

**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 reded-
24 ignated)—

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).

