

116TH CONGRESS
2D SESSION

S. 4509

To provide for affordable coverage of COVID–19 vaccines under Medicare, Medicaid, and the Children’s Health Insurance Program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 6, 2020

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

A BILL

To provide for affordable coverage of COVID–19 vaccines under Medicare, Medicaid, and the Children’s Health Insurance Program, and for other purposes.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Vaccine And Coverage Certainty Act” or the “VACC
6 Act”.

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

Sec. 1. Short title; table of contents.

TITLE I—ENSURING COVERAGE OF COVID–19 VACCINES

- Sec. 101. Ensuring affordability of federally funded COVID–19 vaccines under Medicare.
- Sec. 102. Mandatory coverage of COVID–19 vaccines under Medicaid and CHIP.
- Sec. 103. Inclusion of federally funded COVID–19 vaccines under Medicaid drug rebate program; coverage of COVID–19 vaccines under State pediatric vaccine distribution program.
- Sec. 104. Temporary enhanced Federal match for medical assistance for COVID–19 vaccines.

TITLE II—ENSURING COVERAGE UNDER MEDICAID

- Sec. 201. Increased FMAP for medical assistance to newly eligible individuals.
- Sec. 202. Medicaid coverage for citizens of Freely Associated States.

TITLE III—ENSURING COVERAGE IN THE MARKETPLACE

- Sec. 301. Disregard of additional unemployment compensation for purposes of premium tax credit and cost-sharing subsidies.

1 **TITLE I—ENSURING COVERAGE**
 2 **OF COVID–19 VACCINES**

3 **SEC. 101. ENSURING AFFORDABILITY OF FEDERALLY**
 4 **FUNDED COVID–19 VACCINES UNDER MEDI-**
 5 **CARE.**

6 (a) IN GENERAL.—Section 1833 of the Social Secu-
 7 rity Act (42 U.S.C. 1395l) is amended—

8 (1) in subsection (a)(1)(B), by inserting “sub-
 9 ject to subsection (dd)(1) (with respect to payment
 10 for federally funded COVID–19 vaccines),” after
 11 “1861(s)(10)(A),”; and

12 (2) by adding at the end the following new sub-
 13 section:

14 “(dd) ENSURING AFFORDABILITY OF FEDERALLY
 15 FUNDED COVID–19 VACCINES.—

1 “(1) INITIAL PAYMENT.—For purposes of sub-
2 section (a)(1)(B), the amount of charges that are
3 considered reasonable with respect to an applicable
4 COVID–19 vaccine during the first year that such
5 vaccine is administered under this part (referred to
6 in this subsection as the ‘initial payment year’) shall
7 not exceed the amount described in paragraph (3).

8 “(2) APPLICABLE COVID–19 VACCINE.—

9 “(A) IN GENERAL.—In this subsection, the
10 term ‘applicable COVID–19 vaccine’ means a
11 vaccine—

12 “(i) approved by the Food and Drug
13 Administration under section 351 of the
14 Public Health Service Act or authorized
15 for emergency use under section 564 of the
16 Federal Food, Drug, and Cosmetic Act for
17 immunization against COVID–19; and

18 “(ii) whose manufacturer was pro-
19 vided funding for research or development
20 of such vaccine or for the manufacture of
21 such vaccine under a contract with the
22 Federal Government (including the Bio-
23 defense Advanced Research and Develop-
24 ment Authority of the Department of
25 Health and Human Services) or under a

1 Federal grant program using funds made
2 available under the Coronavirus Aid, Re-
3 lief, and Economic Security Act (Public
4 Law 116–136), or subsequently enacted
5 legislation.

6 “(B) NONAPPLICATION TO VACCINES PUR-
7 CHASED FOR FEDERAL DISTRIBUTION.—Such
8 term shall not include any doses of such vaccine
9 that are purchased under a Federal contract or
10 grant agreement described in paragraph (2)(B)
11 for Federal distribution.

12 “(3) AMOUNT DESCRIBED.—The amount de-
13 scribed in this paragraph, with respect to an applica-
14 ble COVID–19 vaccine, is the Federal procurement
15 cost per dose accounting for Federal costs under all
16 Federal contracts or grant agreements described in
17 paragraph (2)(B) for the initial supply order with
18 respect to such vaccine, not including the cost of any
19 option to buy future doses of such vaccine under
20 such contracts or agreements.

21 “(4) PAYMENT IN SUBSEQUENT YEARS.—For
22 provisions relating to payment for an applicable
23 COVID–19 vaccine in years after the initial payment
24 year, see section 1842(o)(1)(A)(iv) (relating to pay-

1 ment amount equal to 95 percent of the average
2 wholesale price).

3 “(5) REBATE IF PRICE INCREASES FASTER
4 THAN INFLATION.—

5 “(A) IN GENERAL.—Subject to subpara-
6 graph (B), the Secretary shall establish a proc-
7 ess under which, with respect to an applicable
8 COVID–19 vaccine of a manufacturer, effective
9 beginning with the first year after the initial
10 payment year, if the amount of payment for the
11 vaccine under this part increases faster than in-
12 flation with respect to a rebate period specified
13 by the Secretary, the manufacturer of such vac-
14 cine shall, not later than 30 days after receipt
15 from the Secretary of the rebate amount for
16 such rebate period, provide a rebate to the Sec-
17 retary that is equal to the amount specified in
18 subparagraph (C) for such vaccine and rebate
19 period.

20 “(B) EXCEPTIONS.—The process estab-
21 lished under this paragraph shall provide for
22 the following exceptions with respect to an ap-
23 plicable COVID–19 vaccine of a manufacturer:

24 “(i) If the Secretary determines that
25 there are exceptional circumstances, such

1 as a substantial increase in development or
2 manufacturing costs due to circumstances
3 outside the control of the manufacturer.

4 “(ii) The manufacturer demonstrates,
5 to the satisfaction of the Secretary, that it
6 has significantly improved the clinical effi-
7 cacy or safety of such vaccine relative to
8 its clinical efficacy or safety when it was
9 first procured or contracted for by the
10 Federal Government. For purposes of the
11 preceding sentence, a manufacturer may
12 demonstrate the improved clinical efficacy
13 or safety of a particular COVID–19 vac-
14 cine according to a process established by
15 the Advisory Committee on Immunization
16 Practices at the Centers for Disease Con-
17 trol in coordination with the Food and
18 Drug Administration. The results of any
19 assessment under this clause with respect
20 to an applicable COVID–19 vaccine shall
21 be made public.

22 “(C) REBATE AMOUNT.—The amount of a
23 rebate under this subparagraph, with respect to
24 an applicable COVID–19 vaccine of a manufac-
25 turer, is the product of—

1 “(i) the total number of doses of such
 2 vaccine administered during the rebate pe-
 3 riod; and

4 “(ii) the amount (if any) by which—

5 “(I) the amount of payment for
 6 the vaccine under this part during the
 7 rebate period; exceeds

8 “(II) the inflation-adjusted pay-
 9 ment amount determined under sub-
 10 paragraph (D) of this paragraph for
 11 such vaccine during the rebate period.

12 “(D) DETERMINATION OF INFLATION-AD-
 13 JUSTED PAYMENT AMOUNT.—The inflation-ad-
 14 justed payment amount determined under this
 15 subparagraph for an applicable COVID–19 vac-
 16 cine for a rebate period is—

17 “(i) the amount of payment for the
 18 vaccine under this part during the initial
 19 payment year as described in paragraph
 20 (1); increased by

21 “(ii) the percentage by which the re-
 22 bate period CPI–U (as defined in subpara-
 23 graph (F)) for the rebate period exceeds
 24 the benchmark period CPI–U (as defined
 25 in subparagraph (E)).

“(E) BENCHMARK PERIOD CPI-U.—The term ‘benchmark period CPI-U’ means the consumer price index for all urban consumers (United States city average) for the first calendar quarter in the initial payment year.

“(F) REBATE PERIOD CPI-U.—The term ‘rebate period CPI-U’ means, with respect to a rebate period, the consumer price index for all urban consumers (United States city average) for the last month of the calendar quarter that is two calendar quarters prior to the rebate period.

“(G) PROVISION OF INFORMATION.—A manufacturer of an applicable COVID-19 vaccine shall provide to the Secretary such information, at such time and in such manner as the Secretary specifies, as is needed to carry out this paragraph.

“(H) REBATE DEPOSITS.—Amounts paid as rebates under this paragraph shall be deposited into the Federal Supplementary Medical Insurance Trust Fund established under section 1841.

“(I) ENFORCEMENT.—

“(i) CIVIL MONEY PENALTY.—

1 “(I) IN GENERAL.—The Sec-
2 retary shall impose a civil money pen-
3 alty on a manufacturer that fails to
4 comply with the requirements under
5 this paragraph with respect to pro-
6 viding a rebate for an applicable
7 COVID–19 vaccine for a rebate period
8 for each such failure in an amount
9 equal to the sum of—

10 “(aa) the rebate amount
11 specified pursuant to subpara-
12 graph (C) for such vaccine for
13 such rebate period; and

14 “(bb) 25 percent of such
15 amount.

16 “(II) APPLICATION.—The provi-
17 sions of section 1128A (other than
18 subsections (a) (with respect to
19 amounts of penalties or additional as-
20 sessments) and (b)) shall apply to a
21 civil money penalty under this clause
22 in the same manner as such provi-
23 sions apply to a penalty or proceeding
24 under section 1128A(a).

1 “(ii) NO PAYMENT FOR MANUFACTUR-
 2 ERS WHO FAIL TO PAY PENALTY.—If the
 3 manufacturer of an applicable COVID–19
 4 vaccine fails to pay a civil money penalty
 5 under clause (i) with respect to the failure
 6 to provide a rebate for an applicable
 7 COVID–19 vaccine for a rebate period by
 8 a date specified by the Secretary after the
 9 imposition of such penalty, no payment
 10 shall be available under this part for such
 11 vaccine for calendar quarters beginning on
 12 or after such date until the Secretary de-
 13 termines the manufacturer has paid the
 14 penalty due under such clause.

15 “(J) IMPLEMENTATION.—There shall be
 16 no administrative or judicial review under sec-
 17 tion 1869, section 1878, or otherwise, of the de-
 18 termination of the rebate amount for an appli-
 19 cable COVID–19 vaccine under subparagraph
 20 (C), including the determination of—

21 “(i) the total number of COVID–19
 22 vaccines administered during the rebate
 23 period under subparagraph (C)(i); and

24 “(ii) the inflation-adjusted payment
 25 amount under subparagraph (D).”.

1 (b) CONFORMING AMENDMENT.—Section
 2 1842(o)(1)(A)(iv) of the Social Security Act (42 U.S.C.
 3 1395u(o)(1)(A)(iv)) is amended by striking “A vaccine”
 4 and inserting “Subject to section 1833(dd)(1) (relating to
 5 payment for an applicable COVID–19 vaccine during ini-
 6 tial payment year), a vaccine”.

7 **SEC. 102. MANDATORY COVERAGE OF COVID–19 VACCINES**
 8 **UNDER MEDICAID AND CHIP.**

9 (a) MEDICAID.—

10 (1) IN GENERAL.—Section 1905(a)(4) of the
 11 Social Security Act (42 U.S.C. 1396d(a)(4)) is
 12 amended—

13 (A) by striking “and (D)” and inserting
 14 “(D)”; and

15 (B) by striking the semicolon at the end
 16 and inserting “; and (E) a COVID–19 vaccine
 17 licensed under section 351 of the Public Health
 18 Service Act, or approved or authorized under
 19 sections 505 or 564 of the Federal Food, Drug,
 20 and Cosmetic Act, and administration of the
 21 vaccine;”.

22 (2) PROHIBITION OF COST SHARING.—

23 (A) IN GENERAL.—Subsections (a)(2) and
 24 (b)(2) of section 1916 of the Social Security
 25 Act (42 U.S.C. 1396o) are each amended—

1 (i) in subparagraph (F), by striking
2 “or” at the end;

3 (ii) in subparagraph (G), by striking
4 “; and” and inserting “, or”; and

5 (iii) by adding at the end the fol-
6 lowing subparagraph:

7 “(H) a COVID–19 vaccine licensed under
8 section 351 of the Public Health Service Act, or
9 approved or authorized under sections 505 or
10 564 of the Federal Food, Drug, and Cosmetic
11 Act, and the administration of such vaccine;
12 and”.

13 (B) APPLICATION TO ALTERNATIVE COST
14 SHARING.—Section 1916A(b)(3)(B) of the So-
15 cial Security Act (42 U.S.C. 1396o–1(b)(3)(B))
16 is amended—

17 (i) in clause (xi), by striking “any
18 visit” and inserting “any service”; and

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

21 “(xii) A COVID–19 vaccine licensed
22 under section 351 of the Public Health
23 Service Act, or approved or authorized
24 under sections 505 or 564 of the Federal

1 Food, Drug, and Cosmetic Act, and the
2 administration of such vaccine.”.

3 (C) CLARIFICATION.—The amendments
4 made by this subsection shall apply with respect
5 to a State plan of a territory in the same man-
6 ner as the amendments apply to a State plan
7 of 1 of the 50 States or the District of Colum-
8 bia.

9 (b) CHIP.—

10 (1) IN GENERAL.—Section 2103(c) of the So-
11 cial Security Act (42 U.S.C. 1397cc(e)) is amended
12 by adding at the end the following paragraph:

13 “(11) COVERAGE OF COVID–19 VACCINES.—Re-
14 gardless of the type of coverage elected by a State
15 under subsection (a), child health assistance pro-
16 vided under such coverage for targeted low-income
17 children and, in the case of a State that State elects
18 to provide pregnancy-related assistance under such
19 coverage pursuant to section 2112, such pregnancy-
20 related assistance for targeted low-income pregnant
21 women (as defined in section 2112(d)) shall include
22 coverage of a COVID–19 vaccine licensed under sec-
23 tion 351 of the Public Health Service Act, or ap-
24 proved or authorized under sections 505 or 564 of

1 the Federal Food, Drug, and Cosmetic Act, and the
 2 administration of such vaccine.”.

3 (2) PROHIBITION OF COST SHARING.—Section
 4 2103(e)(2) of the Social Security Act (42 U.S.C.
 5 1397cc(e)(2)), as amended by section 6004(b)(3) of
 6 the Families First Coronavirus Response Act, is
 7 amended—

8 (A) in the paragraph header, by inserting
 9 “A COVID–19 VACCINE,” before “OR PREG-
 10 NANCY-RELATED ASSISTANCE”; and

11 (B) by striking “visits described in section
 12 1916(a)(2)(G), or” and inserting “services de-
 13 scribed in section 1916(a)(2)(G), vaccines de-
 14 scribed in section 1916(a)(2)(H), or”.

15 **SEC. 103. INCLUSION OF FEDERALLY FUNDED COVID–19**
 16 **VACCINES UNDER MEDICAID DRUG REBATE**
 17 **PROGRAM; COVERAGE OF COVID–19 VAC-**
 18 **CINES UNDER STATE PEDIATRIC VACCINE**
 19 **DISTRIBUTION PROGRAM.**

20 (a) INCLUSION IN MEDICAID DRUG REBATE PRO-
 21 GRAM.—

22 (1) IN GENERAL.—Section 1927 of the Social
 23 Security Act (42 U.S.C. 1396r–8) is amended—

24 (A) in subsection (b)(1)(A), by inserting
 25 “(or, in the case of an applicable COVID–19

vaccine administered after July 1, 2020, an amount specified in subsection (l))” after “1990”;

(B) in subsection (k)—

(i) in paragraph (2)—

(I) in subparagraph (B)—

(aa) in the matter preceding clause (i), by inserting “(except in the case of an applicable COVID–19 vaccine)” after “other than a vaccine”; and

(bb) in clause (iii), by striking “; and” and inserting a semicolon;

(II) in subparagraph (C), by striking the period at the end and inserting “; and”; and

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

“(D) an applicable COVID–19 vaccine.”;

and

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

1 “(12) APPLICABLE COVID–19 VACCINE.—The
 2 term ‘applicable COVID–19 vaccine’ has the mean-
 3 ing given such term in section 1833(dd)(2).”; and

4 (C) by adding at the end the following new
 5 subsection:

6 “(1) DETERMINATION OF AMOUNT OF REBATE FOR
 7 APPLICABLE COVID–19 VACCINES.—

8 “(1) IN GENERAL.—The amount of the rebate
 9 specified in this subsection for a rebate period with
 10 respect to an applicable COVID–19 vaccine shall be
 11 equal to the product of—

12 “(A) the total number of units of the vac-
 13 cine paid for under the State plan in the rebate
 14 period (as reported by the State); and

15 “(B) the difference between the average
 16 manufacturer price and the inflation-adjusted
 17 Federal procurement price (as defined in para-
 18 graph (2)) for the vaccine.

19 “(2) INFLATION-ADJUSTED FEDERAL PROCURE-
 20 MENT PRICE.—For purposes of this section, the
 21 term ‘inflation-adjusted Federal procurement price’
 22 means, with respect to an applicable COVID–19 vac-
 23 cine and a rebate period—

24 “(A) for rebate periods occurring during
 25 the first 12-month period that such vaccine is

provided to State plans under this title, the amount specified for the vaccine under section 1833(dd)(3); and

“(B) for rebate periods occurring after such 12-month period—

“(i) the amount specified for the vaccine under section 1833(dd)(3); increased by

“(ii) the percentage by which the consumer price index for all urban consumers (United States city average) for the month before the month in which the rebate period begins exceeds such index for the month in which such 12-month period begins.

“(3) EXCEPTIONS.—No rebate shall be payable with respect to an applicable COVID–19 vaccine of a manufacturer and a rebate period occurring after the 12-month period described in paragraph (2)(A) if the Secretary determines that an exception described in section 1833(dd)(5)(B) applies with respect to the vaccine for the rebate period.”.

(2) PROHIBITION ON PRIOR AUTHORIZATION.—

Section 1927(d)(1)(A) of the Social Security Act (42 U.S.C. 1396r–8(d)(1)(A)) is amended by inserting

1 “other than an applicable COVID–19 vaccine” after
 2 “covered outpatient drug”.

3 (3) NO EXCLUSION OF APPLICABLE COVID–19
 4 VACCINES.—Section 1927(d)(7) of the Social Secu-
 5 rity Act (42 U.S.C. 1396r–8(d)(7)) is amended by
 6 adding at the end the following:

7 “(D) Applicable COVID–19 vaccines.”.

8 (b) ENSURING COVERAGE AND AFFORDABILITY
 9 UNDER STATE PEDIATRIC VACCINE DISTRIBUTION PRO-
 10 GRAM.—Section 1928 of the Social Security Act (42
 11 U.S.C. 1396s) is amended—

12 (1) in subsection (a)(1)—

13 (A) in subparagraph (A), by striking “;
 14 and” and inserting a semicolon;

15 (B) in subparagraph (B), by striking the
 16 period and inserting “; and”; and

17 (C) by adding at the end the following sub-
 18 paragraph:

19 “(C) each vaccine-eligible child (as defined
 20 in subsection (b)) is entitled to receive a
 21 COVID–19 vaccine from a program-registered
 22 provider without charge for—

23 “(i) the cost of such vaccine; or

24 “(ii) the administration of such vac-
 25 cine.”;

1 (2) in subsection (c)(2), by adding at the end
2 the following subparagraph:

3 “(D) The provider will provide and admin-
4 ister a COVID–19 vaccine to a vaccine-eligible
5 child in accordance with the same requirements
6 as the requirements that apply under the pre-
7 ceding subparagraphs to the provision and ad-
8 ministration of a qualified pediatric vaccine to
9 such a child.”;

10 (3) in subsection (d)(3), by adding at the end
11 the following new subparagraph:

12 “(D) LIMITATION ON PRICE INCREASES
13 FOR APPLICABLE COVID–19 VACCINES.—

14 “(i) IN GENERAL.—Subject to clause
15 (ii), with respect to any contract entered
16 into under this subsection for an applicable
17 COVID–19 vaccine after the first such
18 contract entered into with respect to such
19 vaccine, no price for the purchase of such
20 vaccine for vaccine-eligible children shall be
21 agreed to by the Secretary under this sub-
22 section if the price per dose of such vaccine
23 (including any delivery costs and any appli-
24 cable excise tax established under section

1 4131 of the Internal Revenue Code of
2 1986) exceeds—

3 “(I) the price per dose for the
4 vaccine in effect under the first con-
5 tract entered into under this sub-
6 section for the purchase of such vac-
7 cine; increased by

8 “(II) the percentage increase in
9 the consumer price index for all urban
10 consumers (all items; United States
11 city average) from the month before
12 such first contract is entered into to
13 the month before the month in which
14 the contract involved is entered into.

15 “(ii) EXCEPTION.—The limitation de-
16 scribed in clause (i) shall not apply with
17 respect to an applicable COVID–19 vaccine
18 and a contract if the Secretary determines
19 that an exception described in section
20 1833(dd)(5)(B) applies with respect to the
21 vaccine for the contract period.”; and

22 (4) in subsection (h), by adding at the end the
23 following new paragraph:

24 “(10) COVID–19 VACCINE; APPLICABLE
25 COVID–19 VACCINE.—

1 “(A) COVID–19 VACCINE.—The term
 2 ‘COVID–19 vaccine’ means a COVID–19 vac-
 3 cine licensed under section 351 of the Public
 4 Health Service Act, or approved or authorized
 5 under section 505 or 564 of the Federal Food,
 6 Drug, and Cosmetic Act, provided that such
 7 vaccine is included on the list under subsection
 8 (e).

9 “(B) APPLICABLE COVID–19 VACCINE.—
 10 The term ‘applicable COVID–19 vaccine’ means
 11 a vaccine described in section 1833(dd)(2), pro-
 12 vided that such vaccine is included on the list
 13 under subsection (e).”.

14 (c) EFFECTIVE DATE.—The amendments made by
 15 this section take effect on the date of enactment of this
 16 Act and apply to rebate agreements entered into on or
 17 after such date without regard to whether final regulations
 18 to carry out such amendments have been promulgated as
 19 of such date.

20 **SEC. 104. TEMPORARY ENHANCED FEDERAL MATCH FOR**
 21 **MEDICAL ASSISTANCE FOR COVID–19 VAC-**
 22 **CINES.**

23 (a) IN GENERAL.—Section 1905 of the Social Secu-
 24 rity Act (42 U.S.C. 1396d) is amended—

1 (1) in subsection (b), by striking “and (ff)” and
 2 inserting “(ff), and (gg)”; and

3 (2) by adding at the end the following new sub-
 4 section:

5 “(gg) TEMPORARY ENHANCED FEDERAL MATCH
 6 FOR COVID-19 VACCINE AND ADMINISTRATION.—

7 “(1) IN GENERAL.—Notwithstanding subsection
 8 (b), with respect to medical assistance for vaccines
 9 and the administration of vaccines described in sub-
 10 section (a)(4)(E) that is furnished during the period
 11 described in paragraph (2), the Federal medical as-
 12 sistance percentage for a State shall be equal to 100
 13 percent.

14 “(2) PERIOD DESCRIBED.—The period de-
 15 scribed in this paragraph is the period that—

16 “(A) begins with the date of enactment of
 17 this subsection; and

18 “(B) ends with the date that is 1 year
 19 after the last day of the emergency period de-
 20 fined in paragraph (1)(B) of section 1135(g).”.

21 (b) EXCLUSION FROM TERRITORIAL CAPS.—Section
 22 1108 of the Social Security Act (42 U.S.C. 1308) is
 23 amended—

24 (1) in subsection (f), in the matter preceding
 25 paragraph (1), by striking “subsection (g) and sec-

tion 1935(e)(1)(B)” and inserting “subsections (g) and (h) and section 1935(e)(1)(B)”;

and

(2) by adding at the end the following:

“(h) EXCLUSION FROM CAPS OF AMOUNTS ATTRIBUTABLE TO CERTAIN INCREASED FMAP.—Any payment made to a territory for a fiscal year in which the Federal medical assistance percentage for the territory is determined under section 1905(gg) shall not be taken into account for purposes of applying payment limits under subsections (f) and (g) to the extent that such payment exceeds the amount of the payment that would have been made to the territory for the year if the Federal medical assistance percentage for the territory had been determined without regard to such section.”.

TITLE II—ENSURING COVERAGE UNDER MEDICAID

SEC. 201. INCREASED FMAP FOR MEDICAL ASSISTANCE TO NEWLY ELIGIBLE INDIVIDUALS.

(a) IN GENERAL.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended—

(1) in subsection (y)(1)—

(A) in subparagraph (A), by striking “2014, 2015, and 2016” and inserting “each of the first 3 consecutive 12-month periods in

1 which the State provides medical assistance to
2 newly eligible individuals”;

3 (B) in subparagraph (B), by striking
4 “2017” and inserting “the fourth consecutive
5 12-month period in which the State provides
6 medical assistance to newly eligible individuals”;

7 (C) in subparagraph (C), by striking
8 “2018” and inserting “the fifth consecutive 12-
9 month period in which the State provides med-
10 ical assistance to newly eligible individuals”;

11 (D) in subparagraph (D), by striking
12 “2019” and inserting “the sixth consecutive 12-
13 month period in which the State provides med-
14 ical assistance to newly eligible individuals”;
15 and

16 (E) in subparagraph (E), by striking
17 “2020 and each year thereafter” and inserting
18 “the seventh consecutive 12-month period in
19 which the State provides medical assistance to
20 newly eligible individuals and each such period
21 thereafter”; and

22 (2) in subsection (z)(2)(B)(i)(II), by inserting
23 “(as in effect on the day before the enactment of the
24 Vaccine And Coverage Certainty Act)” after “sub-
25 section (y)(1)”.

1 (b) RETROACTIVE APPLICATION.—The amendments
 2 made by subsection (a)(1) shall take effect as if included
 3 in the enactment of Public Law 111–148 and shall apply
 4 to amounts expended by any State for medical assistance
 5 for newly eligible individuals described in subclause (VIII)
 6 of section 1902(a)(10)(A)(i) of the Social Security Act
 7 under a State Medicaid plan (or a waiver of such plan)
 8 during the period before the date of enactment of this Act.

9 **SEC. 202. MEDICAID COVERAGE FOR CITIZENS OF FREELY**
 10 **ASSOCIATED STATES.**

11 (a) IN GENERAL.—Section 402(b)(2) of the Personal
 12 Responsibility and Work Opportunity Reconciliation Act
 13 of 1996 (8 U.S.C. 1612(b)(2)) is amended by adding at
 14 the end the following new subparagraph:

15 “(G) MEDICAID EXCEPTION FOR CITIZENS
 16 OF FREELY ASSOCIATED STATES.—With respect
 17 to eligibility for benefits for the designated Fed-
 18 eral program defined in paragraph (3)(C) (re-
 19 lating to the Medicaid program), section 401(a)
 20 and paragraph (1) shall not apply to any indi-
 21 vidual who lawfully resides in 1 of the 50 States
 22 or the District of Columbia in accordance with
 23 the Compacts of Free Association between the
 24 Government of the United States and the Gov-
 25 ernments of the Federated States of Micro-

nesia, the Republic of the Marshall Islands, and
the Republic of Palau and shall not apply, at
the option of the Governor of Puerto Rico, the
Virgin Islands, Guam, the Northern Mariana
Islands, or American Samoa as communicated
to the Secretary of Health and Human Services
in writing, to any individual who lawfully re-
sides in the respective territory in accordance
with such Compacts.”.

(b) EXCEPTION TO 5-YEAR LIMITED ELIGIBILITY.—

Section 403(d) of such Act (8 U.S.C. 1613(d)) is amend-
ed—

(1) in paragraph (1), by striking “or” at the
end;

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

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

“(3) an individual described in section
402(b)(2)(G), but only with respect to the des-
ignated Federal program defined in section
402(b)(3)(C).”.

(c) DEFINITION OF QUALIFIED ALIEN.—Section
431(b) of such Act (8 U.S.C. 1641(b)) is amended—

1 (1) in paragraph (6), by striking “; or” at the
2 end and inserting a comma;

3 (2) in paragraph (7), by striking the period at
4 the end and inserting “, or”; and

5 (3) by adding at the end the following new
6 paragraph:

7 “(8) an individual who lawfully resides in the
8 United States in accordance with a Compact of Free
9 Association referred to in section 402(b)(2)(G), but
10 only with respect to the designated Federal program
11 defined in section 402(b)(3)(C) (relating to the Med-
12 icaid program).”.

13 (d) APPLICATION TO STATE PLANS.—Section
14 1902(a)(10)(A)(i) of the Social Security Act (42 U.S.C.
15 1396a(a)(10)(A)(i)) is amended by inserting after sub-
16 clause (IX) the following:

17 “(X) who are described in section
18 402(b)(2)(G) of the Personal Respon-
19 sibility and Work Opportunity Rec-
20 onciliation Act of 1996 and eligible
21 for benefits under this title by reason
22 of application of such section;”.

23 (e) CONFORMING AMENDMENTS.—Section 1108 of
24 the Social Security Act (42 U.S.C. 1308), as amended by
25 section 104, is amended—

1 (1) in subsection (f), in the matter preceding
 2 paragraph (1), by striking “subsections (g) and (h)”
 3 and inserting “subsections (g), (h), and (i)”; and
 4 (2) by adding at the end the following:

5 “(i) EXCLUSION OF MEDICAL ASSISTANCE EXPENDI-
 6 TURES FOR CITIZENS OF FREELY ASSOCIATED STATES.—
 7 Expenditures for medical assistance provided to an indi-
 8 vidual described in section 431(b)(8) of the Personal Re-
 9 sponsibility and Work Opportunity Reconciliation Act of
 10 1996 (8 U.S.C. 1641(b)(8)) shall not be taken into ac-
 11 count for purposes of applying payment limits under sub-
 12 sections (f) and (g).”.

13 (f) EFFECTIVE DATE.—The amendments made by
 14 this section shall apply to benefits for items and services
 15 furnished on or after the date of the enactment of this
 16 Act.

17 **TITLE III—ENSURING COV-** 18 **ERAGE IN THE MARKET-** 19 **PLACE**

20 **SEC. 301. DISREGARD OF ADDITIONAL UNEMPLOYMENT** 21 **COMPENSATION FOR PURPOSES OF PRE-** 22 **MIUM TAX CREDIT AND COST-SHARING SUB-** 23 **SIDIES.**

24 (a) IN GENERAL.—Section 36B(d)(2)(B) of the In-
 25 ternal Revenue Code of 1986 is amended—

1 (1) by redesignating clauses (i), (ii), and (iii) as
 2 subclauses (I), (II), and (III), respectively, and by
 3 moving such subclauses 2 ems to the right;

4 (2) by striking “adjusted gross income in-
 5 creased by” and inserting “adjusted gross income—
 6 “(i) decreased by the amount of any
 7 Federal pandemic unemployment com-
 8 pensation paid to an individual under sec-
 9 tion 2104 of division A of the CARES Act
 10 during the taxable year; and

11 “(ii) increased by—”; and

12 (3) by adding at the end the following new
 13 flush sentence:

14 “Clause (i) shall not apply to the extent that such decrease
 15 results in a household income for the taxpayer which is
 16 less than 100 percent of the poverty line for a family of
 17 the size involved.”.

18 (b) TEMPORARY SUSPENSION OF RECAPTURE OF EX-
 19 CESS ADVANCE PAYMENTS.—Section 36B(f)(2) of the In-
 20 ternal Revenue Code of 1986 is amended by adding at the
 21 end the following new subparagraph:

22 “(C) SPECIAL RULE FOR 2020 AND 2021.—
 23 Subparagraph (A) shall not apply to any tax-
 24 able year beginning in 2020 or 2021.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2019.

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