

119TH CONGRESS
1ST SESSION

S. 523

To amend title XIX of the Social Security Act to prohibit Federal Medicaid funding for the administrative costs of providing health benefits to individuals who are unauthorized immigrants.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 11, 2025

Mr. CASSIDY (for himself, Mr. BARRASSO, Mr. WICKER, and Mrs. HYDE-SMITH) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XIX of the Social Security Act to prohibit Federal Medicaid funding for the administrative costs of providing health benefits to individuals who are unauthorized immigrants.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protect Medicaid Act”.

1 **SEC. 2. PROHIBITING FEDERAL MEDICAID FUNDING FOR**
 2 **THE ADMINISTRATIVE COSTS OF PROVIDING**
 3 **HEALTH BENEFITS TO INDIVIDUALS WHO**
 4 **ARE UNAUTHORIZED IMMIGRANTS.**

5 Section 1903(i) of the Social Security Act (42 U.S.C.
 6 1396b(i)) is amended—

7 (1) in paragraph (26), by striking “; or” and
 8 inserting a semicolon;

9 (2) in paragraph (27), by striking the period at
 10 the end and inserting “; or”; and

11 (3) by inserting after paragraph (27) the fol-
 12 lowing new paragraph:

13 “(28) with respect to any amounts expended for
 14 the administration of a State program that provides
 15 health benefits to noncitizens who are ineligible for
 16 medical assistance under this title on the basis of
 17 not having a satisfactory immigration status (as de-
 18 fined in section 1137(d)(1)(B)(iii)) (except that such
 19 prohibition shall not be construed as prohibiting
 20 payment under the preceding provisions of this sec-
 21 tion for costs attributable to the establishment or
 22 operation of a system designed to ensure compliance
 23 with such prohibition).”.

24 **SEC. 3. INSPECTOR GENERAL REPORT.**

25 Not later than 180 days after the date of enactment
 26 of this Act, the Inspector General of the Department of

1 Health and Human Services shall submit to Congress a
2 report that includes the following information with respect
3 to States that provide health benefits to noncitizens who
4 are ineligible on the basis of immigration status for med-
5 ical assistance under title XIX of the Social Security Act
6 (42 U.S.C. 1396 et seq.):

7 (1) How such States separate amounts ex-
8 pended on the administrative costs related to the
9 State’s Medicaid program and amounts expended on
10 administrative costs related to providing health ben-
11 efits to such noncitizens.

12 (2) The types of procedures, protocols, or sys-
13 tems that such States employ to ensure that they
14 are in full compliance with prohibitions on the use
15 of Federal funding to provide health benefits to such
16 noncitizens and how effective they are at ensuring
17 compliance.

18 (3) A description of States’ methods of financ-
19 ing State programs that provide health benefits to
20 noncitizens who are ineligible for medical assistance
21 due to not having a satisfactory immigration status,
22 including through the increased use of provider taxes
23 and intergovernmental transfers to finance the non-
24 Federal share of expenditures under the State Med-

1 icaid program for medical assistance provided to in-
2 dividuals who are not so ineligible.

3 (4) An analysis of—

4 (A) the extent to which such noncitizens
5 are provided covered outpatient drugs pur-
6 chased under—

7 (i) the Medicaid Drug Rebate Pro-
8 gram under section 1927 of the Social Se-
9 curity Act (42 U.S.C. 1396r–8); or

10 (ii) the drug discount program under
11 section 340B of the Public Health Service
12 Act (42 U.S.C. 256b); and

13 (B) the effect that the provision to such
14 noncitizens of covered outpatient drugs pur-
15 chased under the programs described in sub-
16 paragraph (A) has on the average manufacturer
17 price (as defined in section 1927(k)(1) of the
18 Social Security Act (42 U.S.C. 1396r–8(k)(1)))
19 of such drugs, including whether the average
20 manufacturer price for such drugs would be
21 lower if no drugs purchased under such pro-
22 grams were provided to such noncitizens.

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