as the source of the non-Federal  
 2 share of expenditures under the State Medicaid pro-  
 3 gram.

4 (c) HCBS IMPROVEMENT PLAN REQUIREMENTS.—

5 (1) CONTENT.—The Secretary shall define the  
 6 content requirements for an HCBS improvement  
 7 plan, which, at minimum, shall include an assess-  
 8 ment of access barriers to home and community-  
 9 based services and the availability (as defined by the  
 10 Secretary) of such services in the State, a descrip-  
 11 tion of Medicaid payment rates for such services, a  
 12 description of the current workforce of direct care  
 13 workers, the percentage of expenditures made by the  
 14 State for long-term services and supports that are  
 15 for home and community-based services, and a de-  
 16 scription of how the State will meet the require-  
 17 ments of the HCBS Improvement Program.

18 (2) SUBMISSION; APPROVAL; AMENDMENTS.—

19 Not later than 24 months after the date on which  
 20 a State is awarded a planning grant under this sec-  
 21 tion, the State shall submit an HCBS improvement  
 22 plan for approval by the Secretary, along with assur-  
 23 ances by the State that the State will implement the  
 24 plan in accordance with the requirements of the  
 25 HCBS Improvement Program. The Secretary shall

1 approve the HCBS improvement plan for a State  
2 after the plan and such assurances are submitted to  
3 the Secretary for approval and the Secretary deter-  
4 mines the plan meets the requirements of this sub-  
5 section. A State may amend its HCBS improvement  
6 plan, subject to the approval of the Secretary that  
7 the plan as so amended meets the requirements of  
8 this subsection.

9 (d) DEFINITIONS.—In this part:

10 (1) DIRECT CARE WORKER.—The term “direct  
11 care worker” means, with respect to a State, any of  
12 the following individuals who are paid to provide di-  
13 rectly to Medicaid eligible individuals home and com-  
14 munity-based services available under the State  
15 Medicaid program:

16 (A) A registered nurse, licensed practical  
17 nurse, nurse practitioner, or clinical nurse spe-  
18 cialist, or a licensed nursing assistant who pro-  
19 vides such services under the supervision of a  
20 registered nurse, licensed practical nurse, nurse  
21 practitioner, or clinical nurse specialist.

22 (B) A direct support professional.

23 (C) A personal care attendant.

24 (D) A home health aide.

1           (E) Any other paid health care profes-  
 2           sional or worker determined to be appropriate  
 3           by the State and approved by the Secretary.

4           (2) HCBS IMPROVEMENT PROGRAM.—The term  
 5           “HCBS Improvement Program” means the program  
 6           established under subsection (ll) of section 1905 of  
 7           the Social Security Act (42 U.S.C. 1396d) (as added  
 8           by section 802).

9           (3) HCBS IMPROVEMENT PROGRAM STATE.—  
 10          The term “HCBS Improvement Program State”  
 11          means a State that is awarded a planning grant  
 12          under subsection (b) and has an HCBS improve-  
 13          ment plan approved by the Secretary under sub-  
 14          section (c)(2).

15          (4) HOME AND COMMUNITY-BASED SERV-  
 16          ICES.—The term “home and community-based serv-  
 17          ices” means any of the following (whether provided  
 18          on a fee-for-service, risk, or other basis):

19                (A) Home health care services authorized  
 20                under paragraph (7) of section 1905(a) of the  
 21                Social Security Act (42 U.S.C. 1396d(a)).

22                (B) Private duty nursing services author-  
 23                ized under paragraph (8) of such section, when  
 24                such services are provided in a Medicaid eligible  
 25                individual’s home.



1 (C) Personal care services authorized  
2 under paragraph (24) of such section.

3 (D) PACE services authorized under para-  
4 graph (26) of such section.

5 (E) Home and community-based services  
6 authorized under subsections (b), (c), (i), (j),  
7 and (k) of section 1915 of such Act (42 U.S.C.  
8 1396n), authorized under a waiver under sec-  
9 tion 1115 of such Act (42 U.S.C. 1315), or  
10 provided through coverage authorized under  
11 section 1937 of such Act (42 U.S.C. 1396u-7).

12 (F) Case management services authorized  
13 under section 1905(a)(19) of the Social Secu-  
14 rity Act (42 U.S.C. 1396d(a)(19)) and section  
15 1915(g) of such Act (42 U.S.C. 1396n(g)).

16 (G) Rehabilitative services, including those  
17 related to behavioral health, described in section  
18 1905(a)(13) of such Act (42 U.S.C.  
19 1396d(a)(13)).

20 (H) Such other services specified by the  
21 Secretary.

22 (5) MEDICAID ELIGIBLE INDIVIDUAL.—The  
23 term “Medicaid eligible individual” means an indi-  
24 vidual who is eligible for and receiving medical as-  
25 sistance under a State Medicaid program. Such term

1 includes an individual who is on a waiting list and  
 2 who would become eligible for medical assistance  
 3 and enrolled under a State Medicaid program upon  
 4 receipt of home and community-based services.

5 (6) STATE MEDICAID PROGRAM.—The term  
 6 “State Medicaid program” means, with respect to a  
 7 State, the State program under title XIX of the So-  
 8 cial Security Act (42 U.S.C. 1396 through 1396w–  
 9 6) (including any waiver or demonstration under  
 10 such title or under section 1115 of such Act (42  
 11 U.S.C. 1315) relating to such title).

12 (7) SECRETARY.—The term “Secretary” means  
 13 the Secretary of Health and Human Services.

14 (8) STATE.—The term “State” means each of  
 15 the 50 States, the District of Columbia, Puerto Rico,  
 16 the Virgin Islands, Guam, the Northern Mariana Is-  
 17 lands, and American Samoa.

18 **SEC. 802. HCBS IMPROVEMENT PROGRAM.**

19 (a) INCREASED FMAP FOR HCBS IMPROVEMENT  
 20 PROGRAM STATES.—Section 1905 of the Social Security  
 21 Act (42 U.S.C. 1396d) is amended—

22 (1) in subsection (b), by striking “and (ii)” and  
 23 inserting “(ii), and (ll)”; and

24 (2) by adding at the end the following new sub-  
 25 section:

1       “(II) ADDITIONAL SUPPORT FOR HCBS IMPROVE-  
2   MENT PROGRAM STATES.—

3               “(1) IN GENERAL.—

4                       “(A) ADDITIONAL SUPPORT.—Subject to  
5       paragraph (5), in the case of a State that is an  
6       HCBS Improvement Program State, for each  
7       fiscal quarter that begins on or after the first  
8       date on which the State is an HCBS Improve-  
9       ment Program State—

10                       “(i) and for which the State meets the  
11       requirements described in paragraphs (2)  
12       and (4), notwithstanding subsection (b) or  
13       (ff), subject to subparagraph (B), with re-  
14       spect to amounts expended during the  
15       quarter by such State for medical assist-  
16       ance for home and community-based serv-  
17       ices, the Federal medical assistance per-  
18       centage for such State and quarter (as de-  
19       termined for the State under subsection  
20       (b) or (ff) and, if applicable, increased  
21       under subsection (y), (z), (aa), or (ii), or  
22       section 1915(k)(2)) shall be increased by 8  
23       percentage points; and

24                       “(ii) with respect to the State meeting  
25       the requirements described in paragraphs

(2) and (4) and with respect to amounts expended during the quarter and before October 1, 2036, administrative costs for expanding and enhancing home and community-based services, including for enhancing Medicaid data and technology infrastructure, modifying rate setting processes, adopting or improving training programs for direct care workers and family caregivers, home and community-based services ombudsman office activities, developing processes to identify direct care workers and assign such workers unique identifiers, and adopting, carrying out, or enhancing programs that register direct care workers or connect beneficiaries to direct care workers, shall be eligible for Federal financial participation in the same manner as other administrative expenditures under section 1903(a), except that, for purposes of this clause, the per centum applicable to such expenditures shall be the greater of 80 percent or the per centum that would otherwise apply.

1 In no case may the application of clause (i) re-  
2 sult in the Federal medical assistance percent-  
3 age determined for a State being more than 95  
4 percent with respect to such expenditures. Any  
5 increase pursuant to clause (ii) shall be avail-  
6 able to a State before the State meets the re-  
7 quirements of paragraphs (2) and (4).

8 “(B) ADDITIONAL HCBS IMPROVEMENT  
9 EFFORTS.—Subject to paragraph (5), in addi-  
10 tion to the increase to the Federal medical as-  
11 sistance percentage under subparagraph (A)(i)  
12 for amounts expended during a quarter for  
13 medical assistance for home and community-  
14 based services by an HCBS Improvement Pro-  
15 gram State that meets the requirements of  
16 paragraphs (2) and (4) for the quarter, the  
17 Federal medical assistance percentage for  
18 amounts expended by the State during the  
19 quarter for medical assistance for home and  
20 community-based services shall be further in-  
21 creased by 2 percentage points (but not to ex-  
22 ceed 95 percent) during the first 6 fiscal quar-  
23 ters throughout which the State has imple-  
24 mented and has in effect a program that meets  
25 the requirements of paragraph (3).

1 “(C) NONAPPLICATION TO CHIP EFMAP.—

2 Any increase to the Federal medical assistance  
3 percentage of a State under subparagraph  
4 (A)(i) or (B) or an increase to an applicable  
5 Federal matching percentage under subpara-  
6 graph (A)(ii) shall not be taken into account in  
7 calculating the enhanced FMAP of a State  
8 under section 2105.

9 “(2) REQUIREMENTS.—As conditions for re-  
10 ceipt of the increase under paragraph (1)(A)(i) to  
11 the Federal medical assistance percentage deter-  
12 mined for a State, with respect to a fiscal year quar-  
13 ter, the State shall meet each of the following re-  
14 quirements:

15 “(A) NONSUPPLANTATION.—The State  
16 uses an amount in State funds equivalent to the  
17 additional Federal funds received by the State  
18 that are attributable to the increase to the Fed-  
19 eral medical assistance percentage for amounts  
20 expended during a quarter for medical assist-  
21 ance for home and community-based services  
22 under paragraph (1)(A) and paragraph (1)(B)  
23 (if applicable) to supplement, and not supplant,  
24 the level of State funds expended for home and  
25 community-based services for eligible individ-

1 uals through programs in effect as of the date  
 2 the State is awarded a planning grant under  
 3 section 801 of the Make Billionaires Pay Their  
 4 Fair Share Act. In applying this subparagraph,  
 5 the Secretary shall provide that a State shall  
 6 have a 3-year period, as specified by the Sec-  
 7 retary, to spend any accumulated unspent State  
 8 funds attributable to such increase to the Fed-  
 9 eral medical assistance percentage.

10 “(B) MAINTENANCE OF EFFORT.—

11 “(i) IN GENERAL.—The State does  
 12 not—

13 “(I) reduce the amount, dura-  
 14 tion, or scope of home and commu-  
 15 nity-based services available under the  
 16 State plan (or waiver of such plan)  
 17 relative to the home and community-  
 18 based services available under the  
 19 plan or a waiver of such plan as of  
 20 the date on which the State was  
 21 awarded a planning grant under sec-  
 22 tion 801 of the Make Billionaires Pay  
 23 Their Fair Share Act;

24 “(II) reduce payment rates for  
 25 home and community-based services

1 lower than such rates that were in  
 2 place as of the date described in sub-  
 3 clause (I), including, to the extent ap-  
 4 plicable, assumed payment rates for  
 5 such services that are included in  
 6 managed care capitation rates as such  
 7 rates are being prospectively built; or

8 “(III) except to the extent per-  
 9 mitted under clause (ii), adopt more  
 10 restrictive standards, methodologies,  
 11 or procedures for determining eligi-  
 12 bility for, or the scope of, medical as-  
 13 sistance for home and community-  
 14 based services, including with respect  
 15 to cost-sharing, than the standards,  
 16 methodologies, or procedures applica-  
 17 ble as of the date described in sub-  
 18 clause (I).

19 “(ii) CONDITIONS FOR FLEXI-  
 20 BILITY.—A State may make modifications  
 21 that would otherwise violate the mainte-  
 22 nance of effort described in clause (i) if the  
 23 State demonstrates to the satisfaction of  
 24 the Secretary that such modifications shall  
 25 not result in—



1                   “(I) home and community-based  
2                   services that are less comprehensive  
3                   or lower in amount, duration, or  
4                   scope;

5                   “(II) fewer individuals (overall  
6                   and within particular eligibility  
7                   groups) receiving home and commu-  
8                   nity-based services, adjusted for de-  
9                   mographic changes since the date de-  
10                  scribed in clause (i)(I); or

11                  “(III) increased cost-sharing  
12                  (other than resulting from the rate of  
13                  inflation) for home and community-  
14                  based services.

15                  “(C) ACCESS TO SERVICES.—The State  
16                  undertakes efforts to improve access to home  
17                  and community-based services by doing all of  
18                  the following not later than an implementation  
19                  date specified by the Secretary (which may vary  
20                  for each of the following clauses) after the first  
21                  day of the first fiscal quarter for which a State  
22                  receives an increase to the Federal medical as-  
23                  sistance percentage or other applicable Federal  
24                  matching percentage under paragraph (1):

1 “(i) Reduces access barriers and dis-  
2 parities in access or utilization of home  
3 and community-based services.

4 “(ii) Provides coverage of personal  
5 care services authorized under subsection  
6 (a)(24) for all individuals eligible for and  
7 enrolled in medical assistance in the State.

8 “(iii) Provides for navigation of home  
9 and community-based services through ‘no  
10 wrong door’ programs, provides expedited  
11 eligibility for home and community-based  
12 services, and improves home and commu-  
13 nity-based services counseling and edu-  
14 cation programs.

15 “(iv) Expands access to behavioral  
16 health services furnished in home and com-  
17 munity-based settings.

18 “(v) Improves coordination of home  
19 and community-based services with em-  
20 ployment, housing, and transportation sup-  
21 ports.

22 “(vi) Provides supports to family care-  
23 givers.

24 “(vii) Newly provides coverage under,  
25 or expands existing eligibility criteria for, 1

1 or more of the eligibility categories author-  
2 ized under subclause (XIII), (XV), or  
3 (XVI) of section 1902(a)(10)(A)(ii).

4 “(D) WORKFORCE.—The State strength-  
5 ens and expands the workforce of direct care  
6 workers that provides home and community-  
7 based services by—

8 “(i) adopting processes to ensure that  
9 payment rates for home and community-  
10 based services are sufficient (as defined by  
11 the Secretary) to ensure that services are  
12 available, including by, not later than 2  
13 years after approval of the HCBS improve-  
14 ment plan and, at least every 3 years  
15 thereafter, updating and, as appropriate,  
16 increasing payment rates for home and  
17 community-based services to support re-  
18 cruitment and retention of direct care  
19 workers using, through existing or other  
20 processes to determine provider payments,  
21 a transparent process involving input from  
22 nongovernmental stakeholders;

23 “(ii) ensuring that increases in the  
24 payment rates for home and community-  
25 based services result in at least a propor-

tionate increase to payments for direct care workers; and

“(iii) updating qualification standards as appropriate, and developing and adopting training opportunities, for direct care workers and family caregivers, at such times as the Secretary shall prescribe.

“(3) SELF-DIRECTED MODELS FOR THE DELIVERY OF SERVICES.—As conditions for receipt of the increase under paragraph (1)(B) to the Federal medical assistance percentage determined for a State, with respect to a fiscal year quarter, the State shall establish directly, or by contract with 1 or more entities, including an agency with choice or a similar service delivery model, a program for the performance of all of the following functions, consistent with guidance issued by the Secretary, to facilitate beneficiary use of self-directed care in the case the State covers home and community-based services under authorities that permit self-direction:

“(A) Recruiting and registering qualified direct care workers and assisting beneficiaries in finding qualified direct care workers.

“(B) Supporting beneficiary hiring, if selected by the beneficiary, of independent pro-

1           viders of home and community-based services,  
2           including through the provision of financial  
3           management services.

4           “(C) To the extent a State permits bene-  
5           ficiaries to hire a family member or individual  
6           with whom they have an existing relationship to  
7           provide home and community-based services,  
8           providing support to beneficiaries who wish to  
9           hire a caregiver who is a family member or in-  
10          dividual with whom they have an existing rela-  
11          tionship.

12          “(D) Ensuring that the program under  
13          this paragraph does not promote or deter the  
14          ability of workers to form a labor organization  
15          or discriminate against workers who may join  
16          or decline to join such an organization.

17          “(4) REPORTING AND OVERSIGHT.—As a condi-  
18          tion for receipt of an increase under subparagraphs  
19          (A)(i) or (B) of paragraph (1) to the Federal med-  
20          ical assistance percentage determined for a State,  
21          with respect to a fiscal year quarter, the State shall,  
22          beginning with the last day of the 5th fiscal quarter  
23          for which the State is an HCBS Improvement Pro-  
24          gram State, and annually thereafter, report to the

1 Secretary, in a manner the Secretary shall prescribe,  
2 on—

3 “(A) the State’s progress in implementing  
4 the activities described in subparagraphs (C)  
5 and (D) of paragraph (2) and (if applicable)  
6 paragraph (3) in accordance with the State  
7 HCBS improvement plan; and

8 “(B) the use of the increased funding pro-  
9 vided under this subsection.

10 “(5) BENCHMARKS FOR DEMONSTRATING IM-  
11 PROVEMENTS.—An HCBS Improvement Program  
12 State shall cease to be eligible for an increase to the  
13 Federal medical assistance percentage under para-  
14 graph (1)(A)(i) or (1)(B) or an increase to an appli-  
15 cable Federal matching percentage under paragraph  
16 (1)(A)(ii) for each fiscal quarter after the 29th fiscal  
17 quarter that begins on or after the first date on  
18 which the State is an HCBS Improvement Program  
19 State unless, at the end of such 29th fiscal quarter,  
20 the State demonstrates the following in the annual  
21 report required in paragraph (4) for such quarter:

22 “(A) Increased availability (above a mar-  
23 ginal increase) of home and community-based  
24 services in the State relative to such availability  
25 as reported in the State HCBS improvement

1 plan and adjusted for demographic changes in  
2 the State since the submission of such plan.

3 “(B) With respect to the percentage of ex-  
4 penditures made by the State for long-term  
5 services and supports that are for home and  
6 community-based services, in the case of an  
7 HCBS Improvement Program State for which  
8 such percentage (as reported in the State  
9 HCBS improvement plan) was—

10 “(i) less than 50 percent, the State  
11 demonstrates that the percentage of such  
12 expenditures has increased to at least 50  
13 percent since the plan was approved; and

14 “(ii) at least 50 percent, the State  
15 demonstrates that such percentage has not  
16 decreased since the plan was approved.

17 “(6) DEFINITIONS.—In this subsection, the  
18 terms ‘direct care worker’, ‘HCBS Improvement  
19 Program State’, and ‘home and community-based  
20 services’ have the meaning given those terms in sec-  
21 tion 801(d) of the Make Billionaires Pay Their Fair  
22 Share Act.”.

1 **SEC. 803. FUNDING FOR FEDERAL ACTIVITIES RELATED TO**  
2 **MEDICAID HCBS.**

3 In addition to amounts otherwise available, there is  
4 appropriated to the Secretary for fiscal year 2027, out of  
5 any money in the Treasury not otherwise appropriated,  
6 \$40,000,000, to remain available until expended, to carry  
7 out section 802 (including the amendments made by such  
8 section), including by issuing necessary guidance and tech-  
9 nical assistance to States and conducting program integ-  
10 rity and oversight efforts.

11 **SEC. 804. FUNDING FOR HCBS QUALITY MEASUREMENT**  
12 **AND IMPROVEMENT.**

13 In addition to amounts otherwise available, there is  
14 appropriated to the Secretary for fiscal year 2027, out of  
15 any money in the Treasury not otherwise appropriated,  
16 \$25,000,000, to remain available until expended, for pur-  
17 poses of developing, in consultation with nongovernmental  
18 stakeholders with expertise in home and community-based  
19 services (including recipients and providers of such serv-  
20 ices), a recommended set of home and community-based  
21 services quality measures that reflect the full range of  
22 home and community-based services (as defined in section  
23 801(d)) and the recipients of such services.



1 **SEC. 805. PERMANENT EXTENSION OF MEDICAID PROTEC-**  
2 **TIONS AGAINST SPOUSAL IMPOVERISHMENT**  
3 **FOR RECIPIENTS OF HOME AND COMMUNITY-**  
4 **BASED SERVICES.**

5 (a) IN GENERAL.—Section 1924(h)(1)(A) of the So-  
6 cial Security Act (42 U.S.C. 1396r–5(h)(1)(A)) is amend-  
7 ed by striking “(at the option of the State) is described  
8 in section 1902(a)(10)(A)(ii)(VI)” and inserting the fol-  
9 lowing: “is eligible for medical assistance for home and  
10 community-based services provided under subsection (c),  
11 (d), or (i) of section 1915 or under a waiver approved  
12 under section 1115, or who is eligible for such medical  
13 assistance by reason of being determined eligible under  
14 section 1902(a)(10)(C) or by reason of section 1902(f) or  
15 otherwise on the basis of a reduction of income based on  
16 costs incurred for medical or other remedial care, or who  
17 is eligible for medical assistance for home and community-  
18 based attendant services and supports under section  
19 1915(k)”.

20 (b) CONFORMING AMENDMENT.—Section 2404 of the  
21 Patient Protection and Affordable Care Act (42 U.S.C.  
22 1396r–5 note) is amended by striking “September 30,  
23 2027” and inserting “the date of enactment of the Make  
24 Billionaires Pay Their Fair Share Act”.

1 **SEC. 806. PERMANENT EXTENSION OF MONEY FOLLOWS**  
2 **THE PERSON REBALANCING DEMONSTRA-**  
3 **TION.**

4 Subsection (h) of section 6071 of the Deficit Reduc-  
5 tion Act of 2005 (42 U.S.C. 1396a note) is amended—

6 (1) in paragraph (1)—

7 (A) in subparagraph (I), by inserting  
8 “and” after the semicolon;

9 (B) in subparagraph (J), by inserting “and  
10 each fiscal year thereafter” before the semi-  
11 colon; and

12 (C) by striking subparagraphs (K) and  
13 (L); and

14 (2) in paragraph (3), by striking “through fis-  
15 cal year 2029”.

○