

PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 3922)  
TO EXTEND FUNDING FOR CERTAIN PUBLIC HEALTH  
PROGRAMS, AND FOR OTHER PURPOSES

---

NOVEMBER 1, 2017.—Referred to the House Calendar and ordered to be printed

---

Mr. BURGESS, from the Committee on Rules,  
submitted the following

R E P O R T

[To accompany H. Res. 601]

The Committee on Rules, having had under consideration House Resolution 601, by a record vote of 7 to 3, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 3922, the Community Health And Medical Professionals Improve Our Nation Act of 2017, under a closed rule. The resolution provides one hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Energy and Commerce. The resolution waives all points of order against consideration of the bill. The resolution provides that the amendment printed in part A of this Report, modified by the amendment printed in part B of this Report, shall be considered as adopted and the bill, as amended, shall be considered as read. The resolution waives all points of order against provisions in the bill, as amended. The resolution provides one motion to recommit with or without instructions.

EXPLANATION OF WAIVERS

Although the resolution waives all points of order against consideration of the bill, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

The waiver of all points of order against provisions in the bill, as amended, includes a waiver of the following:

- Clause 4 of rule XXI, which prohibits reporting a bill or joint resolution carrying an appropriation from a committee not having jurisdiction to report an appropriation.

- Clause 5(a) of rule XXI, which prohibits a bill or joint resolution carrying a tax or tariff measure from being reported by a committee not having jurisdiction to report tax or tariff measures.

#### COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

##### *Rules Committee record vote No. 135*

Motion by Ms. Slaughter to make in order and provide the appropriate waivers to amendment # 6, offered by Rep. Pallone Jr. (NJ), which extends funding for critically important healthcare programs such as the Children's Health Insurance Program (CHIP) and Community Health Centers that were last authorized in the bipartisan Medicare Access and CHIP Reauthorization Act of 2015. The amendment does so without making it harder for people to keep their health insurance or gutting funding for public health programs supported by the Prevention Fund. Instead, it fully pays for these policies with a commonsense offset. Defeated: 3–7

Majority Members	Vote	Minority Members	Vote
Mr. Cole .....	Nay	Ms. Slaughter .....	Yea
Mr. Woodall .....	Nay	Mr. McGovern .....	Yea
Mr. Burgess .....	Nay	Mr. Hastings of Florida .....	Yea
Mr. Collins .....	Nay	Mr. Polis .....	.....
Mr. Byrne .....	.....		
Mr. Newhouse .....	Nay		
Mr. Buck .....	Nay		
Ms. Cheney .....	.....		
Mr. Sessions, Chairman .....	Nay		

##### *Rules Committee record vote No. 136*

Motion by Mr. Cole to report the rule. Adopted: 7–3

Majority Members	Vote	Minority Members	Vote
Mr. Cole .....	Yea	Ms. Slaughter .....	Nay
Mr. Woodall .....	Yea	Mr. McGovern .....	Nay
Mr. Burgess .....	Yea	Mr. Hastings of Florida .....	Nay
Mr. Collins .....	Yea	Mr. Polis .....	.....
Mr. Byrne .....	.....		
Mr. Newhouse .....	Yea		
Mr. Buck .....	Yea		
Ms. Cheney .....	.....		
Mr. Sessions, Chairman .....	Yea		

#### SUMMARY OF THE AMENDMENT IN PART A CONSIDERED AS ADOPTED

Walden (OR): Reauthorizes the CHIP program and extend various public health programs.

#### SUMMARY OF THE AMENDMENT IN PART B CONSIDERED AS ADOPTED

Walden (OR): Relating to the Prevention and Public Health Fund, and adjustments to Medicare Part B and Part D premium subsidies for higher income individuals.

## PART A—TEXT OF AMENDMENT CONSIDERED AS ADOPTED

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Continuing Community Health And Medical Professional Programs to Improve Our Nation, Increase National Gains, and Help Ensure Access for Little Ones, Toddlers, and Hopeful Youth by Keeping Insurance Delivery Stable Act of 2017” or the “CHAMPIONING HEALTHY KIDS Act”.

**SEC. 2. TABLE OF CONTENTS.**

The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

## DIVISION A—CHAMPION ACT

Sec. 100. Short title.

## TITLE I—EXTENSION OF PUBLIC HEALTH PROGRAMS

Sec. 101. Extension for community health centers, the National Health Service Corps, and teaching health centers that operate GME programs.

Sec. 102. Extension for special diabetes programs.

Sec. 103. Extension for family-to-family health information centers.

Sec. 104. Youth empowerment program; personal responsibility education.

## TITLE II—OFFSETS

Sec. 201. Providing for qualified health plan grace period requirements for issuer receipt of advance payments of cost-sharing reductions and premium tax credits that are more consistent with State law grace period requirements.

Sec. 202. Prevention and Public Health Fund.

## DIVISION B—HEALTHY KIDS ACT

Sec. 300. Short title.

## TITLE I—CHIP EXTENSION AND OTHER MEDICAID AND CHIP PROVISIONS

Sec. 301. Five-year funding extension of the Children’s Health Insurance Program.

Sec. 302. Extension of certain programs and demonstration projects.

Sec. 303. Extension of outreach and enrollment program.

Sec. 304. Extension and reduction of additional Federal financial participation for CHIP.

Sec. 305. Modifying reductions in Medicaid DSH allotments.

Sec. 306. Puerto Rico and the Virgin Islands Medicaid payments.

## TITLE II—OFFSETS

Sec. 401. Medicaid third party liability provisions.

Sec. 402. Treatment of lottery winnings and other lump-sum income for purposes of income eligibility under Medicaid.

**DIVISION A—CHAMPION ACT****SEC. 100. SHORT TITLE.**

This division may be cited as the “Community Health And Medical Professionals Improve Our Nation Act of 2017” or the “CHAMPION Act”.

## TITLE I—EXTENSION OF PUBLIC HEALTH PROGRAMS

### SEC. 101. EXTENSION FOR COMMUNITY HEALTH CENTERS, THE NATIONAL HEALTH SERVICE CORPS, AND TEACHING HEALTH CENTERS THAT OPERATE GME PROGRAMS.

(a) **COMMUNITY HEALTH CENTERS FUNDING.**—Section 10503(b)(1)(E) of the Patient Protection and Affordable Care Act (42 U.S.C. 254b–2(b)(1)(E)) is amended by striking “2017” and inserting “2019”.

(b) **OTHER COMMUNITY HEALTH CENTERS PROVISIONS.**—Section 330 of the Public Health Service Act (42 U.S.C. 254b) is amended—

(1) in subsection (b)(1)(A)(ii), by striking “abuse” and inserting “use disorder”;

(2) in subsection (b)(2)(A), by striking “abuse” and inserting “use disorder”;

(3) in subsection (c)—

(A) in paragraph (1), by striking subparagraphs (B) through (D);

(B) by striking “(1) IN GENERAL” and all that follows through “The Secretary” and inserting the following:

“(1) CENTERS.—The Secretary”; and

(C) in paragraph (1), as amended, by redesignating clauses (i) through (v) as subparagraphs (A) through (E) and moving the margin of each of such redesignated subparagraph 2 ems to the left;

(4) by striking subsection (d) and inserting the following:

“(d) **IMPROVING QUALITY OF CARE.**—

“(1) **SUPPLEMENTAL AWARDS.**—The Secretary may award supplemental grant funds to health centers funded under this section to implement evidence-based models for increasing access to high-quality primary care services, which may include models related to—

“(A) improving the delivery of care for individuals with multiple chronic conditions;

“(B) workforce configuration;

“(C) reducing the cost of care;

“(D) enhancing care coordination;

“(E) expanding the use of telehealth and technology-enabled collaborative learning and capacity building models;

“(F) care integration, including integration of behavioral health, mental health, or substance use disorder services; and

“(G) addressing emerging public health or substance use disorder issues to meet the health needs of the population served by the health center.

“(2) **SUSTAINABILITY.**—In making supplemental awards under this subsection, the Secretary may consider whether the health center involved has submitted a plan for continuing the activities funded under this subsection after supplemental funding is expended.

“(3) **SPECIAL CONSIDERATION.**—The Secretary may give special consideration to applications for supplemental funding under this subsection that seek to address significant barriers

to access to care in areas with a greater shortage of health care providers and health services relative to the national average.”;

(5) in subsection (e)(1)—

(A) in subparagraph (B)—

- (i) by striking “2 years” and inserting “1 year”; and
- (ii) by adding at the end the following: “The Secretary shall not make a grant under this paragraph unless the applicant provides assurances to the Secretary that within 120 days of receiving grant funding for the operation of the health center, the applicant will submit, for approval by the Secretary, an implementation plan to meet the requirements of subsection (k)(3). The Secretary may extend such 120-day period for achieving compliance upon a demonstration of good cause by the health center.”; and

(B) in subparagraph (C)—

- (i) in the subparagraph heading, by striking “AND PLANS”;
- (ii) by striking “or plan (as described in subparagraphs (B) and (C) of subsection (c)(1))”;
- (iii) by striking “or plan, including the purchase” and inserting the following: “including—  
“(i) the purchase”;
- (iv) by inserting “, which may include data and information systems” after “of equipment”;
- (v) by striking the period at the end and inserting a semicolon; and
- (vi) by adding at the end the following:  
“(ii) the provision of training and technical assistance; and  
“(iii) other activities that—  
“(I) reduce costs associated with the provision of health services;  
“(II) improve access to, and availability of, health services provided to individuals served by the centers;  
“(III) enhance the quality and coordination of health services; or  
“(IV) improve the health status of communities.”;

(6) in subsection (e)(5)(B)—

(A) in the heading of subparagraph (B), by striking “AND PLANS”; and

(B) by striking “and subparagraphs (B) and (C) of subsection (c)(1) to a health center or to a network or plan” and inserting “to a health center or to a network”;

(7) in subsection (e), by adding at the end the following:

“(6) NEW ACCESS POINTS AND EXPANDED SERVICES.—

“(A) APPROVAL OF NEW ACCESS POINTS.—

“(i) IN GENERAL.—The Secretary may approve applications for grants under subparagraph (A) or (B) of paragraph (1) to establish new delivery sites.

“(ii) SPECIAL CONSIDERATION.—In carrying out clause (i), the Secretary may give special consideration to applicants that have demonstrated the new delivery

site will be located within a sparsely populated area, or an area which has a level of unmet need that is higher relative to other applicants.

“(iii) CONSIDERATION OF APPLICATIONS.—In carrying out clause (i), the Secretary shall approve applications for grants in such a manner that the ratio of the medically underserved populations in rural areas which may be expected to use the services provided by the applicants involved to the medically underserved populations in urban areas which may be expected to use the services provided by the applicants is not less than two to three or greater than three to two.

“(iv) SERVICE AREA OVERLAP.—If in carrying out clause (i) the applicant proposes to serve an area that is currently served by another health center funded under this section, the Secretary may consider whether the award of funding to an additional health center in the area can be justified based on the unmet need for additional services within the catchment area.

“(B) APPROVAL OF EXPANDED SERVICE APPLICATIONS.—

“(i) IN GENERAL.—The Secretary may approve applications for grants under subparagraph (A) or (B) of paragraph (1) to expand the capacity of the applicant to provide required primary health services described in subsection (b)(1) or additional health services described in subsection (b)(2).

“(ii) PRIORITY EXPANSION PROJECTS.—In carrying out clause (i), the Secretary may give special consideration to expanded service applications that seek to address emerging public health or behavioral health, mental health, or substance abuse issues through increasing the availability of additional health services described in subsection (b)(2) in an area in which there are significant barriers to accessing care.

“(iii) CONSIDERATION OF APPLICATIONS.—In carrying out clause (i), the Secretary shall approve applications for grants in such a manner that the ratio of the medically underserved populations in rural areas which may be expected to use the services provided by the applicants involved to the medically underserved populations in urban areas which may be expected to use the services provided by such applicants is not less than two to three or greater than three to two.”;

(8) in subsection (h)—

(A) in paragraph (1), by striking “and children and youth at risk of homelessness” and inserting “, children and youth at risk of homelessness, homeless veterans, and veterans at risk of homelessness”; and

(B) in paragraph (5)—

(i) by striking subparagraph (B);

(ii) by redesignating subparagraph (C) as subparagraph (B); and

(iii) in subparagraph (B) (as so redesignated)—

(I) in the subparagraph heading, by striking “ABUSE” and inserting “USE DISORDER”; and

- (II) by striking “abuse” and inserting “use disorder”;
- (9) in subsection (k)—
  - (A) in paragraph (2)—
    - (i) in the paragraph heading, by inserting “UNMET” before “NEED”;
    - (ii) in the matter preceding subparagraph (A), by inserting “or subsection (e)(6)” after “subsection (e)(1)”;
    - (iii) in subparagraph (A), by inserting “unmet” before “need for health services”;
    - (iv) in subparagraph (B), by striking “and” at the end;
    - (v) in subparagraph (C), by striking the period at the end and inserting “; and”; and
    - (vi) by adding after subparagraph (C) the following:
 

“(D) in the case of an application for a grant pursuant to subsection (e)(6), a demonstration that the applicant has consulted with appropriate State and local government agencies, and health care providers regarding the need for the health services to be provided at the proposed delivery site.”;
  - (B) in paragraph (3)—
    - (i) in the matter preceding subparagraph (A), by inserting “or subsection (e)(6)” after “subsection (e)(1)(B)”;
    - (ii) in subparagraph (B), by striking “in the catchment area of the center” and inserting “, including other health care providers that provide care within the catchment area, local hospitals, and specialty providers in the catchment area of the center, to provide access to services not available through the health center and to reduce the non-urgent use of hospital emergency departments”;
    - (iii) in subparagraph (H)(ii), by inserting “who shall be directly employed by the center” after “approves the selection of a director for the center”;
    - (iv) in subparagraph (L), by striking “and” at the end;
    - (v) in subparagraph (M), by striking the period and inserting “; and”; and
    - (vi) by inserting after subparagraph (M), the following:
 

“(N) the center has written policies and procedures in place to ensure the appropriate use of Federal funds in compliance with applicable Federal statutes, regulations, and the terms and conditions of the Federal award.”; and
  - (C) by striking paragraph (4);
- (10) in subsection (l), by adding at the end the following:
 

“Funds expended to carry out activities under this subsection and operational support activities under subsection (m) shall not exceed 3 percent of the amount appropriated for this section for the fiscal year involved.”;
- (11) in subsection (q)(4), by adding at the end the following:
 

“A waiver provided by the Secretary under this paragraph may not remain in effect for more than 1 year and may not be ex-

tended after such period. An entity may not receive more than one waiver under this paragraph in consecutive years.”;

(12) in subsection (r)(3)—

(A) by striking “appropriate committees of Congress a report concerning the distribution of funds under this section” and inserting the following: “Committee on Health, Education, Labor, and Pensions of the Senate, and the Committee on Energy and Commerce of the House of Representatives, a report including, at a minimum—

“(A) the distribution of funds for carrying out this section”;

(B) by striking “populations. Such report shall include an assessment” and inserting the following: “populations;

“(B) an assessment”;

(C) by striking “and the rationale for any substantial changes in the distribution of funds.” and inserting a semicolon; and

(D) by adding at the end the following:

“(C) the distribution of awards and funding for new or expanded services in each of rural areas and urban areas;

“(D) the distribution of awards and funding for establishing new access points, and the number of new access points created;

“(E) the amount of unexpended funding for loan guarantees and loan guarantee authority under title XVI;

“(F) the rationale for any substantial changes in the distribution of funds;

“(G) the rate of closures for health centers and access points;

“(H) the number and reason for any grants awarded pursuant to subsection (e)(1)(B); and

“(I) the number and reason for any waivers provided pursuant to subsection (q)(4).”;

(13) in subsection (r), by adding at the end the following new paragraph:

“(5) FUNDING FOR PARTICIPATION OF HEALTH CENTERS IN ALL OF US RESEARCH PROGRAM.—In addition to any amounts made available pursuant to paragraph (1) of this subsection, section 402A of this Act, or section 10503 of the Patient Protection and Affordable Care Act, there is authorized to be appropriated, and there is appropriated, out of any monies in the Treasury not otherwise appropriated, to the Secretary \$25,000,000 for fiscal year 2018 to support the participation of health centers in the All of Us Research Program under the Precision Medicine Initiative under section 498E of this Act.”; and

(14) by striking subsection (s).

(c) NATIONAL HEALTH SERVICE CORPS.—Section 10503(b)(2)(E) of the Patient Protection and Affordable Care Act (42 U.S.C. 254b–2(b)(2)(E)) is amended by striking “2017” and inserting “2019”.

(d) TEACHING HEALTH CENTERS THAT OPERATE GRADUATE MEDICAL EDUCATION PROGRAMS.—

(1) PAYMENTS.—Subsection (a) of section 340H of the Public Health Service Act (42 U.S.C. 256h) is amended to read as follows:

“(a) PAYMENTS.—



“(1) IN GENERAL.—Subject to subsection (h)(2), the Secretary shall make payments under this section for direct expenses and indirect expenses to qualified teaching health centers that are listed as sponsoring institutions by the relevant accrediting body for, as appropriate—

“(A) maintenance of existing approved graduate medical residency training programs;

“(B) expansion of existing approved graduate medical residency training programs; and

“(C) establishment of new approved graduate medical residency training programs.

“(2) PRIORITY.—In making payments pursuant to paragraph (1)(C), the Secretary shall give priority to qualified teaching health centers that—

“(A) serve a health professional shortage area with a designation in effect under section 332 or a medically underserved community (as defined in section 799B); or

“(B) are located in a rural area (as defined in section 1886(d)(2)(D) of the Social Security Act).”.

(2) FUNDING.—Subsection (g) of section 340H of the Public Health Service Act (42 U.S.C. 256h) is amended—

(A) by striking “To carry out” and inserting the following:

“(1) IN GENERAL.—To carry out”;

(B) by striking “and \$15,000,000 for the first quarter of fiscal year 2018” and inserting “and \$126,500,000 for each of fiscal years 2018 and 2019, to remain available until expended”; and

(C) by adding at the end the following:

“(2) ADMINISTRATIVE EXPENSES.—Of the amount made available to carry out this section for any fiscal year, the Secretary may not use more than 5 percent of such amount for the expenses of administering this section.”.

(3) ANNUAL REPORTING.—Subsection (h)(1) of section 340H of the Public Health Service Act (42 U.S.C. 256h) is amended—

(A) by redesignating subparagraph (D) as subparagraph (H); and

(B) by inserting after subparagraph (C) the following:

“(D) The number of patients treated by residents described in paragraph (4).

“(E) The number of visits by patients treated by residents described in paragraph (4).

“(F) Of the number of residents described in paragraph (4) who completed their residency training at the end of such residency academic year, the number and percentage of such residents entering primary care practice (meaning any of the areas of practice listed in the definition of a primary care residency program in section 749A).

“(G) Of the number of residents described in paragraph (4) who completed their residency training at the end of such residency academic year, the number and percentage of such residents who entered practice at a health care facility—

“(i) primarily serving a health professional shortage area with a designation in effect under section 332 or

a medically underserved community (as defined in section 799B); or

“(ii) located in a rural area (as defined in section 1886(d)(2)(D) of the Social Security Act).”.

(4) REPORT ON TRAINING COSTS.—Not later than March 31, 2019, the Secretary of Health and Human Services shall submit to the Congress a report on the direct graduate expenses of approved graduate medical residency training programs, and the indirect expenses associated with the additional costs of teaching residents, of qualified teaching health centers (as such terms are used or defined in section 340H of the Public Health Service Act (42 U.S.C. 256h)).

(5) DEFINITION.—Subsection (j) of section 340H of the Public Health Service Act (42 U.S.C. 256h) is amended—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(B) by inserting after paragraph (1) the following:

“(2) NEW APPROVED GRADUATE MEDICAL RESIDENCY TRAINING PROGRAM.—The term ‘new approved graduate medical residency training program’ means an approved graduate medical residency training program for which the sponsoring qualified teaching health center has not received a payment under this section for a previous fiscal year (other than pursuant to subsection (a)(1)(C)).”.

(6) TECHNICAL CORRECTION.—Subsection (f) of section 340H (42 U.S.C. 256h) is amended by striking “hospital” each place it appears and inserting “teaching health center”.

(7) PAYMENTS FOR PREVIOUS FISCAL YEARS.—The provisions of section 340H of the Public Health Service Act (42 U.S.C. 256h), as in effect on the day before the date of enactment of this Act, shall continue to apply with respect to payments under such section for fiscal years before fiscal year 2018.

(e) APPLICATION.—Amounts appropriated pursuant to this section for fiscal year 2018 or 2019 are subject to the requirements contained in Public Law 115–31 for funds for programs authorized under sections 330 through 340 of the Public Health Service Act (42 U.S.C. 254b–256).

(f) CONFORMING AMENDMENTS.—Section 3014(h) of title 18, United States Code, is amended—

(1) in paragraph (1), by striking “, as amended by section 221 of the Medicare Access and CHIP Reauthorization Act of 2015,”; and

(2) in paragraph (4), by inserting “and section 101(e) of the Community Health And Medical Professionals Improve Our Nation Act of 2017” after “section 221(c) of the Medicare Access and CHIP Reauthorization Act of 2015”.

#### **SEC. 102. EXTENSION FOR SPECIAL DIABETES PROGRAMS.**

(a) SPECIAL DIABETES PROGRAM FOR TYPE I DIABETES.—Section 330B(b)(2)(C) of the Public Health Service Act (42 U.S.C. 254c–2(b)(2)(C)) is amended by striking “2017” and inserting “2019”.

(b) SPECIAL DIABETES PROGRAM FOR INDIANS.—Subparagraph (D) of section 330C(c)(2) of the Public Health Service Act (42 U.S.C. 254c–3(c)(2)) is amended to read as follows:

“(D) \$150,000,000 for each of fiscal years 2018 and 2019.”.

**SEC. 103. EXTENSION FOR FAMILY-TO-FAMILY HEALTH INFORMATION CENTERS.**

Section 501(c) of the Social Security Act (42 U.S.C. 701(c)) is amended—

(1) in paragraph (1)(A)—

(A) in clause (v), by striking “and” at the end;

(B) in clause (vi), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following new clause:

“(vii) \$6,000,000 for each of fiscal years 2018 and 2019.”;

(2) in paragraph (3)(C), by inserting before the period the following: “, and with respect to fiscal years 2018 and 2019, such centers shall also be developed in all territories and at least one such center shall be developed for Indian tribes”; and

(3) by amending paragraph (5) to read as follows:

“(5) For purposes of this subsection—

“(A) the term ‘Indian tribe’ has the meaning given such term in section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1603);

“(B) the term ‘State’ means each of the 50 States and the District of Columbia; and

“(C) the term ‘territory’ means Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands.”.

**SEC. 104. YOUTH EMPOWERMENT PROGRAM; PERSONAL RESPONSIBILITY EDUCATION.**

(a) YOUTH EMPOWERMENT PROGRAM.—

(1) IN GENERAL.—Section 510 of the Social Security Act (42 U.S.C. 710) is amended to read as follows:

**“SEC. 510. YOUTH EMPOWERMENT PROGRAM.**

“(a) IN GENERAL.—

“(1) ALLOTMENTS TO STATES.—For the purpose described in subsection (b), the Secretary shall, for each of fiscal years 2018 and 2019, allot to each State which has transmitted an application for the fiscal year under section 505(a) an amount equal to the product of—

“(A) the amount appropriated pursuant to subsection (e)(1) for the fiscal year, minus the amount reserved under subsection (e)(2) for the fiscal year; and

“(B) the proportion that the number of low-income children in the State bears to the total of such numbers of children for all the States.

“(2) OTHER ALLOTMENTS.—

“(A) OTHER ENTITIES.—For the purpose described in subsection (b), the Secretary shall, for each of fiscal years 2018 and 2019, for any State which has not transmitted an application for the fiscal year under section 505(a), allot to one or more entities in the State the amount that would have been allotted to the State under paragraph (1) if the State had submitted such an application.

“(B) PROCESS.—The Secretary shall select the recipients of allotments under subparagraph (A) by means of a competitive grant process under which—

“(i) not later than 30 days after the deadline for the State involved to submit an application for the fiscal

year under section 505(a), the Secretary publishes a notice soliciting grant applications; and

“(ii) not later than 120 days after such deadline, all such applications must be submitted.

“(b) PURPOSE.—

“(1) IN GENERAL.—Except for research under paragraph (5) and information collection and reporting under paragraph (6), the purpose of an allotment under subsection (a) to a State (or to another entity in the State pursuant to subsection (a)(2)) is to enable the State or other entity to implement education exclusively on sexual risk avoidance (meaning voluntarily refraining from sexual activity).

“(2) REQUIRED COMPONENTS.—Education on sexual risk avoidance pursuant to an allotment under this section shall—

“(A) ensure that the unambiguous and primary emphasis and context for each topic described in paragraph (3) is a message to youth that normalizes the optimal health behavior of avoiding nonmarital sexual activity;

“(B) be medically accurate and complete;

“(C) be age-appropriate; and

“(D) be based on adolescent learning and developmental theories for the age group receiving the education.

“(3) TOPICS.—Education on sexual risk avoidance pursuant to an allotment under this section shall address each of the following topics:

“(A) The holistic individual and societal benefits associated with personal responsibility, self-regulation, goal setting, healthy decisionmaking, and a focus on the future.

“(B) The advantage of refraining from nonmarital sexual activity in order to improve the future prospects and physical and emotional health of youth.

“(C) The increased likelihood of avoiding poverty when youth attain self-sufficiency and emotional maturity before engaging in sexual activity.

“(D) The foundational components of healthy relationships and their impact on the formation of healthy marriages and safe and stable families.

“(E) How other youth risk behaviors, such as drug and alcohol usage, increase the risk for teen sex.

“(F) How to resist and avoid, and receive help regarding, sexual coercion and dating violence, recognizing that even with consent teen sex remains a youth risk behavior.

“(4) CONTRACEPTION.—Education on sexual risk avoidance pursuant to an allotment under this section shall ensure that—

“(A) any information provided on contraception is medically accurate and ensures that students understand that contraception offers physical risk reduction, but not risk elimination; and

“(B) the education does not include demonstrations, simulations, or distribution of contraceptive devices.

“(5) RESEARCH.—

“(A) IN GENERAL.—A State or other entity receiving an allotment pursuant to subsection (a) may use up to 20 percent of such allotment to build the evidence base for sexual

risk avoidance education by conducting or supporting research.

“(B) REQUIREMENTS.—Any research conducted or supported pursuant to subparagraph (A) shall be—

“(i) rigorous;

“(ii) evidence-based; and

“(iii) designed and conducted by independent researchers who have experience in conducting and publishing research in peer-reviewed outlets.

“(6) INFORMATION COLLECTION AND REPORTING.—A State or other entity receiving an allotment pursuant to subsection (a) shall, as specified by the Secretary—

“(A) collect information on the programs and activities funded through the allotment; and

“(B) submit reports to the Secretary on the data from such programs and activities.

“(c) NATIONAL EVALUATION.—

“(1) IN GENERAL.—The Secretary shall—

“(A) in consultation with appropriate State and local agencies, conduct one or more rigorous evaluations of the education funded through this section and associated data; and

“(B) submit a report to the Congress on the results of such evaluations, together with a summary of the information collected pursuant to subsection (b)(6).

“(2) CONSULTATION.—In conducting the evaluations required by paragraph (1), including the establishment of evaluation methodologies, the Secretary shall consult with relevant stakeholders.

“(d) APPLICABILITY OF CERTAIN PROVISIONS.—

“(1) Sections 503, 507, and 508 apply to allotments under subsection (a) to the same extent and in the same manner as such sections apply to allotments under section 502(c).

“(2) Sections 505 and 506 apply to allotments under subsection (a) to the extent determined by the Secretary to be appropriate.

“(e) FUNDING.—

“(1) IN GENERAL.—To carry out this section, there is appropriated, out of any money in the Treasury not otherwise appropriated, \$75,000,000 for each of fiscal years 2018 and 2019.

“(2) RESERVATION.—The Secretary shall reserve, for each of fiscal years 2018 and 2019, not more than 20 percent of the amount appropriated pursuant to paragraph (1) for administering the program under this section, including the conducting of national evaluations and the provision of technical assistance to the recipients of allotments.”.

(2) EFFECTIVE DATE.—The amendment made by this subsection takes effect on October 1, 2017.

(b) PERSONAL RESPONSIBILITY EDUCATION.—

(1) IN GENERAL.—Section 513 of the Social Security Act (42 U.S.C. 713) is amended—

(A) in subsection (a)(1)(A), by striking “2017” and inserting “2019”; and

(B) in subsection (a)(4)—

(i) in subparagraph (A), by striking “2017” each place it appears and inserting “2019”; and

(ii) in subparagraph (B)—

(I) in the subparagraph heading, by striking “3-YEAR GRANTS” and inserting “COMPETITIVE PREP GRANTS”; and

(II) in clause (i), by striking “solicit applications to award 3-year grants in each of fiscal years 2012 through 2017” and inserting “continue through fiscal year 2019 grants awarded for any of fiscal years 2015 through 2017”;

(C) in subsection (c)(1), by inserting after “youth with HIV/AIDS,” the following: “victims of human trafficking,”; and

(D) in subsection (f), by striking “2017” and inserting “2019”.

(2) EFFECTIVE DATE.—The amendments made by this subsection take effect on October 1, 2017.

## TITLE II—OFFSETS

### SEC. 201. PROVIDING FOR QUALIFIED HEALTH PLAN GRACE PERIOD REQUIREMENTS FOR ISSUER RECEIPT OF ADVANCE PAYMENTS OF COST-SHARING REDUCTIONS AND PREMIUM TAX CREDITS THAT ARE MORE CONSISTENT WITH STATE LAW GRACE PERIOD REQUIREMENTS.

(a) IN GENERAL.—Section 1412(c) of the Patient Protection and Affordable Care Act (42 U.S.C. 18082(c)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (B)(iv)(II), by striking “a 3-month grace period” and inserting “a grace period specified in subparagraph (C)”; and

(B) by adding at the end the following new subparagraphs:

“(C) GRACE PERIOD SPECIFIED.—For purposes of subparagraph (B)(iv)(II), the grace period specified in this subparagraph is—

“(i) for plan years beginning before January 1, 2018, a 3-month grace period; and

“(ii) for plan years beginning on or after January 1, 2018—

“(I) in the case of an Exchange operating in a State that has a State law grace period in place, such State law grace period; and

“(II) in the case of an Exchange operating in a State that does not have a State law grace period in place, a 1-month grace period.

“(D) STATE LAW GRACE PERIOD.—For purposes of subparagraph (C), the term ‘State law grace period’ means, with respect to a State, a grace period for nonpayment of premiums before discontinuing coverage that is applicable under the State law to health insurance coverage offered in the individual market of the State.”; and

(2) in paragraph (3), by adding at the end the following new sentence: “The requirements of paragraph (2)(B)(iv) apply to an

issuer of a qualified health plan receiving an advanced payment under this paragraph in the same manner and to the same extent that such requirements apply to an issuer of a qualified health plan receiving an advanced payment under paragraph (2)(A).”.

(b) **REPORT ON ALIGNING GRACE PERIODS FOR MEDICAID, MEDICARE, AND EXCHANGE PLANS.**—Not later than two years after the date of full implementation of subsection (a), the Comptroller General of the United States shall submit to Congress a report on—

(1) the effects on consumers of aligning grace periods applied under the Medicaid program under title XIX of the Social Security Act, under the Medicare program under parts C and D of title XVIII of such Act, and under qualified health plans offered on an Exchange established under title I of the Patient Protection and Affordable Care Act, including the extent to which such an alignment of grace periods may help to avoid enrollment status confusion for individuals under such Medicaid program, Medicare program, and qualified health plans; and

(2) the extent to which such an alignment of grace periods may reduce fraud, waste, and abuse under the Medicaid program.

**SEC. 202. PREVENTION AND PUBLIC HEALTH FUND.**

Section 4002(b) of the Patient Protection and Affordable Care Act (42 U.S.C. 300u–11(b)) is amended by striking paragraphs (3) through (8) and inserting the following new paragraphs:

“(3) for fiscal year 2018, \$900,000,000;

“(4) for fiscal year 2019, \$600,000,000;

“(5) for each of fiscal years 2020 through 2026, \$0; and

“(6) for fiscal year 2027 and each fiscal year thereafter, \$2,000,000,000.”.

## **DIVISION B—HEALTHY KIDS ACT**

**SEC. 300. SHORT TITLE.**

This division may be cited as the “Helping Ensure Access for Little Ones, Toddlers, and Hopeful Youth by Keeping Insurance Delivery Stable Act of 2017” or the “HEALTHY KIDS Act”.

## **TITLE I—CHIP EXTENSION AND OTHER MEDICAID AND CHIP PROVISIONS**

**SEC. 301. FIVE-YEAR FUNDING EXTENSION OF THE CHILDREN’S HEALTH INSURANCE PROGRAM.**

(a) **APPROPRIATION; TOTAL ALLOTMENT.**—Section 2104(a) of the Social Security Act (42 U.S.C. 1397dd(a)) is amended—

(1) in paragraph (19), by striking “and”;

(2) in paragraph (20), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

“(21) for fiscal year 2018, \$21,500,000,000;

“(22) for fiscal year 2019, \$22,600,000,000;

“(23) for fiscal year 2020, \$23,700,000,000;

“(24) for fiscal year 2021, \$24,800,000,000; and

“(25) for fiscal year 2022, for purposes of making 2 semi-annual allotments—

“(A) \$2,850,000,000 for the period beginning on October 1, 2021, and ending on March 31, 2022; and

“(B) \$2,850,000,000 for the period beginning on April 1, 2022, and ending on September 30, 2022.”.

(b) ALLOTMENTS.—

(1) IN GENERAL.—Section 2104(m) of the Social Security Act (42 U.S.C. 1397dd(m)) is amended—

(A) in paragraph (2)—

(i) in the heading, by striking “THROUGH 2016” and inserting “THROUGH 2022”; and

(ii) in subparagraph (B)—

(I) in the matter preceding clause (i), by striking “(19)” and inserting “(24)”; and

(II) in clause (ii), in the matter preceding subclause (I), by inserting “(other than fiscal year 2022)” after “even-numbered fiscal year”; and

(III) in clause (ii)(I), by inserting “(or, in the case of fiscal year 2018, under paragraph (4))” after “clause (i)”; and

(B) in paragraph (5)—

(i) by striking “or (4)” and inserting “(4), or (10)”; and

(ii) by striking “or 2017” and inserting “, 2017, or 2022”; and

(C) in paragraph (7)—

(i) in subparagraph (A), by striking “2017” and inserting “2022”; and

(ii) in subparagraph (B), in the matter preceding clause (i), by inserting “(or, in the case of fiscal year 2018, by not later than the date that is 60 days after the date of the enactment of the HEALTHY KIDS Act)” after “before the August 31 preceding the beginning of the fiscal year”; and

(iii) in the matter following subparagraph (B), by striking “or fiscal year 2016” and inserting “fiscal year 2016, fiscal year 2018, fiscal year 2020, or fiscal year 2022”; and

(D) in paragraph (9)—

(i) in the heading, by striking “FISCAL YEARS 2015 AND 2017” and inserting “CERTAIN FISCAL YEARS”; and

(ii) by striking “or (4)” and inserting “, (4), or (10)”; and

(iii) by striking “or fiscal year 2017” and inserting “, 2017, or 2022”; and

(E) by adding at the end the following new paragraph:

“(10) FOR FISCAL YEAR 2022.—

“(A) FIRST HALF.—Subject to paragraphs (5) and (7), from the amount made available under subparagraph (A) of paragraph (25) of subsection (a) for the semi-annual period described in such subparagraph, increased by the amount of the appropriation for such period under section 301(b)(3) of the HEALTHY KIDS Act, the Secretary shall



compute a State allotment for each State (including the District of Columbia and each commonwealth and territory) for such semi-annual period in an amount equal to the first half ratio (described in subparagraph (D)) of the amount described in subparagraph (C).

“(B) SECOND HALF.—Subject to paragraphs (5) and (7), from the amount made available under subparagraph (B) of paragraph (25) of subsection (a) for the semi-annual period described in such subparagraph, the Secretary shall compute a State allotment for each State (including the District of Columbia and each commonwealth and territory) for such semi-annual period in an amount equal to the amount made available under such subparagraph, multiplied by the ratio of—

“(i) the amount of the allotment to such State under subparagraph (A); to

“(ii) the total of the amount of all of the allotments made available under such subparagraph.

“(C) FULL YEAR AMOUNT BASED ON GROWTH FACTOR UPDATED AMOUNT.—The amount described in this subparagraph for a State is equal to the sum of—

“(i) the amount of the State allotment for fiscal year 2021 determined under paragraph (2)(B)(i); and

“(ii) the amount of any payments made to the State under subsection (n) for fiscal year 2021, multiplied by the allotment increase factor under paragraph (6) for fiscal year 2022.

“(D) FIRST HALF RATIO.—The first half ratio described in this subparagraph is the ratio of—

“(i) the sum of—

“(I) the amount made available under subsection (a)(25)(A); and

“(II) the amount of the appropriation for such period under section 301(b)(3) of the HEALTHY KIDS Act; to

“(ii) the sum of—

“(I) the amount described in clause (i); and

“(II) the amount made available under subsection (a)(25)(B).”.

(2) TECHNICAL AMENDMENT.—Section 2104(m)(2)(A) of such Act (42 U.S.C. 1397dd(m)(2)(A)) is amended by striking “the allotment increase factor under paragraph (5)” each place it appears and inserting “the allotment increase factor under paragraph (6)”.

(3) ONE-TIME APPROPRIATION FOR FISCAL YEAR 2022.—There is appropriated to the Secretary of Health and Human Services, out of any money in the Treasury not otherwise appropriated, \$20,200,000,000 to accompany the allotment made for the period beginning on October 1, 2021, and ending on March 31, 2022, under paragraph (25)(A) of section 2104(a) of the Social Security Act (42 U.S.C. 1397dd(a)) (as added by subsection (a)(3)), to remain available until expended. Such amount shall be used to provide allotments to States under paragraph (10) of section 2104(m) of such Act (as added by subsection (b)(1)(E)) for the first 6 months of fiscal year 2022 in the same

manner as allotments are provided under subsection (a)(25)(A) of such section 2104 and subject to the same terms and conditions as apply to the allotments provided from such subsection (a)(25)(A).

(c) EXTENSION OF THE CHILD ENROLLMENT CONTINGENCY FUND.—Section 2104(n) of the Social Security Act (42 U.S.C. 1397dd(n)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)(ii)—

(i) by striking “2010, 2011, 2012, 2013, 2014, and 2016” and inserting “2010 through 2014, 2016, and 2018 through 2021”; and

(ii) by striking “fiscal year 2015 and fiscal year 2017” and inserting “fiscal years 2015, 2017, and 2022”; and

(B) in subparagraph (B)—

(i) by striking “2010, 2011, 2012, 2013, 2014, and 2016” and inserting “2010 through 2014, 2016, and 2018 through 2021”; and

(ii) by striking “fiscal year 2015 and fiscal year 2017” and inserting “fiscal years 2015, 2017, and 2022”; and

(2) in paragraph (3)(A), in the matter preceding clause (i), by striking “or a semi-annual allotment period for fiscal year 2015 or 2017” and inserting “or in any of fiscal years 2018 through 2021 (or a semi-annual allotment period for fiscal year 2015, 2017, or 2022)”.

(d) EXTENSION OF QUALIFYING STATES OPTION.—Section 2105(g)(4) of the Social Security Act (42 U.S.C. 1397ee(g)(4)) is amended—

(1) in the heading, by striking “THROUGH 2017” and inserting “THROUGH 2022”; and

(2) in subparagraph (A), by striking “2017” and inserting “2022”.

(e) EXTENSION OF EXPRESS LANE ELIGIBILITY OPTION.—Section 1902(e)(13)(I) of the Social Security Act (42 U.S.C. 1396a(e)(13)(I)) is amended by striking “2017” and inserting “2022”.

(f) ASSURANCE OF AFFORDABILITY STANDARD FOR CHILDREN AND FAMILIES.—

(1) IN GENERAL.—Section 2105(d)(3) of the Social Security Act (42 U.S.C. 1397ee(d)(3)) is amended—

(A) in the paragraph heading, by striking “UNTIL OCTOBER 1, 2019” and inserting “THROUGH SEPTEMBER 30, 2022”; and

(B) in subparagraph (A), in the matter preceding clause (i)—

(i) by striking “2019” and inserting “2022”; and

(ii) by striking “The preceding sentence shall not be construed as preventing a State during such period” and inserting “During the period that begins on October 1, 2019, and ends on September 30, 2022, the preceding sentence shall only apply with respect to children in families whose income does not exceed 300 percent of the poverty line (as defined in section 2110(c)(5)) applicable to a family of the size involved.”

The preceding sentences shall not be construed as preventing a State during any such periods”.

(2) CONFORMING AMENDMENTS.—Section 1902(gg)(2) of the Social Security Act (42 U.S.C. 1396a(gg)(2)) is amended—

(A) in the paragraph heading, by striking “UNTIL OCTOBER 1, 2019” and inserting “THROUGH SEPTEMBER 30, 2022”; and

(B) by striking “September 30, 2019,” and inserting “September 30, 2022 (but during the period that begins on October 1, 2019, and ends on September 30, 2022, only with respect to children in families whose income does not exceed 300 percent of the poverty line (as defined in section 2110(c)(5)) applicable to a family of the size involved)”.

(g) CHIP LOOK-ALIKE PLANS.—

(1) BLENDING RISK POOLS.—Section 2107 of the Social Security Act (42 U.S.C. 1397gg) is amended by adding at the end the following:

“(g) USE OF BLENDED RISK POOLS.—

“(1) IN GENERAL.—Nothing in this title (or any other provision of Federal law) shall be construed as preventing a State from considering children enrolled in a qualified CHIP look-alike program and children enrolled in a State child health plan under this title (or a waiver of such plan) as members of a single risk pool.

“(2) QUALIFIED CHIP LOOK-ALIKE PROGRAM.—In this subsection, the term ‘qualified CHIP look-alike program’ means a State program—

“(A) under which children who are under the age of 19 and are not eligible to receive medical assistance under title XIX or child health assistance under this title may purchase coverage through the State that provides benefits that are at least identical to the benefits provided under the State child health plan under this title (or a waiver of such plan); and

“(B) that is funded exclusively through non-Federal funds, including funds received by the State in the form of premiums for the purchase of such coverage.”.

(2) COVERAGE RULE.—

(A) IN GENERAL.—Section 5000A(f)(1) of the Internal Revenue Code of 1986 is amended in subparagraph (A)(iii), by inserting “or under a qualified CHIP look-alike program (as defined in section 2107(g) of the Social Security Act)” before the comma at the end.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall apply with respect to taxable years beginning after December 31, 2017.

#### **SEC. 302. EXTENSION OF CERTAIN PROGRAMS AND DEMONSTRATION PROJECTS.**

(a) CHILDHOOD OBESITY DEMONSTRATION PROJECT.—Section 1139A(e)(8) of the Social Security Act (42 U.S.C. 1320b–9a(e)(8)) is amended—

(1) by striking “and \$10,000,000” and inserting “, \$10,000,000”; and

(2) by inserting after “2017” the following: “, and \$25,000,000 for the period of fiscal years 2018 through 2022”.

(b) **PEDIATRIC QUALITY MEASURES PROGRAM.**—Section 1139A(i) of the Social Security Act (42 U.S.C. 1320b–9a(i)) is amended—

- (1) by striking “Out of any” and inserting the following:  
“(1) **IN GENERAL.**—Out of any”;
- (2) by striking “there is appropriated for each” and inserting  
“there is appropriated—  
“(A) for each”;
- (3) by striking “, and there is appropriated for the period” and inserting “;  
“(B) for the period”;
- (4) by striking “. Funds appropriated under this subsection shall remain available until expended.” and inserting “; and”; and
- (5) by adding at the end the following:  
“(C) for the period of fiscal years 2018 through 2022, \$75,000,000 for the purpose of carrying out this section (other than subsections (e), (f), and (g)).  
“(2) **AVAILABILITY.**—Funds appropriated under this subsection shall remain available until expended.”.

**SEC. 303. EXTENSION OF OUTREACH AND ENROLLMENT PROGRAM.**

(a) **IN GENERAL.**—Section 2113 of the Social Security Act (42 U.S.C. 1397mm) is amended—

- (1) in subsection (a)(1), by striking “2017” and inserting “2022”; and
- (2) in subsection (g)—
  - (A) by striking “and \$40,000,000” and inserting “, \$40,000,000”; and
  - (B) by inserting after “2017” the following: “, and \$100,000,000 for the period of fiscal years 2018 through 2022”.

(b) **MAKING ORGANIZATIONS THAT USE PARENT MENTORS ELIGIBLE TO RECEIVE GRANTS.**—Section 2113(f) of the Social Security Act (42 U.S.C. 1397mm(f)) is amended—

- (1) in paragraph (1)(E), by striking “or community-based doula programs” and inserting “, community-based doula programs, or parent mentors”; and

(2) by adding at the end the following new paragraph:

“(5) **PARENT MENTOR.**—The term ‘parent mentor’ means an individual who—

“(A) is a parent or guardian of at least one child who is an eligible child under this title or title XIX; and

“(B) is trained to assist families with children who have no health insurance coverage with respect to improving the social determinants of the health of such children, including by providing—

“(i) education about health insurance coverage, including, with respect to obtaining such coverage, eligibility criteria and application and renewal processes;

“(ii) assistance with completing and submitting applications for health insurance coverage;

“(iii) a liaison between families and representatives of State plans under title XIX or State child health plans under this title;

“(iv) guidance on identifying medical and dental homes and community pharmacies for children; and

“(v) assistance and referrals to successfully address social determinants of children’s health, including poverty, food insufficiency, and housing.”.

(c) **EXCLUSION FROM MODIFIED ADJUSTED GROSS INCOME.**—Section 1902(e) of the Social Security Act (42 U.S.C. 1396a(e)) is amended—

(1) in the first paragraph (14), relating to income determined using modified adjusted gross income, by adding at the end the following new subparagraph:

“(J) **EXCLUSION OF PARENT MENTOR COMPENSATION FROM INCOME DETERMINATION.**—Any nominal amount received by an individual as compensation, including a stipend, for participation as a parent mentor (as defined in paragraph (5) of section 2113(f)) in an activity or program funded through a grant under such section shall be disregarded for purposes of determining the income eligibility of such individual for medical assistance under the State plan or any waiver of such plan.”; and

(2) by striking “(14) **EXCLUSION**” and inserting “(15) **EXCLUSION**”.

**SEC. 304. EXTENSION AND REDUCTION OF ADDITIONAL FEDERAL FINANCIAL PARTICIPATION FOR CHIP.**

Section 2105(b) of the Social Security Act (42 U.S.C. 1397ee(b)) is amended in the second sentence by inserting “and during the period that begins on October 1, 2019, and ends on September 30, 2020, the enhanced FMAP determined for a State for a fiscal year (or for any portion of a fiscal year occurring during such period) shall be increased by 11.5 percentage points” after “23 percentage points,”.

**SEC. 305. MODIFYING REDUCTIONS IN MEDICAID DSH ALLOTMENTS.**

Section 1923(f)(7)(A) of the Social Security Act (42 U.S.C. 1396r-4(f)(7)(A)) is amended—

(1) in clause (i), in the matter preceding subclause (I), by striking “2018” and inserting “2020”; and

(2) in clause (ii), by striking subclauses (I) through (VIII) and inserting the following:

“(I) \$4,000,000,000 for fiscal year 2020; and

“(II) \$8,000,000,000 for each of fiscal years 2021 through 2025.”.

**SEC. 306. PUERTO RICO AND THE VIRGIN ISLANDS MEDICAID PAYMENTS.**

(a) **INCREASED CAP.**—Section 1108(g) of the Social Security Act (42 U.S.C. 1308(g)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by inserting “(or, with respect to fiscal years 2018 and 2019, increased by such percentage increase plus one percentage point)” after “beginning of the fiscal year”; and

(B) in subparagraph (B), by inserting “(or, with respect to fiscal years 2018 and 2019, increased by such percentage increase plus one percentage point)” after “percentage increase referred to in subparagraph (A)”;

(2) in paragraph (5)—

(A) in subparagraph (A), by striking “subparagraph (B)” and inserting “subparagraphs (B), (C), (D), (E), and (F)”; and

(B) by adding at the end the following new subparagraphs:

“(C) The amount of the increase otherwise provided under subparagraph (A) for Puerto Rico shall be further increased by \$880,000,000.

“(D)(i) For the period beginning October 1, 2017, and ending December 31, 2019, the amount of the increase otherwise provided under subparagraph (A) for Puerto Rico shall be further increased by \$120,000,000 if the Financial Oversight and Management Board for Puerto Rico established under section 101 of the Puerto Rico Oversight, Management, and Economic Stability Act (48 U.S.C. 2121) certifies by a majority vote that Puerto Rico has taken reasonable and appropriate steps during such period to—

“(I) reduce fraud, waste, and abuse under the program under title XIX;

“(II) implement strategies to reduce unnecessary, inefficient, or excessive spending under title XIX;

“(III) improve the use and availability of Medicaid data for program operation and oversight; and

“(IV) improve the quality of care and patient experience for individuals enrolled under the program under title XIX.

“(ii) As a condition of any additional increase pursuant to clause (i), not later than October 1, 2018, Puerto Rico shall submit to the Financial Oversight and Management Board for Puerto Rico a report regarding steps taken to achieve each of the goals described in subclauses (I) through (IV) of clause (i).

“(E) Payments under section 1903(a)(8) for a quarter of a fiscal year shall not be taken into account in applying subsection (f) (as increased in accordance with this paragraph and paragraphs (1), (2), (3), and (4)) to Puerto Rico or the Virgin Islands for such fiscal year.

“(F)(i) For the period beginning October 1, 2017, and ending December 31, 2019, the amount of the increase otherwise provided under subparagraph (A) for the Virgin Islands shall be further increased by an amount equal to the per capita equivalent of the total amount of the increase provided for Puerto Rico under subparagraphs (C) and (D) for such period.

“(ii) For purposes of clause (i), the term ‘per capita equivalent’ means the ratio of—

“(I) the population of the Virgin Islands, as determined by the most recent census estimate released by the Bureau of the Census before September 4, 2017; to

“(II) the population of Puerto Rico, as so determined.”.

(b) FEDERAL MATCH FOR MEDICAL PERSONNEL AND FRAUD REDUCTION.—Section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a)) is amended—

(1) in paragraph (2)(A), by inserting “subject to paragraph (8),” before “an amount”;

(2) in paragraph (6)—

(A) in subparagraph (B), by inserting “subject to paragraph (8),” before “75 per centum”; and

- (B) by striking at the end “plus”;
- (3) in paragraph (7), by striking at the end the period and inserting “; plus” ; and
- (4) by adding at the end the following new paragraph:
  - “(8) for quarters during the period beginning January 1, 2018, and ending December 31, 2019, paragraphs (2)(A) and (6) shall apply with respect to Puerto Rico and the Virgin Islands as if—
    - “(A) the reference to ‘75 per centum’ in paragraph (2)(A) were a reference to ‘90 per centum’; and
    - “(B) the reference to ‘75 per centum’ in paragraph (6)(B) were a reference to ‘90 per centum’.”.

## TITLE II—OFFSETS

### SEC. 401. MEDICAID THIRD PARTY LIABILITY PROVISIONS.

#### (a) MEDICAID THIRD PARTY LIABILITY.—

##### (1) DELAY OF BIPARTISAN BUDGET ACT OF 2013 THIRD PARTY LIABILITY PROVISIONS.—

(A) IN GENERAL.—Section 202(c) of the Bipartisan Budget Act of 2013 (Public Law 113–67; 127 Stat. 1177; 42 U.S.C. 1396a note), as amended by section 211 of the Protecting Access to Medicare Act of 2014 (Public Law 113–93; 128 Stat. 1047; 42 U.S.C. 1396a note) and section 220 of the Medicare Access and CHIP Reauthorization Act of 2015 (Public Law 114–10), is amended by striking “2017” and inserting “2019”.

(B) EFFECTIVE DATE; TREATMENT.—The amendment made by subparagraph (A) shall take effect on September 30, 2017, and shall apply with respect to any open claims, including claims generated or filed, after such date.

##### (2) CLARIFICATION OF DEFINITIONS APPLICABLE TO THIRD PARTY LIABILITY.—

(A) IN GENERAL.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended by adding at the end the following new subsection:

“(nn) RESPONSIBLE THIRD PARTY AND HEALTH INSURER DEFINITIONS.—For purposes of subsection (a)(25) and section 1903(d)(2)(B):

“(1) RESPONSIBLE THIRD PARTY.—The term ‘responsible third party’ means a health insurer, a pharmacy benefit manager to the extent the pharmacy benefit manager provides information under this title for the purpose of coordinating benefits, an accountable care organization under section 1899, or any other party that is, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service. Such term does not include a party if payment by such party has been made or can reasonably be expected to be made under a workmen’s compensation law or plan of the United States or a State, or under an automobile or liability insurance policy or plan (including a self-insured plan), or under no fault insurance.

“(2) HEALTH INSURER.—The term ‘health insurer’ means a group health plan, as defined in section 607(1) of the Employee

Retirement Income Security Act of 1974, a self-insured plan, a fully-insured plan, a service benefit plan, a medicaid managed care plan under section 1903(m) or 1932, and any other health plan determined appropriate by the Secretary.”.

(B) CONFORMING AMENDMENTS.—Section 1902(a)(25) of the Social Security Act (42 U.S.C. 1396a(a)(25)) is amended—

(i) in subparagraph (A), in the matter preceding clause (i), by striking “third parties” and all that follows through “item or service” and inserting “responsible third parties”;

(ii) in subparagraph (G), by striking “health insurer” and all that follows through “item or service” and inserting “responsible third party”;

(iii) in subparagraph (I), in the matter preceding clause (i), by striking “health insurers” and all that follows through “item or service” and inserting “responsible third parties”; and

(iv) by inserting “responsible” before “third” each place it appears in subparagraphs (A)(i), (A)(ii), (C), (D), and (H).

(3) REMOVAL OF SPECIAL TREATMENT OF CERTAIN TYPES OF CARE AND PAYMENTS UNDER MEDICAID THIRD PARTY LIABILITY RULES.—Section 1902(a)(25) of the Social Security Act (42 U.S.C. 1396a(a)(25)), as amended by section 202(c) of the Bipartisan Budget Act of 2013 (after application of paragraph (1)), is amended—

(A) in subparagraph (E)—

(i) in the matter preceding clause (i), by striking “prenatal or preventive” and all that follows through “State plan” and inserting “items and services provided under the program required under the State plan pursuant to paragraph (62)”;

(ii) in clause (i)—

(I) by striking “such service” and inserting “such items and services”; and

(II) by striking each place it appears “such services” and inserting “such items and services” each such place; and

(B) by striking subparagraph (F).

(4) CLARIFICATION OF ROLE OF HEALTH INSURERS WITH RESPECT TO THIRD PARTY LIABILITY.—

(A) IN GENERAL.—Section 1902(a)(25) of the Social Security Act (42 U.S.C. 1396a(a)(25)), as amended by paragraph (3), is further amended by inserting after subparagraph (E) the following new subparagraph:

“(F) that—

“(i) in the case of a State that provides medical assistance under this title through a contract with a health insurer, such contract shall specify any responsibility of such health insurer (or other entity) with respect to recovery of payment from responsible third parties pursuant to the delegation or transfer by the State to such insurer (or other entity) of a right described in subparagraph (I)(ii); and



“(ii) in the case of a State that under a contract described in clause (i) delegates or transfers to a health insurer (or other entity) a right described in such clause, the State shall provide assurances to the Secretary that the State laws referred to in subparagraph (I), with respect to each responsibility of such health insurer (or other entity) specified under such clause, confer to such health insurer (or other entity) the authority of the State with respect to the requirements specified in clauses (i) through (iv) of such subparagraph (I);”.

(B) TREATMENT OF COLLECTED AMOUNTS.—Section 1903(d)(2)(B) of the Social Security Act (42 U.S.C. 1396b(d)(2)(B)) is amended by adding at the end the following: “For purposes of this subparagraph, reimbursements made by a responsible third party to health insurers (as defined in section 1902(nn)) pursuant to section 1902(a)(25)(F)(ii) shall be treated in the same manner as reimbursements made to a State under the previous sentence.”.

(5) INCREASING STATE FLEXIBILITY WITH RESPECT TO THIRD PARTY LIABILITY.—Section 1902(a)(25)(I) of the Social Security Act (42 U.S.C. 1396a(a)(25)(I)) is amended—

(A) in clause (i), by striking “medical assistance under the State plan” and inserting “medical assistance under a State plan (or under a waiver of the plan)”;

(B) by striking clause (ii) and inserting the following new clause:

“(ii) accept—

“(I) any State’s right of recovery and the assignment to any State of any right of an individual or other entity to payment from the party for an item or service for which payment has been made under the respective State’s plan (or under a waiver of the plan); and

“(II) as a valid authorization of the responsible third party for the furnishing of an item or service to an individual eligible to receive medical assistance under this title, an authorization made on behalf of such individual under the State plan (or under a waiver of such plan) for the furnishing of such item or service to such individual;”;

(C) in clause (iii)—

(i) by striking “respond to” and inserting “not later than 60 days after receiving”; and

(ii) by striking “; and” at the end and inserting “, respond to such inquiry; and”; and

(D) in clause (iv), by inserting “a failure to obtain a prior authorization,” after “claim form.”.

(6) STATE INCENTIVE TO PURSUE THIRD PARTY LIABILITY FOR NEWLY ELIGIBLES.—Section 1903(d)(2)(B) of the Social Security Act (42 U.S.C. 1396b(d)(2)(B)), as amended by paragraph (4)(B), is further amended by adding at the end the following: “In the case of expenditures for medical assistance provided during 2017 and subsequent years for individuals described in

subclause (VIII) of section 1902(a)(10)(A)(i), in determining the amount, if any, of overpayment under this subparagraph with respect to such medical assistance, the Secretary shall apply the Federal medical assistance percentage for the State under section 1905(b), notwithstanding the application of section 1905(y).”.

(b) COMPLIANCE WITH THIRD PARTY INSURANCE REPORTING.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended by adding at the end the following new subsection:

“(ee) Notwithstanding subsection (b), for any year beginning after 2019, if a State fails to comply with the requirements of section 1902(a)(25) with respect to each calendar quarter in such year, the Secretary may reduce the Federal medical assistance percentage by 0.1 percentage point for calendar quarters in each subsequent year in which the State fails to so comply.”.

(c) APPLICATION TO CHIP.—

(1) IN GENERAL.—Section 2107(e)(1) of the Social Security Act (42 U.S.C. 1397gg(e)(1)) is amended—

(A) by redesignating subparagraphs (B) through (R) as subparagraphs (C) through (S), respectively; and

(B) by inserting after subparagraph (A) the following new subparagraph:

“(B) Section 1902(a)(25) (relating to third party liability).”.

(2) MANDATORY REPORTING.—Section 1902(a)(25)(I)(i) of the Social Security Act (42 U.S.C. 1396a(a)(25)(I)(i)), as amended by subsection (a)(5), is further amended—

(A) by striking “(and, at State option, child” and inserting “and child”; and

(B) by striking “title XXI” and inserting “title XXI”.

(d) TRAINING ON THIRD PARTY LIABILITY.—Section 1936 of the Social Security Act (42 U.S.C. 1396u–6) is amended—

(1) in subsection (b)(4), by striking “and quality of care” and inserting “, quality of care, and the liability of responsible third parties (as defined in section 1902(nn))”; and

(2) by adding at the end the following new subsection:

“(f) THIRD PARTY LIABILITY TRAINING.—With respect to education or training activities carried out pursuant to subsection (b)(4) with respect to the liability of responsible third parties (as defined in section 1902(nn) for payment for items and services furnished under State plans (or under waivers of such plans)) under this title, the Secretary shall—

“(1) publish (and update on an annual basis) on the public Internet website of the Centers for Medicare & Medicaid Services a dedicated Internet page containing best practices to be used in assessing such liability;

“(2) monitor efforts to assess such liability and analyze the challenges posed by that assessment;

“(3) distribute to State agencies administering the State plan under this title information related to such efforts and challenges; and

“(4) provide guidance to such State agencies with respect to State oversight of efforts under a medicaid managed care plan under section 1903(m) or 1932 to assess such liability.”.

(e) DEVELOPMENT OF MODEL UNIFORM FIELDS FOR STATES TO REPORT THIRD PARTY INFORMATION.—Not later than January 1, 2019, the Secretary of Health and Human Services shall, in consultation with the States, develop and make available to the States a model uniform reporting set of reporting fields and accompanying guidance documentation that States shall use for purposes of—

(1) reporting information to the Secretary within the Transformed Medicaid Statistical Information System (T-MSIS) (or a successor system); and

(2) collecting information that identifies responsible third parties (as defined in subsection (nn) of section 1902 of the Social Security Act (42 U.S.C. 1396a), as added by subsection (a)(2)(A)) and other relevant information for ascertaining the legal responsibility of such third parties to pay for care and services available under the State plan (or under a waiver of the plan) under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or under the State child health plan under title XXI of such Act (42 U.S.C. 1397 et seq.).

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section and the amendments made by this section (other than as specified in the preceding provisions of this section) shall take effect on October 1, 2019, and shall apply to medical assistance or child health assistance provided on or after such date.

(2) EXCEPTION IF STATE LEGISLATION REQUIRED.—In the case of a State plan for medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), or a State child health plan for child health assistance under title XXI of such Act (42 U.S.C. 1397aa et seq.), that the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirement imposed by the amendments made under this section, such plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet this additional requirement before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

**SEC. 402. TREATMENT OF LOTTERY WINNINGS AND OTHER LUMP-SUM INCOME FOR PURPOSES OF INCOME ELIGIBILITY UNDER MEDICAID.**

(a) IN GENERAL.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended—

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

(2) in subsection (e)(14), as amended by section 303(c), by adding at the end the following new subparagraph:

“(K) TREATMENT OF CERTAIN LOTTERY WINNINGS AND INCOME RECEIVED AS A LUMP SUM.—

“(i) IN GENERAL.—In the case of an individual who is the recipient of qualified lottery winnings (pursuant to lotteries occurring on or after January 1, 2018) or qualified lump sum income (received on or after such date) and whose eligibility for medical assistance is determined based on the application of modified adjusted gross income under subparagraph (A), a State shall, in determining such eligibility, include such winnings or income (as applicable) as income received—

“(I) in the month in which such winnings or income (as applicable) is received if the amount of such winnings or income is less than \$80,000;

“(II) over a period of 2 months if the amount of such winnings or income (as applicable) is greater than or equal to \$80,000 but less than \$90,000;

“(III) over a period of 3 months if the amount of such winnings or income (as applicable) is greater than or equal to \$90,000 but less than \$100,000; and

“(IV) over a period of 3 months plus 1 additional month for each increment of \$10,000 of such winnings or income (as applicable) received, not to exceed a period of 120 months (for winnings or income of \$1,260,000 or more), if the amount of such winnings or income is greater than or equal to \$100,000.

“(ii) COUNTING IN EQUAL INSTALLMENTS.—For purposes of subclauses (II), (III), and (IV) of clause (i), winnings or income to which such subclause applies shall be counted in equal monthly installments over the period of months specified under such subclause.

“(iii) HARDSHIP EXEMPTION.—An individual whose income, by application of clause (i), exceeds the applicable eligibility threshold established by the State, shall continue to be eligible for medical assistance to the extent that the State determines, under procedures established by the State (in accordance with standards specified by the Secretary), that the denial of eligibility of the individual would cause an undue medical or financial hardship as determined on the basis of criteria established by the Secretary.

“(iv) NOTIFICATIONS AND ASSISTANCE REQUIRED IN CASE OF LOSS OF ELIGIBILITY.—A State shall, with respect to an individual who loses eligibility for medical assistance under the State plan (or a waiver of such plan) by reason of clause (i)—

“(I) before the date on which the individual loses such eligibility, inform the individual—

“(aa) of the individual’s opportunity to enroll in a qualified health plan offered through an Exchange established under title I of the Patient Protection and Affordable Care Act during the special enrollment period specified in section 9801(f)(3) of the Internal Revenue

Code of 1986 (relating to loss of Medicaid or CHIP coverage); and

“(bb) of the date on which the individual would no longer be considered ineligible by reason of clause (i) to receive medical assistance under the State plan or under any waiver of such plan and be eligible to reapply to receive such medical assistance; and

“(II) provide technical assistance to the individual seeking to enroll in such a qualified health plan.

“(v) QUALIFIED LOTTERY WINNINGS DEFINED.—In this subparagraph, the term ‘qualified lottery winnings’ means winnings from a sweepstakes, lottery, or pool described in paragraph (3) of section 4402 of the Internal Revenue Code of 1986 or a lottery operated by a multistate or multijurisdictional lottery association, including amounts awarded as a lump sum payment.

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

“(I) Monetary winnings from gambling (as defined by the Secretary and including gambling activities described in section 1955(b)(4) of title 18, United States Code).

“(II) Damages received, whether by suit or agreement and whether as lump sums or as periodic payments (other than monthly payments), on account of causes of action other than causes of action arising from personal physical injuries or physical sickness.

“(III) Income received as liquid assets from the estate (as defined in section 1917(b)(4)) of a deceased individual.”.

(b) RULES OF CONSTRUCTION.—

(1) INTERCEPTION OF LOTTERY WINNINGS ALLOWED.—Nothing in the amendment made by subsection (a)(2) shall be construed as preventing a State from intercepting the State lottery winnings awarded to an individual in the State to recover amounts paid by the State under the State Medicaid plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) for medical assistance furnished to the individual.

(2) APPLICABILITY LIMITED TO ELIGIBILITY OF RECIPIENT OF LOTTERY WINNINGS OR LUMP SUM INCOME.—Nothing in the amendment made by subsection (a)(2) shall be construed, with respect to a determination of household income for purposes of a determination of eligibility for medical assistance under the State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) (or a waiver of such plan) made by applying modified adjusted gross income under subparagraph (A) of section 1902(e)(14) of such Act (42 U.S.C. 1396a(e)(14)), as limiting the eligibility for such medical assistance of any individual that is a member of the household other than the individual who received qualified lottery winnings or qualified lump-sum income

(as defined in subparagraph (K) of such section 1902(e)(14), as added by subsection (a)(2) of this section).

---

PART B—TEXT OF AMENDMENT CONSIDERED AS ADOPTED

Amend section 202 to read as follows:

**SEC. 202. PREVENTION AND PUBLIC HEALTH FUND.**

Section 4002(b) of the Patient Protection and Affordable Care Act (42 U.S.C. 300u–11(b)) is amended by striking paragraphs (3) through (8) and inserting the following new paragraphs:

“(3) for fiscal year 2018, \$900,000,000;  
 “(4) for fiscal year 2019, \$500,000,000;  
 “(5) for fiscal year 2020, \$500,000,000;  
 “(6) for fiscal year 2021, \$500,000,000;  
 “(7) for fiscal year 2022, \$500,000,000;  
 “(8) for fiscal year 2023, \$500,000,000;  
 “(9) for fiscal year 2024, \$500,000,000;  
 “(10) for fiscal year 2025, \$750,000,000;  
 “(11) for fiscal year 2026, \$1,000,000,000; and  
 “(12) for fiscal year 2027 and each fiscal year thereafter, \$2,000,000,000.”.

Add at the end of title II of division B the following (and conform the table of contents accordingly):

**SEC. 403. ADJUSTMENTS TO MEDICARE PART B AND PART D PREMIUM SUBSIDIES FOR HIGHER INCOME INDIVIDUALS.**

(a) IN GENERAL.—Section 1839(i)(3)(C)(i)(II) of the Social Security Act (42 U.S.C. 1395r(i)(3)(C)(i)(II)) is amended, in the table, by striking the last row and inserting the following new rows:

“More than \$160,000 but less than \$500,000 .....	80 percent
At least \$500,000 .....	100 percent.”.

(b) JOINT RETURNS.—Section 1839(i)(3)(C)(ii) of the Social Security Act (42 U.S.C. 1395r(i)(3)(C)(ii)) is amended by inserting before the period the following: “except, with respect to the dollar amounts applied in the last row of the table under subclause (II) of such clause (and the second dollar amount specified in the second to last row of such table), clause (i) shall be applied by substituting dollar amounts which are 175 percent of such dollar amounts for the calendar year”.

(c) INFLATION ADJUSTMENT.—Section 1839(i) of the Social Security Act (42 U.S.C. 1395r(i)) is amended—

(1) in paragraph (5)—

(A) in subparagraph (A), by striking “In the case” and inserting “Subject to subparagraph (C), in the case”;

(B) in subparagraph (B), by striking “subparagraph (A)” and inserting “subparagraph (A) or (C)”; and

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

“(C) TREATMENT OF ADJUSTMENTS FOR CERTAIN HIGHER INCOME INDIVIDUALS.—

“(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to each dollar amount in paragraph (3) of \$500,000.

“(ii) ADJUSTMENT BEGINNING 2027.—In the case of any calendar year beginning after 2026, each dollar amount in paragraph (3) of \$500,000 shall be increased by an amount equal to—

“(I) such dollar amount, multiplied by

“(II) the percentage (if any) by which the average of the Consumer Price Index for all urban consumers (United States city average) for the 12-month period ending with August of the preceding calendar year exceeds such average for the 12-month period ending with August 2025.”; and

(2) in paragraph (6)(B), by inserting “(other than \$500,000)” after “the dollar amounts”.

