

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 3922, AS REPORTED  
OFFERED BY MR. WALDEN OF OREGON**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

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

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

9       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.

**1 DIVISION A—CHAMPION ACT**

**2 SEC. 100. SHORT TITLE.**

**3** This division may be cited as the “Community Health  
**4** And Medical Professionals Improve Our Nation Act of  
**5** 2017” or the “CHAMPION Act”.

**6 TITLE I—EXTENSION OF PUBLIC**  
**7 HEALTH PROGRAMS**

**8 SEC. 101. EXTENSION FOR COMMUNITY HEALTH CENTERS,**  
**9 THE NATIONAL HEALTH SERVICE CORPS,**  
**10 AND TEACHING HEALTH CENTERS THAT OP-**  
**11 ERATE GME PROGRAMS.**

**12** (a) COMMUNITY HEALTH CENTERS FUNDING.—Sec-  
**13** tion 10503(b)(1)(E) of the Patient Protection and Afford-

1 able Care Act (42 U.S.C. 254b–2(b)(1)(E)) is amended  
2 by striking “2017” and inserting “2019”.

3 (b) OTHER COMMUNITY HEALTH CENTERS PROVI-  
4 SIONS.—Section 330 of the Public Health Service Act (42  
5 U.S.C. 254b) is amended—

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

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

10 (3) in subsection (c)—

11 (A) in paragraph (1), by striking subpara-  
12 graphs (B) through (D);

13 (B) by striking “(1) IN GENERAL” and all  
14 that follows through “The Secretary” and in-  
15 serting the following:

16 “(1) CENTERS.—The Secretary”; and

17 (C) in paragraph (1), as amended, by re-  
18 designating clauses (i) through (v) as subpara-  
19 graphs (A) through (E) and moving the margin  
20 of each of such redesignated subparagraph 2  
21 ems to the left;

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

24 “(d) IMPROVING QUALITY OF CARE.—

1           “(1) SUPPLEMENTAL AWARDS.—The Secretary  
2           may award supplemental grant funds to health cen-  
3           ters funded under this section to implement evi-  
4           dence-based models for increasing access to high-  
5           quality primary care services, which may include  
6           models related to—

7                   “(A) improving the delivery of care for in-  
8                   dividuals with multiple chronic conditions;

9                   “(B) workforce configuration;

10                   “(C) reducing the cost of care;

11                   “(D) enhancing care coordination;

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

15                   “(F) care integration, including integration  
16                   of behavioral health, mental health, or sub-  
17                   stance use disorder services; and

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

22           “(2) SUSTAINABILITY.—In making supple-  
23           mental awards under this subsection, the Secretary  
24           may consider whether the health center involved has  
25           submitted a plan for continuing the activities funded

1 under this subsection after supplemental funding is  
2 expended.

3 “(3) SPECIAL CONSIDERATION.—The Secretary  
4 may give special consideration to applications for  
5 supplemental funding under this subsection that  
6 seek to address significant barriers to access to care  
7 in areas with a greater shortage of health care pro-  
8 viders and health services relative to the national av-  
9 erage.”;

10 (5) in subsection (e)(1)—

11 (A) in subparagraph (B)—

12 (i) by striking “2 years” and inserting  
13 “1 year”; and

14 (ii) by adding at the end the fol-  
15 lowing: “The Secretary shall not make a  
16 grant under this paragraph unless the ap-  
17 plicant provides assurances to the Sec-  
18 retary that within 120 days of receiving  
19 grant funding for the operation of the  
20 health center, the applicant will submit, for  
21 approval by the Secretary, an implementa-  
22 tion plan to meet the requirements of sub-  
23 section (k)(3). The Secretary may extend  
24 such 120-day period for achieving compli-

1                   ance upon a demonstration of good cause  
2                   by the health center.”; and

3                   (B) in subparagraph (C)—

4                   (i) in the subparagraph heading, by  
5                   striking “AND PLANS”;

6                   (ii) by striking “or plan (as described  
7                   in subparagraphs (B) and (C) of sub-  
8                   section (c)(1))”;

9                   (iii) by striking “or plan, including  
10                  the purchase” and inserting the following:  
11                  “including—

12                  “(i) the purchase”;

13                  (iv) by inserting “, which may include  
14                  data and information systems” after “of  
15                  equipment”;

16                  (v) by striking the period at the end  
17                  and inserting a semicolon; and

18                  (vi) by adding at the end the fol-  
19                  lowing:

20                  “(ii) the provision of training and  
21                  technical assistance; and

22                  “(iii) other activities that—

23                  “(I) reduce costs associated with  
24                  the provision of health services;

1                   “(II) improve access to, and  
2                   availability of, health services provided  
3                   to individuals served by the centers;

4                   “(III) enhance the quality and  
5                   coordination of health services; or

6                   “(IV) improve the health status  
7                   of communities.”;

8                   (6) in subsection (e)(5)(B)—

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

11                  (B) by striking “and subparagraphs (B)  
12                  and (C) of subsection (e)(1) to a health center  
13                  or to a network or plan” and inserting “to a  
14                  health center or to a network”;

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

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

19                  “(A) APPROVAL OF NEW ACCESS  
20                  POINTS.—

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

1           “(ii) SPECIAL CONSIDERATION.—In  
2 carrying out clause (i), the Secretary may  
3 give special consideration to applicants  
4 that have demonstrated the new delivery  
5 site will be located within a sparsely popu-  
6 lated area, or an area which has a level of  
7 unmet need that is higher relative to other  
8 applicants.

9           “(iii) CONSIDERATION OF APPLICA-  
10 TIONS.—In carrying out clause (i), the  
11 Secretary shall approve applications for  
12 grants in such a manner that the ratio of  
13 the medically underserved populations in  
14 rural areas which may be expected to use  
15 the services provided by the applicants in-  
16 volved to the medically underserved popu-  
17 lations in urban areas which may be ex-  
18 pected to use the services provided by the  
19 applicants is not less than two to three or  
20 greater than three to two.

21           “(iv) SERVICE AREA OVERLAP.—If in  
22 carrying out clause (i) the applicant pro-  
23 poses to serve an area that is currently  
24 served by another health center funded  
25 under this section, the Secretary may con-



1           sider whether the award of funding to an  
2           additional health center in the area can be  
3           justified based on the unmet need for addi-  
4           tional services within the catchment area.

5           “(B) APPROVAL OF EXPANDED SERVICE  
6           APPLICATIONS.—

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

15                   “(ii) PRIORITY EXPANSION  
16          PROJECTS.—In carrying out clause (i), the  
17          Secretary may give special consideration to  
18          expanded service applications that seek to  
19          address emerging public health or behav-  
20          ioral health, mental health, or substance  
21          abuse issues through increasing the avail-  
22          ability of additional health services de-  
23          scribed in subsection (b)(2) in an area in  
24          which there are significant barriers to ac-  
25          cessing care.

1           “(iii) CONSIDERATION OF APPLICA-  
2           TIONS.—In carrying out clause (i), the  
3           Secretary shall approve applications for  
4           grants in such a manner that the ratio of  
5           the medically underserved populations in  
6           rural areas which may be expected to use  
7           the services provided by the applicants in-  
8           volved to the medically underserved popu-  
9           lations in urban areas which may be ex-  
10          pected to use the services provided by such  
11          applicants is not less than two to three or  
12          greater than three to two.”;

13          (8) in subsection (h)—

14                 (A) in paragraph (1), by striking “and  
15                 children and youth at risk of homelessness” and  
16                 inserting “, children and youth at risk of home-  
17                 lessness, homeless veterans, and veterans at  
18                 risk of homelessness”; and

19                 (B) in paragraph (5)—

20                         (i) by striking subparagraph (B);

21                         (ii) by redesignating subparagraph

22                         (C) as subparagraph (B); and

23                         (iii) in subparagraph (B) (as so redesi-  
24                         gnated)—

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

4 (II) by striking “abuse” and in-  
5 serting “use disorder”;

6 (9) in subsection (k)—

7 (A) in paragraph (2)—

8 (i) in the paragraph heading, by in-  
9 serting “UNMET” before “NEED”;

10 (ii) in the matter preceding subpara-  
11 graph (A), by inserting “or subsection  
12 (e)(6)” after “subsection (e)(1)”;

13 (iii) in subparagraph (A), by inserting  
14 “unmet” before “need for health services”;

15 (iv) in subparagraph (B), by striking  
16 “and” at the end;

17 (v) in subparagraph (C), by striking  
18 the period at the end and inserting “;  
19 and”;

20 (vi) by adding after subparagraph (C)  
21 the following:

22 “(D) in the case of an application for a  
23 grant pursuant to subsection (e)(6), a dem-  
24 onstration that the applicant has consulted with  
25 appropriate State and local government agen-

1           cies, and health care providers regarding the  
2           need for the health services to be provided at  
3           the proposed delivery site.”;

4           (B) in paragraph (3)—

5           (i) in the matter preceding subpara-  
6           graph (A), by inserting “or subsection  
7           (e)(6)” after “subsection (e)(1)(B)”;

8           (ii) in subparagraph (B), by striking  
9           “in the catchment area of the center” and  
10          inserting “, including other health care  
11          providers that provide care within the  
12          catchment area, local hospitals, and spe-  
13          cialty providers in the catchment area of  
14          the center, to provide access to services not  
15          available through the health center and to  
16          reduce the non-urgent use of hospital  
17          emergency departments”;

18          (iii) in subparagraph (H)(ii), by in-  
19          serting “who shall be directly employed by  
20          the center” after “approves the selection of  
21          a director for the center”;

22          (iv) in subparagraph (L), by striking  
23          “and” at the end;

24          (v) in subparagraph (M), by striking  
25          the period and inserting “; and”; and

1 (vi) by inserting after subparagraph  
2 (M), the following:

3 “(N) the center has written policies and  
4 procedures in place to ensure the appropriate  
5 use of Federal funds in compliance with appli-  
6 cable Federal statutes, regulations, and the  
7 terms and conditions of the Federal award.”;  
8 and

9 (C) by striking paragraph (4);  
10 (10) in subsection (l), by adding at the end the  
11 following: “Funds expended to carry out activities  
12 under this subsection and operational support activi-  
13 ties under subsection (m) shall not exceed 3 percent  
14 of the amount appropriated for this section for the  
15 fiscal year involved.”;

16 (11) in subsection (q)(4), by adding at the end  
17 the following: “A waiver provided by the Secretary  
18 under this paragraph may not remain in effect for  
19 more than 1 year and may not be extended after  
20 such period. An entity may not receive more than  
21 one waiver under this paragraph in consecutive  
22 years.”;

23 (12) in subsection (r)(3)—

24 (A) by striking “appropriate committees of  
25 Congress a report concerning the distribution of

1 funds under this section” and inserting the fol-  
2 lowing: “Committee on Health, Education,  
3 Labor, and Pensions of the Senate, and the  
4 Committee on Energy and Commerce of the  
5 House of Representatives, a report including, at  
6 a minimum—

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

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

12 “(B) an assessment”;

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

16 (D) by adding at the end the following:

17 “(C) the distribution of awards and fund-  
18 ing for new or expanded services in each of  
19 rural areas and urban areas;

20 “(D) the distribution of awards and fund-  
21 ing for establishing new access points, and the  
22 number of new access points created;

23 “(E) the amount of unexpended funding  
24 for loan guarantees and loan guarantee author-  
25 ity under title XVI;

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

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

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

8           “(I) the number and reason for any waiv-  
9 ers provided pursuant to subsection (q)(4).”;

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

12           “(5) FUNDING FOR PARTICIPATION OF HEALTH  
13 CENTERS IN ALL OF US RESEARCH PROGRAM.—In  
14 addition to any amounts made available pursuant to  
15 paragraph (1) of this subsection, section 402A of  
16 this Act, or section 10503 of the Patient Protection  
17 and Affordable Care Act, there is authorized to be  
18 appropriated, and there is appropriated, out of any  
19 monies in the Treasury not otherwise appropriated,  
20 to the Secretary \$25,000,000 for fiscal year 2018 to  
21 support the participation of health centers in the All  
22 of Us Research Program under the Precision Medi-  
23 cine Initiative under section 498E of this Act.”; and  
24           (14) by striking subsection (s).

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

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

7 (1) PAYMENTS.—Subsection (a) of section  
8 340H of the Public Health Service Act (42 U.S.C.  
9 256h) is amended to read as follows:

10 “(a) PAYMENTS.—

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

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

19 “(B) expansion of existing approved grad-  
20 uate medical residency training programs; and

21 “(C) establishment of new approved grad-  
22 uate medical residency training programs.

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



1           “(A) serve a health professional shortage  
2           area with a designation in effect under section  
3           332 or a medically underserved community (as  
4           defined in section 799B); or

5           “(B) are located in a rural area (as de-  
6           fined in section 1886(d)(2)(D) of the Social Se-  
7           curity Act).”.

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

11           (A) by striking “To carry out” and insert-  
12          ing the following:

13           “(1) IN GENERAL.—To carry out”;

14           (B) by striking “and \$15,000,000 for the  
15          first quarter of fiscal year 2018” and inserting  
16          “and \$126,500,000 for each of fiscal years  
17          2018 and 2019, to remain available until ex-  
18          pended”; and

19           (C) by adding at the end the following:

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

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

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

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

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

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

12                   “(F) Of the number of residents described  
13                   in paragraph (4) who completed their residency  
14                   training at the end of such residency academic  
15                   year, the number and percentage of such resi-  
16                   dents entering primary care practice (meaning  
17                   any of the areas of practice listed in the defini-  
18                   tion of a primary care residency program in  
19                   section 749A).

20                   “(G) Of the number of residents described  
21                   in paragraph (4) who completed their residency  
22                   training at the end of such residency academic  
23                   year, the number and percentage of such resi-  
24                   dents who entered practice at a health care fa-  
25                   cility—

1           “(i) primarily serving a health profes-  
2           sional shortage area with a designation in  
3           effect under section 332 or a medically un-  
4           derserved community (as defined in section  
5           799B); or

6           “(ii) located in a rural area (as de-  
7           fined in section 1886(d)(2)(D) of the So-  
8           cial Security Act).”.

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

19          (5) DEFINITION.—Subsection (j) of section  
20          340H of the Public Health Service Act (42 U.S.C.  
21          256h) is amended—

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

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

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

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

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

19           (e) APPLICATION.—Amounts appropriated pursuant  
20 to this section for fiscal year 2018 or 2019 are subject  
21 to the requirements contained in Public Law 115–31 for  
22 funds for programs authorized under sections 330 through  
23 340 of the Public Health Service Act (42 U.S.C. 254b–  
24 256).

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

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

6 (2) in paragraph (4), by inserting “and section  
7 101(e) of the Community Health And Medical Pro-  
8 fessionals Improve Our Nation Act of 2017” after  
9 “section 221(c) of the Medicare Access and CHIP  
10 Reauthorization Act of 2015”.

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

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

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

20 “(D) \$150,000,000 for each of fiscal years  
21 2018 and 2019.”.

22 **SEC. 103. EXTENSION FOR FAMILY-TO-FAMILY HEALTH IN-**  
23 **FORMATION CENTERS.**

24 Section 501(c) of the Social Security Act (42 U.S.C.  
25 701(c)) is amended—

1 (1) in paragraph (1)(A)—

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

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

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

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

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

15 (3) by amending paragraph (5) to read as fol-  
16 lows:

17 “(5) For purposes of this subsection—

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

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

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

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

3 (a) YOUTH EMPOWERMENT PROGRAM.—

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

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

8 “(a) IN GENERAL.—

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

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

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

23 “(2) OTHER ALLOTMENTS.—

24 “(A) OTHER ENTITIES.—For the purpose  
25 described in subsection (b), the Secretary shall,  
26 for each of fiscal years 2018 and 2019, for any

1 State which has not transmitted an application  
2 for the fiscal year under section 505(a), allot to  
3 one or more entities in the State the amount  
4 that would have been allotted to the State  
5 under paragraph (1) if the State had submitted  
6 such an application.

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

11 “(i) not later than 30 days after the  
12 deadline for the State involved to submit  
13 an application for the fiscal year under  
14 section 505(a), the Secretary publishes a  
15 notice soliciting grant applications; and

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

19 “(b) PURPOSE.—

20 “(1) IN GENERAL.—Except for research under  
21 paragraph (5) and information collection and report-  
22 ing under paragraph (6), the purpose of an allot-  
23 ment under subsection (a) to a State (or to another  
24 entity in the State pursuant to subsection (a)(2)) is  
25 to enable the State or other entity to implement edu-



1 cation exclusively on sexual risk avoidance (meaning  
2 voluntarily refraining from sexual activity).

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

6 “(A) ensure that the unambiguous and pri-  
7 mary emphasis and context for each topic de-  
8 scribed in paragraph (3) is a message to youth  
9 that normalizes the optimal health behavior of  
10 avoiding nonmarital sexual activity;

11 “(B) be medically accurate and complete;

12 “(C) be age-appropriate; and

13 “(D) be based on adolescent learning and  
14 developmental theories for the age group receiv-  
15 ing the education.

16 “(3) TOPICS.—Education on sexual risk avoid-  
17 ance pursuant to an allotment under this section  
18 shall address each of the following topics:

19 “(A) The holistic individual and societal  
20 benefits associated with personal responsibility,  
21 self-regulation, goal setting, healthy decision-  
22 making, and a focus on the future.

23 “(B) The advantage of refraining from  
24 nonmarital sexual activity in order to improve

1 the future prospects and physical and emotional  
2 health of youth.

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

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

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

14 “(F) How to resist and avoid, and receive  
15 help regarding, sexual coercion and dating vio-  
16 lence, recognizing that even with consent teen  
17 sex remains a youth risk behavior.

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

21 “(A) any information provided on contra-  
22 ception is medically accurate and ensures that  
23 students understand that contraception offers  
24 physical risk reduction, but not risk elimination;  
25 and

1           “(B) the education does not include dem-  
2           onstrations, simulations, or distribution of con-  
3           traceptive devices.

4           “(5) RESEARCH.—

5           “(A) IN GENERAL.—A State or other enti-  
6           ty receiving an allotment pursuant to subsection  
7           (a) may use up to 20 percent of such allotment  
8           to build the evidence base for sexual risk avoid-  
9           ance education by conducting or supporting re-  
10          search.

11          “(B) REQUIREMENTS.—Any research con-  
12          ducted or supported pursuant to subparagraph  
13          (A) shall be—

14                 “(i) rigorous;

15                 “(ii) evidence-based; and

16                 “(iii) designed and conducted by inde-  
17                 pendent researchers who have experience  
18                 in conducting and publishing research in  
19                 peer-reviewed outlets.

20          “(6) INFORMATION COLLECTION AND REPORT-  
21          ING.—A State or other entity receiving an allotment  
22          pursuant to subsection (a) shall, as specified by the  
23          Secretary—

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

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

6           “(c) NATIONAL EVALUATION.—

7           “(1) IN GENERAL.—The Secretary shall—

8           “(A) in consultation with appropriate State  
9           and local agencies, conduct one or more rig-  
10          orous evaluations of the education funded  
11          through this section and associated data; and

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

16          “(2) CONSULTATION.—In conducting the eval-  
17          uations required by paragraph (1), including the es-  
18          tablishment of evaluation methodologies, the Sec-  
19          retary shall consult with relevant stakeholders.

20          “(d) APPLICABILITY OF CERTAIN PROVISIONS.—

21          “(1) Sections 503, 507, and 508 apply to allot-  
22          ments under subsection (a) to the same extent and  
23          in the same manner as such sections apply to allot-  
24          ments under section 502(c).

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

4           “(e) FUNDING.—

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

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

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

18          (b) PERSONAL RESPONSIBILITY EDUCATION.—

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

21                         (A) in subsection (a)(1)(A), by striking

22                                 “2017” and inserting “2019”; and

23                                 (B) in subsection (a)(4)—

1 (i) in subparagraph (A), by striking  
2 “2017” each place it appears and inserting  
3 “2019”; and

4 (ii) in subparagraph (B)—

5 (I) in the subparagraph heading,  
6 by striking “3-YEAR GRANTS” and in-  
7 serting “COMPETITIVE PREP  
8 GRANTS”; and

9 (II) in clause (i), by striking “so-  
10 licit applications to award 3-year  
11 grants in each of fiscal years 2012  
12 through 2017” and inserting “con-  
13 tinue through fiscal year 2019 grants  
14 awarded for any of fiscal years 2015  
15 through 2017”;

16 (C) in subsection (c)(1), by inserting after  
17 “youth with HIV/AIDS,” the following: “vie-  
18 tims of human trafficking,”; and

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

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

1                                   **TITLE II—OFFSETS**  
2   **SEC. 201. PROVIDING FOR QUALIFIED HEALTH PLAN**  
3                                   **GRACE PERIOD REQUIREMENTS FOR ISSUER**  
4                                   **RECEIPT OF ADVANCE PAYMENTS OF COST-**  
5                                   **SHARING REDUCTIONS AND PREMIUM TAX**  
6                                   **CREDITS THAT ARE MORE CONSISTENT WITH**  
7                                   **STATE LAW GRACE PERIOD REQUIREMENTS.**

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

11               (1) in paragraph (2)—

12                       (A) in subparagraph (B)(iv)(II), by strik-  
13 ing “a 3-month grace period” and inserting “a  
14 grace period specified in subparagraph (C)”;  
15 and

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

18                               “(C) GRACE PERIOD SPECIFIED.—For pur-  
19 poses of subparagraph (B)(iv)(II), the grace pe-  
20 riod specified in this subparagraph is—

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

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

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

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

9                   “(D) STATE LAW GRACE PERIOD.—For  
10                  purposes of subparagraph (C), the term ‘State  
11                  law grace period’ means, with respect to a  
12                  State, a grace period for nonpayment of pre-  
13                  miums before discontinuing coverage that is ap-  
14                  plicable under the State law to health insurance  
15                  coverage offered in the individual market of the  
16                  State.”; and

17                  (2) in paragraph (3), by adding at the end the  
18                  following new sentence: “The requirements of para-  
19                  graph (2)(B)(iv) apply to an issuer of a qualified  
20                  health plan receiving an advanced payment under  
21                  this paragraph in the same manner and to the same  
22                  extent that such requirements apply to an issuer of  
23                  a qualified health plan receiving an advanced pay-  
24                  ment under paragraph (2)(A).”.



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

6 (1) the effects on consumers of aligning grace  
7 periods applied under the Medicaid program under  
8 title XIX of the Social Security Act, under the Medi-  
9 care program under parts C and D of title XVIII of  
10 such Act, and under qualified health plans offered  
11 on an Exchange established under title I of the Pa-  
12 tient Protection and Affordable Care Act, including  
13 the extent to which such an alignment of grace peri-  
14 ods may help to avoid enrollment status confusion  
15 for individuals under such Medicaid program, Medi-  
16 care program, and qualified health plans; and

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

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

21 Section 4002(b) of the Patient Protection and Af-  
22 fordable Care Act (42 U.S.C. 300u–11(b)) is amended by  
23 striking paragraphs (3) through (8) and inserting the fol-  
24 lowing new paragraphs:

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

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

2 “(5) for each of fiscal years 2020 through  
3 2026, \$0; and

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

## 6 **DIVISION B—HEALTHY KIDS ACT**

### 7 **SEC. 300. SHORT TITLE.**

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

## 12 **TITLE I—CHIP EXTENSION AND** 13 **OTHER MEDICAID AND CHIP** 14 **PROVISIONS**

### 15 **SEC. 301. FIVE-YEAR FUNDING EXTENSION OF THE CHIL-** 16 **DREN’S HEALTH INSURANCE PROGRAM.**

17 (a) APPROPRIATION; TOTAL ALLOTMENT.—Section  
18 2104(a) of the Social Security Act (42 U.S.C. 1397dd(a))  
19 is amended—

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

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

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

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

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

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

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

4 and

5 “(25) for fiscal year 2022, for purposes of mak-  
6 ing 2 semi-annual allotments—

7 “(A) \$2,850,000,000 for the period begin-  
8 ning on October 1, 2021, and ending on March  
9 31, 2022; and

10 “(B) \$2,850,000,000 for the period begin-  
11 ning on April 1, 2022, and ending on Sep-  
12 tember 30, 2022.”.

13 (b) ALLOTMENTS.—

14 (1) IN GENERAL.—Section 2104(m) of the So-  
15 cial Security Act (42 U.S.C. 1397dd(m)) is amend-  
16 ed—

17 (A) in paragraph (2)—

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

21 (ii) in subparagraph (B)—

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

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

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

9 (B) in paragraph (5)—

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

12 (ii) by striking “or 2017” and insert-  
13 ing “, 2017, or 2022”;

14 (C) in paragraph (7)—

15 (i) in subparagraph (A), by striking  
16 “2017” and inserting “2022”;

17 (ii) in subparagraph (B), in the mat-  
18 ter preceding clause (i), by inserting “(or,  
19 in the case of fiscal year 2018, by not later  
20 than the date that is 60 days after the  
21 date of the enactment of the HEALTHY  
22 KIDS Act)” after “before the August 31  
23 preceding the beginning of the fiscal year”;  
24 and

1 (iii) in the matter following subpara-  
2 graph (B), by striking “or fiscal year  
3 2016” and inserting “fiscal year 2016, fis-  
4 cal year 2018, fiscal year 2020, or fiscal  
5 year 2022”;

6 (D) in paragraph (9)—

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

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

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

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

16 “(10) FOR FISCAL YEAR 2022.—

17 “(A) FIRST HALF.—Subject to paragraphs  
18 (5) and (7), from the amount made available  
19 under subparagraph (A) of paragraph (25) of  
20 subsection (a) for the semi-annual period de-  
21 scribed in such subparagraph, increased by the  
22 amount of the appropriation for such period  
23 under section 301(b)(3) of the HEALTHY  
24 KIDS Act, the Secretary shall compute a State  
25 allotment for each State (including the District

1 of Columbia and each commonwealth and terri-  
2 tory) for such semi-annual period in an amount  
3 equal to the first half ratio (described in sub-  
4 paragraph (D)) of the amount described in sub-  
5 paragraph (C).

6 “(B) SECOND HALF.—Subject to para-  
7 graphs (5) and (7), from the amount made  
8 available under subparagraph (B) of paragraph  
9 (25) of subsection (a) for the semi-annual pe-  
10 riod described in such subparagraph, the Sec-  
11 retary shall compute a State allotment for each  
12 State (including the District of Columbia and  
13 each commonwealth and territory) for such  
14 semi-annual period in an amount equal to the  
15 amount made available under such subpara-  
16 graph, multiplied by the ratio of—

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

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

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

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

4 “(ii) the amount of any payments  
5 made to the State under subsection (n) for  
6 fiscal year 2021,

7 multiplied by the allotment increase factor  
8 under paragraph (6) for fiscal year 2022.

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

12 “(i) the sum of—

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

15 “(II) the amount of the appro-  
16 priation for such period under section  
17 301(b)(3) of the HEALTHY KIDS  
18 Act; to

19 “(ii) the sum of—

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

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

24 (2) TECHNICAL AMENDMENT.—Section  
25 2104(m)(2)(A) of such Act (42 U.S.C.

1 1397dd(m)(2)(A)) is amended by striking “the allot-  
2 ment increase factor under paragraph (5)” each  
3 place it appears and inserting “the allotment in-  
4 crease factor under paragraph (6)”.

5 (3) ONE-TIME APPROPRIATION FOR FISCAL  
6 YEAR 2022.—There is appropriated to the Secretary  
7 of Health and Human Services, out of any money in  
8 the Treasury not otherwise appropriated,  
9 \$20,200,000,000 to accompany the allotment made  
10 for the period beginning on October 1, 2021, and  
11 ending on March 31, 2022, under paragraph  
12 (25)(A) of section 2104(a) of the Social Security Act  
13 (42 U.S.C. 1397dd(a)) (as added by subsection  
14 (a)(3)), to remain available until expended. Such  
15 amount shall be used to provide allotments to States  
16 under paragraph (10) of section 2104(m) of such  
17 Act (as added by subsection (b)(1)(E)) for the first  
18 6 months of fiscal year 2022 in the same manner as  
19 allotments are provided under subsection (a)(25)(A)  
20 of such section 2104 and subject to the same terms  
21 and conditions as apply to the allotments provided  
22 from such subsection (a)(25)(A).

23 (c) EXTENSION OF THE CHILD ENROLLMENT CON-  
24 TINGENCY FUND.—Section 2104(n) of the Social Security  
25 Act (42 U.S.C. 1397dd(n)) is amended—



1 (1) in paragraph (2)—

2 (A) in subparagraph (A)(ii)—

3 (i) by striking “2010, 2011, 2012,  
4 2013, 2014, and 2016” and inserting  
5 “2010 through 2014, 2016, and 2018  
6 through 2021”; and

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

10 (B) in subparagraph (B)—

11 (i) by striking “2010, 2011, 2012,  
12 2013, 2014, and 2016” and inserting  
13 “2010 through 2014, 2016, and 2018  
14 through 2021”; and

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

18 (2) in paragraph (3)(A), in the matter pre-  
19 ceding clause (i), by striking “or a semi-annual allot-  
20 ment period for fiscal year 2015 or 2017” and in-  
21 serting “or in any of fiscal years 2018 through 2021  
22 (or a semi-annual allotment period for fiscal year  
23 2015, 2017, or 2022)”.

1 (d) EXTENSION OF QUALIFYING STATES OPTION.—  
2 Section 2105(g)(4) of the Social Security Act (42 U.S.C.  
3 1397ee(g)(4)) is amended—

4 (1) in the heading, by striking “THROUGH  
5 2017” and inserting “THROUGH 2022”; and

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

8 (e) EXTENSION OF EXPRESS LANE ELIGIBILITY OP-  
9 TION.—Section 1902(e)(13)(I) of the Social Security Act  
10 (42 U.S.C. 1396a(e)(13)(I)) is amended by striking  
11 “2017” and inserting “2022”.

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

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

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

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

22 (i) by striking “2019” and inserting  
23 “2022”; and

24 (ii) by striking “The preceding sen-  
25 tence shall not be construed as preventing

1 a State during such period” and inserting  
2 “During the period that begins on October  
3 1, 2019, and ends on September 30, 2022,  
4 the preceding sentence shall only apply  
5 with respect to children in families whose  
6 income does not exceed 300 percent of the  
7 poverty line (as defined in section  
8 2110(c)(5)) applicable to a family of the  
9 size involved. The preceding sentences shall  
10 not be construed as preventing a State  
11 during any such periods”.

12 (2) CONFORMING AMENDMENTS.—Section  
13 1902(gg)(2) of the Social Security Act (42 U.S.C.  
14 1396a(gg)(2)) is amended—

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

18 (B) by striking “September 30, 2019,”  
19 and inserting “September 30, 2022 (but during  
20 the period that begins on October 1, 2019, and  
21 ends on September 30, 2022, only with respect  
22 to children in families whose income does not  
23 exceed 300 percent of the poverty line (as de-  
24 fined in section 2110(c)(5)) applicable to a fam-  
25 ily of the size involved)”.

1 (g) CHIP LOOK-ALIKE PLANS.—

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

5 “(g) USE OF BLENDED RISK POOLS.—

6 “(1) IN GENERAL.—Nothing in this title (or  
7 any other provision of Federal law) shall be con-  
8 strued as preventing a State from considering chil-  
9 dren enrolled in a qualified CHIP look-alike pro-  
10 gram and children enrolled in a State child health  
11 plan under this title (or a waiver of such plan) as  
12 members of a single risk pool.

13 “(2) QUALIFIED CHIP LOOK-ALIKE PROGRAM.—

14 In this subsection, the term ‘qualified CHIP look-  
15 alike program’ means a State program—

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

24 “(B) that is funded exclusively through  
25 non-Federal funds, including funds received by

1 the State in the form of premiums for the pur-  
2 chase of such coverage.”.

3 (2) COVERAGE RULE.—

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

10 (B) EFFECTIVE DATE.—The amendment  
11 made by subparagraph (A) shall apply with re-  
12 spect to taxable years beginning after December  
13 31, 2017.

14 **SEC. 302. EXTENSION OF CERTAIN PROGRAMS AND DEM-**  
15 **ONSTRATION PROJECTS.**

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

19 (1) by striking “and \$10,000,000” and insert-  
20 ing “, \$10,000,000”; and

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

1 (b) PEDIATRIC QUALITY MEASURES PROGRAM.—  
2 Section 1139A(i) of the Social Security Act (42 U.S.C.  
3 1320b–9a(i)) is amended—

4 (1) by striking “Out of any” and inserting the  
5 following:

6 “(1) IN GENERAL.—Out of any”;

7 (2) by striking “there is appropriated for each”  
8 and inserting “there is appropriated—

9 “(A) for each”;

10 (3) by striking “, and there is appropriated for  
11 the period” and inserting “;

12 “(B) for the period”;

13 (4) by striking “. Funds appropriated under  
14 this subsection shall remain available until ex-  
15 pended.” and inserting “; and”; and

16 (5) by adding at the end the following:

17 “(C) for the period of fiscal years 2018  
18 through 2022, \$75,000,000 for the purpose of  
19 carrying out this section (other than sub-  
20 sections (e), (f), and (g)).

21 “(2) AVAILABILITY.—Funds appropriated  
22 under this subsection shall remain available until ex-  
23 pended.”.

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

3 (a) IN GENERAL.—Section 2113 of the Social Secu-  
4 rity Act (42 U.S.C. 1397mm) is amended—

5 (1) in subsection (a)(1), by striking “2017” and  
6 inserting “2022”; and

7 (2) in subsection (g)—

8 (A) by striking “and \$40,000,000” and in-  
9 serting “, \$40,000,000”; and

10 (B) by inserting after “2017” the fol-  
11 lowing: “, and \$100,000,000 for the period of  
12 fiscal years 2018 through 2022”.

13 (b) MAKING ORGANIZATIONS THAT USE PARENT  
14 MENTORS ELIGIBLE TO RECEIVE GRANTS.—Section  
15 2113(f) of the Social Security Act (42 U.S.C. 1397mm(f))  
16 is amended—

17 (1) in paragraph (1)(E), by striking “or com-  
18 munity-based doula programs” and inserting “, com-  
19 munity-based doula programs, or parent mentors”;  
20 and

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

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

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

4           “(B) is trained to assist families with chil-  
5 dren who have no health insurance coverage  
6 with respect to improving the social deter-  
7 minants of the health of such children, includ-  
8 ing by providing—

9           “(i) education about health insurance  
10 coverage, including, with respect to obtain-  
11 ing such coverage, eligibility criteria and  
12 application and renewal processes;

13           “(ii) assistance with completing and  
14 submitting applications for health insur-  
15 ance coverage;

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

20           “(iv) guidance on identifying medical  
21 and dental homes and community phar-  
22 macies for children; and

23           “(v) assistance and referrals to suc-  
24 cessfully address social determinants of



1 children's health, including poverty, food  
2 insufficiency, and housing.”.

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

6 (1) in the first paragraph (14), relating to in-  
7 come determined using modified adjusted gross in-  
8 come, by adding at the end the following new sub-  
9 paragraph:

10 “(J) EXCLUSION OF PARENT MENTOR  
11 COMPENSATION FROM INCOME DETERMINA-  
12 TION.—Any nominal amount received by an in-  
13 dividual as compensation, including a stipend,  
14 for participation as a parent mentor (as defined  
15 in paragraph (5) of section 2113(f)) in an activ-  
16 ity or program funded through a grant under  
17 such section shall be disregarded for purposes  
18 of determining the income eligibility of such in-  
19 dividual for medical assistance under the State  
20 plan or any waiver of such plan.”; and

21 (2) by striking “(14) EXCLUSION” and insert-  
22 ing “(15) EXCLUSION”.

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

4 Section 2105(b) of the Social Security Act (42 U.S.C.  
5 1397ee(b)) is amended in the second sentence by inserting  
6 “and during the period that begins on October 1, 2019,  
7 and ends on September 30, 2020, the enhanced FMAP  
8 determined for a State for a fiscal year (or for any portion  
9 of a fiscal year occurring during such period) shall be in-  
10 creased by 11.5 percentage points” after “23 percentage  
11 points,”.

12 **SEC. 305. MODIFYING REDUCTIONS IN MEDICAID DSH AL-**  
13 **LOTMENTS.**

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

16 (1) in clause (i), in the matter preceding sub-  
17 clause (I), by striking “2018” and inserting “2020”;  
18 and

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

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

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

1 **SEC. 306. PUERTO RICO AND THE VIRGIN ISLANDS MED-**  
2 **ICAID PAYMENTS.**

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

5 (1) in paragraph (2)—

6 (A) in subparagraph (A), by inserting “(or,  
7 with respect to fiscal years 2018 and 2019, in-  
8 creased by such percentage increase plus one  
9 percentage point)” after “beginning of the fis-  
10 cal year”; and

11 (B) in subparagraph (B), by inserting  
12 “(or, with respect to fiscal years 2018 and  
13 2019, increased by such percentage increase  
14 plus one percentage point)” after “percentage  
15 increase referred to in subparagraph (A)”;

16 (2) in paragraph (5)—

17 (A) in subparagraph (A), by striking “sub-  
18 subparagraph (B)” and inserting “subparagraphs  
19 (B), (C), (D), (E), and (F)”;

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

22 “(C) The amount of the increase otherwise pro-  
23 vided under subparagraph (A) for Puerto Rico shall  
24 be further increased by \$880,000,000.

25 “(D)(i) For the period beginning October 1,  
26 2017, and ending December 31, 2019, the amount

1 of the increase otherwise provided under subpara-  
2 graph (A) for Puerto Rico shall be further increased  
3 by \$120,000,000 if the Financial Oversight and  
4 Management Board for Puerto Rico established  
5 under section 101 of the Puerto Rico Oversight,  
6 Management, and Economic Stability Act (48  
7 U.S.C. 2121) certifies by a majority vote that Puer-  
8 to Rico has taken reasonable and appropriate steps  
9 during such period to—

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

12 “(II) implement strategies to reduce un-  
13 necessary, inefficient, or excessive spending  
14 under title XIX;

15 “(III) improve the use and availability of  
16 Medicaid data for program operation and over-  
17 sight; and

18 “(IV) improve the quality of care and pa-  
19 tient experience for individuals enrolled under  
20 the program under title XIX.

21 “(ii) As a condition of any additional increase  
22 pursuant to clause (i), not later than October 1,  
23 2018, Puerto Rico shall submit to the Financial  
24 Oversight and Management Board for Puerto Rico  
25 a report regarding steps taken to achieve each of the

1 goals described in subclauses (I) through (IV) of  
2 clause (i).

3 “(E) Payments under section 1903(a)(8) for a  
4 quarter of a fiscal year shall not be taken into ac-  
5 count in applying subsection (f) (as increased in ac-  
6 cordance with this paragraph and paragraphs (1),  
7 (2), (3), and (4)) to Puerto Rico or the Virgin Is-  
8 lands for such fiscal year.

9 “(F)(i) For the period beginning October 1,  
10 2017, and ending December 31, 2019, the amount  
11 of the increase otherwise provided under subpara-  
12 graph (A) for the Virgin Islands shall be further in-  
13 creased by an amount equal to the per capita equiv-  
14 alent of the total amount of the increase provided  
15 for Puerto Rico under subparagraphs (C) and (D)  
16 for such period.

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

19 “(I) the population of the Virgin Islands,  
20 as determined by the most recent census esti-  
21 mate released by the Bureau of the Census be-  
22 fore September 4, 2017; to

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

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

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

6 (2) in paragraph (6)—

7 (A) in subparagraph (B), by inserting  
8 “subject to paragraph (8),” before “75 per cen-  
9 tum”; and

10 (B) by striking at the end “plus”;

11 (3) in paragraph (7), by striking at the end the  
12 period and inserting “; plus” ; and

13 (4) by adding at the end the following new  
14 paragraph:

15 “(8) for quarters during the period beginning  
16 January 1, 2018, and ending December 31, 2019,  
17 paragraphs (2)(A) and (6) shall apply with respect  
18 to Puerto Rico and the Virgin Islands as if—

19 “(A) the reference to ‘75 per centum’ in  
20 paragraph (2)(A) were a reference to ‘90 per  
21 centum’; and

22 “(B) the reference to ‘75 per centum’ in  
23 paragraph (6)(B) were a reference to ‘90 per  
24 centum’.”.

1 **TITLE II—OFFSETS**

2 **SEC. 401. MEDICAID THIRD PARTY LIABILITY PROVISIONS.**

3 (a) MEDICAID THIRD PARTY LIABILITY.—

4 (1) DELAY OF BIPARTISAN BUDGET ACT OF  
5 2013 THIRD PARTY LIABILITY PROVISIONS.—

6 (A) IN GENERAL.—Section 202(c) of the  
7 Bipartisan Budget Act of 2013 (Public Law  
8 113–67; 127 Stat. 1177; 42 U.S.C. 1396a  
9 note), as amended by section 211 of the Pro-  
10 tecting Access to Medicare Act of 2014 (Public  
11 Law 113–93; 128 Stat. 1047; 42 U.S.C. 1396a  
12 note) and section 220 of the Medicare Access  
13 and CHIP Reauthorization Act of 2015 (Public  
14 Law 114–10), is amended by striking “2017”  
15 and inserting “2019”.

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

21 (2) CLARIFICATION OF DEFINITIONS APPLICA-  
22 BLE TO THIRD PARTY LIABILITY.—

23 (A) IN GENERAL.—Section 1902 of the So-  
24 cial Security Act (42 U.S.C. 1396a) is amended

1           by adding at the end the following new sub-  
2           section:

3           “(nn) RESPONSIBLE THIRD PARTY AND HEALTH IN-  
4           SURER DEFINITIONS.—For purposes of subsection (a)(25)  
5           and section 1903(d)(2)(B):

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

21          “(2) HEALTH INSURER.—The term ‘health in-  
22          surer’ means a group health plan, as defined in sec-  
23          tion 607(1) of the Employee Retirement Income Se-  
24          curity Act of 1974, a self-insured plan, a fully-in-  
25          sured plan, a service benefit plan, a medicaid man-



1 aged care plan under section 1903(m) or 1932, and  
2 any other health plan determined appropriate by the  
3 Secretary.”.

4 (B) CONFORMING AMENDMENTS.—Section  
5 1902(a)(25) of the Social Security Act (42  
6 U.S.C. 1396a(a)(25)) is amended—

7 (i) in subparagraph (A), in the matter  
8 preceding clause (i), by striking “third par-  
9 ties” and all that follows through “item or  
10 service)” and inserting “responsible third  
11 parties”;

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

16 (iii) in subparagraph (I), in the mat-  
17 ter preceding clause (i), by striking “health  
18 insurers” and all that follows through  
19 “item or service” and inserting “respon-  
20 sible third parties”; and

21 (iv) by inserting “responsible” before  
22 “third” each place it appears in subpara-  
23 graphs (A)(i), (A)(ii), (C), (D), and (H).

24 (3) REMOVAL OF SPECIAL TREATMENT OF CER-  
25 TAIN TYPES OF CARE AND PAYMENTS UNDER MED-

1 ICAID THIRD PARTY LIABILITY RULES.—Section  
2 1902(a)(25) of the Social Security Act (42 U.S.C.  
3 1396a(a)(25)), as amended by section 202(c) of the  
4 Bipartisan Budget Act of 2013 (after application of  
5 paragraph (1)), is amended—

6 (A) in subparagraph (E)—

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

14 (ii) in clause (i)—

15 (I) by striking “such service”  
16 and inserting “such items and serv-  
17 ices”; and

18 (II) by striking each place it ap-  
19 pears “such services” and inserting  
20 “such items and services” each such  
21 place; and

22 (B) by striking subparagraph (F).

23 (4) CLARIFICATION OF ROLE OF HEALTH IN-  
24 SURERS WITH RESPECT TO THIRD PARTY LIABIL-  
25 ITY.—

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

6           “(F) that—

7                   “(i) in the case of a State that pro-  
8                   vides medical assistance under this title  
9                   through a contract with a health insurer,  
10                  such contract shall specify any responsi-  
11                  bility of such health insurer (or other enti-  
12                  ty) with respect to recovery of payment  
13                  from responsible third parties pursuant to  
14                  the delegation or transfer by the State to  
15                  such insurer (or other entity) of a right de-  
16                  scribed in subparagraph (I)(ii); and

17                   “(ii) in the case of a State that under  
18                   a contract described in clause (i) delegates  
19                   or transfers to a health insurer (or other  
20                   entity) a right described in such clause, the  
21                   State shall provide assurances to the Sec-  
22                   retary that the State laws referred to in  
23                   subparagraph (I), with respect to each re-  
24                   sponsibility of such health insurer (or other  
25                   entity) specified under such clause, confer

1 to such health insurer (or other entity) the  
2 authority of the State with respect to the  
3 requirements specified in clauses (i)  
4 through (iv) of such subparagraph (I);”.

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

15 (5) INCREASING STATE FLEXIBILITY WITH RE-  
16 SPECT TO THIRD PARTY LIABILITY.—Section  
17 1902(a)(25)(I) of the Social Security Act (42 U.S.C.  
18 1396a(a)(25)(I)) is amended—

19 (A) in clause (i), by striking “medical as-  
20 sistance under the State plan” and inserting  
21 “medical assistance under a State plan (or  
22 under a waiver of the plan)”;

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

25 “(ii) accept—

1           “(I) any State’s right of recovery  
2           and the assignment to any State of  
3           any right of an individual or other en-  
4           tity to payment from the party for an  
5           item or service for which payment has  
6           been made under the respective  
7           State’s plan (or under a waiver of the  
8           plan); and

9           “(II) as a valid authorization of  
10          the responsible third party for the fur-  
11          nishing of an item or service to an in-  
12          dividual eligible to receive medical as-  
13          sistance under this title, an authoriza-  
14          tion made on behalf of such individual  
15          under the State plan (or under a  
16          waiver of such plan) for the fur-  
17          nishing of such item or service to such  
18          individual;”;

19          (C) in clause (iii)—

20                 (i) by striking “respond to” and in-  
21                 serting “not later than 60 days after re-  
22                 ceiving”; and

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

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

4 (6) STATE INCENTIVE TO PURSUE THIRD  
5 PARTY LIABILITY FOR NEWLY ELIGIBLES.—Section  
6 1903(d)(2)(B) of the Social Security Act (42 U.S.C.  
7 1396b(d)(2)(B)), as amended by paragraph (4)(B),  
8 is further amended by adding at the end the fol-  
9 lowing: “In the case of expenditures for medical as-  
10 sistance provided during 2017 and subsequent years  
11 for individuals described in subclause (VIII) of sec-  
12 tion 1902(a)(10)(A)(i), in determining the amount,  
13 if any, of overpayment under this subparagraph with  
14 respect to such medical assistance, the Secretary  
15 shall apply the Federal medical assistance percent-  
16 age for the State under section 1905(b), notwith-  
17 standing the application of section 1905(y).”.

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

22 “(ee) Notwithstanding subsection (b), for any year  
23 beginning after 2019, if a State fails to comply with the  
24 requirements of section 1902(a)(25) with respect to each  
25 calendar quarter in such year, the Secretary may reduce

1 the Federal medical assistance percentage by 0.1 percent-  
2 age point for calendar quarters in each subsequent year  
3 in which the State fails to so comply.”.

4 (c) APPLICATION TO CHIP.—

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

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

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

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

15 (2) MANDATORY REPORTING.—Section  
16 1902(a)(25)(I)(i) of the Social Security Act (42  
17 U.S.C. 1396a(a)(25)(I)(i)), as amended by sub-  
18 section (a)(5), is further amended—

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

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

23 (d) TRAINING ON THIRD PARTY LIABILITY.—Section  
24 1936 of the Social Security Act (42 U.S.C. 1396u–6) is  
25 amended—

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

5           (2) by adding at the end the following new sub-  
6           section:

7           “(f) **THIRD PARTY LIABILITY TRAINING.**—With re-  
8           spect to education or training activities carried out pursu-  
9           ant to subsection (b)(4) with respect to the liability of re-  
10          sponsible third parties (as defined in section 1902(nn) for  
11          payment for items and services furnished under State  
12          plans (or under waivers of such plans)) under this title,  
13          the Secretary shall—

14                 “(1) publish (and update on an annual basis)  
15                 on the public Internet website of the Centers for  
16                 Medicare & Medicaid Services a dedicated Internet  
17                 page containing best practices to be used in assess-  
18                 ing such liability;

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

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

24                 “(4) provide guidance to such State agencies  
25                 with respect to State oversight of efforts under a



1       medicaid managed care plan under section 1903(m)  
2       or 1932 to assess such liability.”.

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

11               (1) reporting information to the Secretary with-  
12 in the Transformed Medicaid Statistical Information  
13 System (T-MSIS) (or a successor system); and

14               (2) collecting information that identifies respon-  
15 sible third parties (as defined in subsection (m) of  
16 section 1902 of the Social Security Act (42 U.S.C.  
17 1396a), as added by subsection (a)(2)(A)) and other  
18 relevant information for ascertaining the legal re-  
19 sponsibility of such third parties to pay for care and  
20 services available under the State plan (or under a  
21 waiver of the plan) under title XIX of the Social Se-  
22 curity Act (42 U.S.C. 1396 et seq.) or under the  
23 State child health plan under title XXI of such Act  
24 (42 U.S.C. 1397 et seq.).

25       (f) EFFECTIVE DATE.—

1           (1) IN GENERAL.—Except as provided in para-  
2           graph (2), this section and the amendments made by  
3           this section (other than as specified in the preceding  
4           provisions of this section) shall take effect on Octo-  
5           ber 1, 2019, and shall apply to medical assistance or  
6           child health assistance provided on or after such  
7           date.

8           (2) EXCEPTION IF STATE LEGISLATION RE-  
9           QUIRED.—In the case of a State plan for medical as-  
10          sistance under title XIX of the Social Security Act  
11          (42 U.S.C. 1396 et seq.), or a State child health  
12          plan for child health assistance under title XXI of  
13          such Act (42 U.S.C. 1397aa et seq.), that the Sec-  
14          retary of Health and Human Services determines re-  
15          quires State legislation (other than legislation appro-  
16          priating funds) in order for the plan to meet the ad-  
17          ditional requirement imposed by the amendments  
18          made under this section, such plan shall not be re-  
19          garded as failing to comply with the requirements of  
20          such title solely on the basis of its failure to meet  
21          this additional requirement before the first day of  
22          the first calendar quarter beginning after the close  
23          of the first regular session of the State legislature  
24          that begins after the date of the enactment of this  
25          Act. For purposes of the previous sentence, in the

1 case of a State that has a 2-year legislative session,  
2 each year of such session shall be deemed to be a  
3 separate regular session of the State legislature.

4 **SEC. 402. TREATMENT OF LOTTERY WINNINGS AND OTHER**  
5 **LUMP-SUM INCOME FOR PURPOSES OF IN-**  
6 **COME ELIGIBILITY UNDER MEDICAID.**

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

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

11 (2) in subsection (e)(14), as amended by section  
12 303(c), by adding at the end the following new sub-  
13 paragraph:

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

17 “(i) IN GENERAL.—In the case of an  
18 individual who is the recipient of qualified  
19 lottery winnings (pursuant to lotteries oc-  
20 ccurring on or after January 1, 2018) or  
21 qualified lump sum income (received on or  
22 after such date) and whose eligibility for  
23 medical assistance is determined based on  
24 the application of modified adjusted gross  
25 income under subparagraph (A), a State

1 shall, in determining such eligibility, in-  
2 clude such winnings or income (as applica-  
3 ble) as income received—

4 “(I) in the month in which such  
5 winnings or income (as applicable) is  
6 received if the amount of such  
7 winnings or income is less than  
8 \$80,000;

9 “(II) over a period of 2 months  
10 if the amount of such winnings or in-  
11 come (as applicable) is greater than or  
12 equal to \$80,000 but less than  
13 \$90,000;

14 “(III) over a period of 3 months  
15 if the amount of such winnings or in-  
16 come (as applicable) is greater than or  
17 equal to \$90,000 but less than  
18 \$100,000; and

19 “(IV) over a period of 3 months  
20 plus 1 additional month for each in-  
21 crement of \$10,000 of such winnings  
22 or income (as applicable) received, not  
23 to exceed a period of 120 months (for  
24 winnings or income of \$1,260,000 or  
25 more), if the amount of such winnings

1 or income is greater than or equal to  
2 \$100,000.

3 “(ii) COUNTING IN EQUAL INSTALL-  
4 MENTS.—For purposes of subclauses (II),  
5 (III), and (IV) of clause (i), winnings or  
6 income to which such subclause applies  
7 shall be counted in equal monthly install-  
8 ments over the period of months specified  
9 under such subclause.

10 “(iii) HARDSHIP EXEMPTION.—An in-  
11 dividual whose income, by application of  
12 clause (i), exceeds the applicable eligibility  
13 threshold established by the State, shall  
14 continue to be eligible for medical assist-  
15 ance to the extent that the State deter-  
16 mines, under procedures established by the  
17 State (in accordance with standards speci-  
18 fied by the Secretary), that the denial of  
19 eligibility of the individual would cause an  
20 undue medical or financial hardship as de-  
21 termined on the basis of criteria estab-  
22 lished by the Secretary.

23 “(iv) NOTIFICATIONS AND ASSIST-  
24 ANCE REQUIRED IN CASE OF LOSS OF ELI-  
25 GIBILITY.—A State shall, with respect to

1 an individual who loses eligibility for med-  
2 ical assistance under the State plan (or a  
3 waiver of such plan) by reason of clause  
4 (i)—

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

8 “(aa) of the individual’s op-  
9 portunity to enroll in a qualified  
10 health plan offered through an  
11 Exchange established under title  
12 I of the Patient Protection and  
13 Affordable Care Act during the  
14 special enrollment period speci-  
15 fied in section 9801(f)(3) of the  
16 Internal Revenue Code of 1986  
17 (relating to loss of Medicaid or  
18 CHIP coverage); and

19 “(bb) of the date on which  
20 the individual would no longer be  
21 considered ineligible by reason of  
22 clause (i) to receive medical as-  
23 sistance under the State plan or  
24 under any waiver of such plan  
25 and be eligible to reapply to re-

1                   ceive such medical assistance;  
2                   and

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

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

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

20                  “(I) Monetary winnings from  
21                  gambling (as defined by the Secretary  
22                  and including gambling activities de-  
23                  scribed in section 1955(b)(4) of title  
24                  18, United States Code).

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

8                   “(III) Income received as liquid  
9                   assets from the estate (as defined in  
10                  section 1917(b)(4)) of a deceased in-  
11                  dividual.”.

12                  (b) RULES OF CONSTRUCTION.—

13                  (1) INTERCEPTION OF LOTTERY WINNINGS AL-  
14                  LOWED.—Nothing in the amendment made by sub-  
15                  section (a)(2) shall be construed as preventing a  
16                  State from intercepting the State lottery winnings  
17                  awarded to an individual in the State to recover  
18                  amounts paid by the State under the State Medicaid  
19                  plan under title XIX of the Social Security Act (42  
20                  U.S.C. 1396 et seq.) for medical assistance fur-  
21                  nished to the individual.

22                  (2) APPLICABILITY LIMITED TO ELIGIBILITY OF  
23                  RECIPIENT OF LOTTERY WINNINGS OR LUMP SUM  
24                  INCOME.—Nothing in the amendment made by sub-  
25                  section (a)(2) shall be construed, with respect to a



1 determination of household income for purposes of a  
2 determination of eligibility for medical assistance  
3 under the State plan under title XIX of the Social  
4 Security Act (42 U.S.C. 1396 et seq.) (or a waiver  
5 of such plan) made by applying modified adjusted  
6 gross income under subparagraph (A) of section  
7 1902(e)(14) of such Act (42 U.S.C. 1396a(e)(14)),  
8 as limiting the eligibility for such medical assistance  
9 of any individual that is a member of the household  
10 other than the individual who received qualified lot-  
11 tery winnings or qualified lump-sum income (as de-  
12 fined in subparagraph (K) of such section  
13 1902(e)(14), as added by subsection (a)(2) of this  
14 section).

