AMENDMENT TO
RULES COMMITTEE PRINT 114–22
OFFERED BY MR. YOUNG OF INDIANA AND MR. HARRIS OF MARYLAND

Page 5, line 10, strike “$1,860,000,000” and insert “$1,940,000,000”.

Page 6, line 13, strike “409K” and insert “409L”.

Page 6, line 9, before the semicolon insert the following: “, and $80,000,000 shall be for Innovation Prizes Program under section 409K of the Public Health Service Act as added by section 1002”.

Page 6, lines 11 to 13, strike “after subtracting the allocation for the Accelerating Advancement Program” and insert “after subtracting the allocations for the Accelerating Advancement Program and the Innovation Prizes Program”.

Page 6, lines 16 to 18, strike “after subtracting the allocation for the Accelerating Advancement Program” and insert “after subtracting the allocations for the Accelerating Advancement Program and the Innovation Prizes Program”.

Page 6, line 23, through page 7, line 1, strike “without subtracting the allocation for the Accelerating Advancement Program” and insert “without subtracting the allocations for the Accelerating Advancement Program and the Innovation Prizes Program”.

Page 15, after line 6, insert the following:

1 **SEC. 1002. PRIZE COMPETITIONS.**

2 Part B of title IV of the Public Health Service Act (42 U.S.C. 284 et seq.) is amended by adding at the end the following:

3 **“SEC. 409K. PRIZE COMPETITIONS FOR IMPROVING HEALTH OUTCOMES AND REDUCING FEDERAL EXPENDITURES.”**

4 “(a) Establishment; Goals.—The Director of NIH shall establish and implement an Innovation Prizes Program for one or both of the following goals:

5 “(1) Identifying and funding areas of biomedical science that could realize significant advancements through the creation of a prize competition.

6 “(2) Improving health outcomes, particularly with respect to human diseases and conditions for which public and private investment in research is disproportionately small relative to Federal Government expenditures on prevention and treatment ac-
activities, thereby reducing Federal expenditures on health programs.

“(b) Design of Prize Competitions.—Not later than 6 months after the date of enactment of this section, the Director of NIH shall—

“(1) design prize competitions—

“(A) to cooperate with competitors to realize innovations to identify and address areas of biomedical science that could realize significant advancements through the creation of a prize competition; and

“(B) to award one or more prizes—

“(i) if appropriate, at the beginning of or during the competitions, to the competitors whose innovations are most promising or demonstrate progress; and

“(ii) at the end of the competitions, to the competitors whose innovations prove to be the best solutions;

“(2) ensure that the design of such competitions—

“(A) is realistic, given the amount of funds to be awarded as prizes;
“(B) does not reflect any bias concerning
the type of innovations which will prove to be
the best solutions; and
“(C) allows any person to participate as a
competitor without regard to the person’s place
of incorporation, primary place of business, citi-
zenship, and residency, as applicable; and
“(3) submit to the Congress a report on the de-
sign of such competitions.
“(c) INNOVATION PRIZES ADVISORY BOARD.—
“(1) ESTABLISHMENT.—The Director of NIH
shall establish and maintain a board, to be known as
the I-Prize Board, to advise and assist the Director
of NIH in carrying out this section.
“(2) COMPOSITION; TERMS.—
“(A) COMPOSITION.—The I-Prize Board
shall be composed of 9 voting members as fol-
lows:
“(i) The Director of NIH (or the Di-
rector’s designee).
“(ii) Four members appointed by the
Director of NIH.
“(iii) One member appointed by the
Speaker of the House of Representatives.
“(iv) One member appointed by the majority leader of the Senate.

“(v) One member appointed by the minority leader of the House of Representatives.

“(vi) One member appointed by the minority leader in the Senate.

“(B) Inclusion of Certain Experts.—The members of the I-Prize Board appointed under clauses (ii) through (vi) of subparagraph (A) shall, collectively, include medical, economic, budgetary, innovation, or venture capital experts from for-profit and not-for-profit private sector entities with experience in awarding prizes similar to the prizes under this section.

“(C) Terms.—The appointed members of the I-Prize Board shall each be appointed for a term of 5 years.

“(D) Appointment of Initial Members.—The initial appointed members of the I-Prize Board shall be appointed not later than 120 days after the date of enactment of this section.
“(3) Responsibilities.—The I-Prize Board shall be responsible for advising the Director of NIH by—

“(A) identifying areas of biomedical science that could realize significant advancements through the creation of a prize competition;

“(B) making recommendations on establishing the criteria for prize competitions under this section;

“(C) making recommendations on which business organizations or other entities have successfully met the criteria established for the prize competition; and

“(D) gaining insight from researchers, health economists, academia, and industry on how to conduct prize competitions.

“(d) Restrictions.—

“(1) Limit on Amount.—The amount of any single prize under this section shall not exceed $250,000,000.

“(2) No Financial Conflicts of Interest.—Any member of the I-Prize Board, and any officer or employee of the National Institutes of Health responsible for carrying out this section, may
not personally or substantially participate in the consideration or determination by the I-Board of any matter that would directly or predictably effect any financial interest of—

“(A) the individual or a relative (as such term is defined in section 109(16) of the Ethics in Government Act of 1978) of the individual; or

“(B) of any business organization or other entity—

“(i) of which the individual is an officer or employee;

“(ii) with respect to which the individual is negotiating for employment; or

“(iii) in which the individual has any other financial interest.

“(3) No awards to competitors likely to reap financial benefit from innovation.—The Director of NIH may not, with respect to an innovation, award a prize under this section to any individual or entity that has a vested financial interest in any product or procedure that is likely to be developed or marketed because of such innovation.

“(e) Process of award.—The full monetary amount of any prize awarded under this section shall be
made available to the prize winner not later than 90 days
after the date of such award.

“(f) SIMULATION.—The Director of NIH may—

“(1) award one or more contracts—

“(A) to perform a simulation of the prize
competitions to be conducted under this section,
based on the designs developed under sub-
section (b); and

“(B) to use the simulation to assess the ef-
fectiveness of the design; and

“(2) not later than 4 months after awarding
such one or more contracts, submit to the Congress
a report on the results of the simulation and assess-
ment.

“(g) IMPLEMENTATION OF PRIZE COMPETITIONS.—

“(1) IN GENERAL.—The Director of NIH may
enter into an agreement with one or more entities
described in section 501(c), and exempt from tax
under section 501(a), of the Internal Revenue Code
of 1986 to implement prize competitions based on
the designs developed under subsection (b).

“(2) MINIMUM PERCENTAGE FOR PRIZES.—If
the Director of NIH enters into an agreement under
paragraph (1) to provide funds or other assistance
(including in-kind contributions and testing or other
technical support) to an entity to implement a prize competition under this section—

“(A) not more than 15 percent of such assistance shall be for administration of the prize competition; and

“(B) not less than 85 percent of such assistance shall be for activities in direct support of competitors such as demonstration, testing, education, and prize awards.

“(h) TRACKING; REPORTING.—The Director of NIH shall—

“(1) collect information on—

“(A) the medical efficacy of innovations funded through the prize competitions under this section; and

“(B) the actual and potential effect of the innovations on Federal expenditures; and

“(2) not later than one year after the conclusion of the prize competitions under this section, and not later than the end of each of the 4 succeeding years, submit to the Congress a report on the information collected under paragraph (1).

“(i) INTELLECTUAL PROPERTY.—

“(1) PROHIBITION ON THE GOVERNMENT ACQUIRING INTELLECTUAL PROPERTY RIGHTS.—The
Federal Government may not gain an interest in intellectual property developed by a participant in a prize competition under this section without the written consent of the participant.

“(2) LICENSES.—The Federal Government may negotiate a license for the use of intellectual property developed by a participant in a prize competition under this section.

“(j) FUNDING.—Funding for carrying out this section shall be derived—

“(1) from the NIH and Cures Innovation Fund, as specified in section 2 of the 21st Century Cures Act; and

“(2) from transfers by the Director of NIH in accordance with other provisions of this title.”.

Page 26, line 11, insert “, as amended by section 1002 of this Act,” after “et seq.”

Page 26, line 13, strike “409K” and insert “409L”.

Page 323, after line 16, insert the following:
Subtitle I—Treatment of Lottery Winnings and Other Lump Sum Income

SEC. 3161. TREATMENT OF LOTTERY WINNINGS AND OTHER LUMP SUM INCOME FOR PURPOSES OF INCOME ELIGIBILITY UNDER MEDICAID.

(a) In General.—Paragraph (14) (relating to modified adjusted gross income) of section 1902(e) of the Social Security Act (42 U.S.C. 1396a(e)) is amended by adding at the end the following new subparagraph:

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

“(i) In the case of an individual who is the recipient of qualified lottery winnings or qualified lump sum income, and whose eligibility for medical assistance is determined based on the application of modified adjusted gross income under subparagraph (A), a State may, in determining such eligibility, consider such winnings or income (as applicable) as income received on a monthly basis—

“(I) if such winnings or income (as applicable) is received in an
amount that is less than $50,000, 
over a period of 12 months; and 

“(II) if such winnings or income 
(as applicable) is received in an 
amount that is greater than or equal 
to $50,000, over a period specified by 
the State not to exceed 240 months, 
in proportion to the amount of the 
winnings or income (as applicable). 

“(ii) DEFINITIONS.—In this subpara-
graph:

“(I) The term ‘qualified lottery 
winnings’ means winnings from a 
sweepstakes, lottery, or pool described 
in paragraph (3) of section 4402 of 
the Internal Revenue Code of 1986 or 
a lottery operated by a multi-state or 
multi-jurisdictional lottery association 
in an amount that is not less than 
$20,000, including amounts awarded 
as a lump sum payment.

“(II) The term ‘qualified lump 
sum income’ means income that is re-
ceived as a lump sum in an amount 
that is not less than $20,000, includ-
ing income received from the transfer or sale of real or personal property from the estate (as defined in section 1917(b)(4)) of a deceased individual.”.

(b) Rule of Construction.—Nothing in the amendment made by subsection (a) shall be construed as preventing a State from intercepting the State lottery winnings awarded to an individual in the State to recover amounts paid by the State under the State Medicaid plan under title XIX of the Social Security Act for medical assistance furnished to the individual.

(c) Effective Date.—The amendment made by subsection (a) shall apply with respect to income received as a lump sum, or winnings received pursuant to lotteries occurring, after a date specified by the State, but not earlier than the date that is 24 months before such date of enactment.
Subtitle J—Electronic Visit Verification System

SEC. 3181. ELECTRONIC VISIT VERIFICATION SYSTEM REQUIRED FOR PERSONAL CARE SERVICES UNDER MEDICAID.

(a) In General.—Section 1903 of the Social Security Act (42 U.S.C. 1396b) is amended by inserting after subsection (k) the following new subsection:

“(l)(1) Subject to paragraph (3), with respect to any amount expended for medical assistance for home and community based services provided under a State plan under this title (or under a waiver of the plan) furnished in a calendar quarter beginning on or after January 1, 2018, unless a State requires the use of an electronic visit verification system for personal care services furnished in such quarter, the Federal medical assistance percentage shall be reduced—

“(A) for calendar quarters in 2018 and 2019, by .25 percentage points;

“(B) for calendar quarters in 2020, by .5 percentage points;

“(C) for calendar quarters in 2021, by .75 percentage points; and

“(D) for calendar quarters in 2022 and each year thereafter, by 1 percentage point.
“(2) Subject to paragraph (3), in implementing the requirement for the use of an electronic visit verification system under paragraph (1), a State shall consult with agencies and entities that provide personal care services under the State plan (or under a waiver of the plan) to ensure that such system—

“(A) is minimally burdensome;

“(B) takes into account existing best practices and electronic visit verification systems in use in the State; and

“(C) is conducted in accordance with the requirements of HIPAA privacy and security law (as defined in section 3009 of the Public Health Service Act).

“(3) Paragraphs (1) and (2) shall not apply in the case of a State that—

“(A) as of the date of the enactment of this subsection, requires the use of any system for the electronic verification of visits conducted as part of personal care services; or

“(B) does not provide under the State plan under this title (or under a waiver of the plan) for personal care services.

“(4) In this subsection:
(A) The term ‘electronic visit verification system’ means a system under which visits conducted as part of personal care services are electronically verified with respect to—

“(i) the type of service performed;
“(ii) the person receiving the service;
“(iii) the date of the service;
“(iv) the location of service delivery;
“(v) the person providing the service; and
“(vi) the time the service begins and ends.

(B) The term ‘personal care services’ means personal care services provided under a State plan under this title (or under a waiver of the plan), including services provided under section 1905(a)(24), 1915(e), 1915(i), 1915(j), or 1915(k) or under a waiver under section 1115.”.

(b) Rules of Construction.—

(1) No employer-employee relationship established.—Nothing in the amendment made by this section may be construed as establishing an employer-employee relationship between the agency or entity that provides for personal care services and the individuals who, under a contract with such an agency or entity, furnish such services for purposes
of part 552 of title 29, Code of Federal Regulations
(or any successor regulations).

(2) NO PARTICULAR OR UNIFORM ELECTRONIC
VISIT VERIFICATION SYSTEM REQUIRED.—Nothing
in the amendment made by this section may be con-
strued to require the use of a particular or uniform
electronic visit verification system (as defined in sub-
section (l)(4) of section 1903 of the Social Security
Act (42 U.S.C. 1396b), as inserted by subsection
(a)) by all agencies or entities that provide personal
care services under a State Medicaid plan under title
XIX of the Social Security Act (or under a waiver
of the plan).

(3) NO LIMITS ON PROVISION OF CARE.—Noth-
ing in the amendment made by this section may be
construed to limit, with respect to personal care
services provided under a State Medicaid plan under
title XIX of the Social Security Act (or under a
waiver of the plan), provider selection, constrain
beneficiaries’ selection of a caregiver, or impede the
manner in which care is delivered.