

**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  
3 (42 U.S.C. 284 et seq.) is amended by adding at the end  
4 the following:

5 **“SEC. 409K. PRIZE COMPETITIONS FOR IMPROVING**  
6 **HEALTH OUTCOMES AND REDUCING FED-**  
7 **ERAL EXPENDITURES.**

8 “(a) ESTABLISHMENT; GOALS.—The Director of  
9 NIH shall establish and implement an Innovation Prizes  
10 Program for one or both of the following goals:

11 “(1) Identifying and funding areas of bio-  
12 medical science that could realize significant ad-  
13 vancements through the creation of a prize competi-  
14 tion.

15 “(2) Improving health outcomes, particularly  
16 with respect to human diseases and conditions for  
17 which public and private investment in research is  
18 disproportionately small relative to Federal Govern-  
19 ment expenditures on prevention and treatment ac-

1           tivities, thereby reducing Federal expenditures on  
2           health programs.

3           “(b) DESIGN OF PRIZE COMPETITIONS.—Not later  
4 than 6 months after the date of enactment of this section,  
5 the Director of NIH shall—

6                   “(1) design prize competitions—

7                           “(A) to cooperate with competitors to real-  
8                           ize innovations to identify and address areas of  
9                           biomedical science that could realize significant  
10                           advancements through the creation of a prize  
11                           competition; and

12                           “(B) to award one or more prizes—

13                                   “(i) if appropriate, at the beginning of  
14                                   or during the competitions, to the competi-  
15                                   tors whose innovations are most promising  
16                                   or demonstrate progress; and

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

20                   “(2) ensure that the design of such competi-  
21           tions—

22                           “(A) is realistic, given the amount of funds  
23                           to be awarded as prizes;

1           “(B) does not reflect any bias concerning  
2           the type of innovations which will prove to be  
3           the best solutions; and

4           “(C) allows any person to participate as a  
5           competitor without regard to the person’s place  
6           of incorporation, primary place of business, citi-  
7           zenship, and residency, as applicable; and

8           “(3) submit to the Congress a report on the de-  
9           sign of such competitions.

10          “(c) INNOVATION PRIZES ADVISORY BOARD.—

11           “(1) ESTABLISHMENT.—The Director of NIH  
12           shall establish and maintain a board, to be known as  
13           the I-Prize Board, to advise and assist the Director  
14           of NIH in carrying out this section.

15           “(2) COMPOSITION; TERMS.—

16           “(A) COMPOSITION.—The I-Prize Board  
17           shall be composed of 9 voting members as fol-  
18           lows:

19                   “(i) The Director of NIH (or the Di-  
20                   rector’s designee).

21                   “(ii) Four members appointed by the  
22                   Director of NIH.

23                   “(iii) One member appointed by the  
24                   Speaker of the House of Representatives.

1                   “(iv) One member appointed by the  
2                   majority leader of the Senate.

3                   “(v) One member appointed by the  
4                   minority leader of the House of Represent-  
5                   atives.

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

8                   “(B) INCLUSION OF CERTAIN EXPERTS.—  
9                   The members of the I-Prize Board appointed  
10                  under clauses (ii) through (vi) of subparagraph  
11                  (A) shall, collectively, include medical, eco-  
12                  nomic, budgetary, innovation, or venture capital  
13                  experts from for-profit and not-for-profit pri-  
14                  vate sector entities with experience in awarding  
15                  prizes similar to the prizes under this section.

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

19                  “(D) APPOINTMENT OF INITIAL MEM-  
20                  BERS.—The initial appointed members of the I-  
21                  Prize Board shall be appointed not later than  
22                  120 days after the date of enactment of this  
23                  section.

1           “(3) RESPONSIBILITIES.—The I-Prize Board  
2 shall be responsible for advising the Director of NIH  
3 by—

4           “(A) identifying areas of biomedical  
5 science that could realize significant advance-  
6 ments through the creation of a prize competi-  
7 tion;

8           “(B) making recommendations on estab-  
9 lishing the criteria for prize competitions under  
10 this section;

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

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

18           “(d) RESTRICTIONS.—

19           “(1) LIMIT ON AMOUNT.—The amount of any  
20 single prize under this section shall not exceed  
21 \$250,000,000.

22           “(2) NO FINANCIAL CONFLICTS OF INTER-  
23 EST.—Any member of the I-Prize Board, and any  
24 officer or employee of the National Institutes of  
25 Health responsible for carrying out this section, may

1 not personally or substantially participate in the  
2 consideration or determination by the I-Board of  
3 any matter that would directly or predictably effect  
4 any financial interest of—

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

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

11 “(i) of which the individual is an offi-  
12 cer or employee;

13 “(ii) with respect to which the indi-  
14 vidual is negotiating for employment; or

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

17 “(3) NO AWARDS TO COMPETITORS LIKELY TO  
18 REAP FINANCIAL BENEFIT FROM INNOVATION.—The  
19 Director of NIH may not, with respect to an innova-  
20 tion, award a prize under this section to any indi-  
21 vidual or entity that has a vested financial interest  
22 in any product or procedure that is likely to be de-  
23 veloped or marketed because of such innovation.

24 “(e) PROCESS OF AWARD.—The full monetary  
25 amount of any prize awarded under this section shall be

1 made available to the prize winner not later than 90 days  
2 after the date of such award.

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

4 “(1) award one or more contracts—

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

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

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

15 “(g) IMPLEMENTATION OF PRIZE COMPETITIONS.—

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

22 “(2) MINIMUM PERCENTAGE FOR PRIZES.—If  
23 the Director of NIH enters into an agreement under  
24 paragraph (1) to provide funds or other assistance  
25 (including in-kind contributions and testing or other



1 technical support) to an entity to implement a prize  
2 competition under this section—

3 “(A) not more than 15 percent of such as-  
4 sistance shall be for administration of the prize  
5 competition; and

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

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

12 “(1) collect information on—

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

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

18 “(2) not later than one year after the conclu-  
19 sion of the prize competitions under this section, and  
20 not later than the end of each of the 4 succeeding  
21 years, submit to the Congress a report on the infor-  
22 mation collected under paragraph (1).

23 “(i) INTELLECTUAL PROPERTY.—

24 “(1) PROHIBITION ON THE GOVERNMENT AC-  
25 QUIRING INTELLECTUAL PROPERTY RIGHTS.—The

1 Federal Government may not gain an interest in in-  
2 tellectual property developed by a participant in a  
3 prize competition under this section without the  
4 written consent of the participant.

5 “(2) LICENSES.—The Federal Government may  
6 negotiate a license for the use of intellectual prop-  
7 erty developed by a participant in a prize competi-  
8 tion under this section.

9 “(j) FUNDING.—Funding for carrying out this sec-  
10 tion shall be derived—

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

14 “(2) from transfers by the Director of NIH in  
15 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:

1 **Subtitle I—Treatment of Lottery**  
2 **Winnings and Other Lump Sum**  
3 **Income**

4 **SEC. 3161. TREATMENT OF LOTTERY WINNINGS AND OTHER**  
5 **LUMP SUM INCOME FOR PURPOSES OF IN-**  
6 **COME ELIGIBILITY UNDER MEDICAID.**

7 (a) IN GENERAL.—Paragraph (14) (relating to modi-  
8 fied adjusted gross income) of section 1902(e) of the So-  
9 cial Security Act (42 U.S.C. 1396a(e)) is amended by add-  
10 ing at the end the following new subparagraph:

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

14 “(i) In the case of an individual who  
15 is the recipient of qualified lottery  
16 winnings or qualified lump sum income,  
17 and whose eligibility for medical assistance  
18 is determined based on the application of  
19 modified adjusted gross income under sub-  
20 paragraph (A), a State may, in deter-  
21 mining such eligibility, consider such  
22 winnings or income (as applicable) as in-  
23 come received on a monthly basis—

24 “(I) if such winnings or income  
25 (as applicable) is received in an

1 amount that is less than \$50,000,  
2 over a period of 12 months; and

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

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

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

22 “(II) The term ‘qualified lump  
23 sum income’ means income that is re-  
24 ceived as a lump sum in an amount  
25 that is not less than \$20,000, includ-

1                   ing income received from the transfer  
2                   or sale of real or personal property  
3                   from the estate (as defined in section  
4                   1917(b)(4)) of a deceased indi-  
5                   vidual.”.

6           (b) **RULE OF CONSTRUCTION.**—Nothing in the  
7 amendment made by subsection (a) shall be construed as  
8 preventing a State from intercepting the State lottery  
9 winnings awarded to an individual in the State to recover  
10 amounts paid by the State under the State Medicaid plan  
11 under title XIX of the Social Security Act for medical as-  
12 sistance furnished to the individual.

13           (c) **EFFECTIVE DATE.**—The amendment made by  
14 subsection (a) shall apply with respect to income received  
15 as a lump sum, or winnings received pursuant to lotteries  
16 occurring, after a date specified by the State, but not ear-  
17 lier than the date that is 24 months before such date of  
18 enactment.

1           **Subtitle J—Electronic Visit**  
2           **Verification System**

3   **SEC. 3181. ELECTRONIC VISIT VERIFICATION SYSTEM RE-**  
4           **QUIRED FOR PERSONAL CARE SERVICES**  
5           **UNDER MEDICAID.**

6           (a) IN GENERAL.—Section 1903 of the Social Secu-  
7 rity Act (42 U.S.C. 1396b) is amended by inserting after  
8 subsection (k) the following new subsection:

9           “(l)(1) Subject to paragraph (3), with respect to any  
10 amount expended for medical assistance for home and  
11 community based services provided under a State plan  
12 under this title (or under a waiver of the plan) furnished  
13 in a calendar quarter beginning on or after January 1,  
14 2018, unless a State requires the use of an electronic visit  
15 verification system for personal care services furnished in  
16 such quarter, the Federal medical assistance percentage  
17 shall be reduced—

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

20           “(B) for calendar quarters in 2020, by .5 per-  
21 centage points;

22           “(C) for calendar quarters in 2021, by .75 per-  
23 centage points; and

24           “(D) for calendar quarters in 2022 and each  
25 year thereafter, by 1 percentage point.

1       “(2) Subject to paragraph (3), in implementing the  
2 requirement for the use of an electronic visit verification  
3 system under paragraph (1), a State shall consult with  
4 agencies and entities that provide personal care services  
5 under the State plan (or under a waiver of the plan) to  
6 ensure that such system—

7               “(A) is minimally burdensome;

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

11               “(C) is conducted in accordance with the re-  
12 quirements of HIPAA privacy and security law (as  
13 defined in section 3009 of the Public Health Service  
14 Act).

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

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

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

24       “(4) In this subsection:

1           “(A) The term ‘electronic visit verification sys-  
2           tem’ means a system under which visits conducted  
3           as part of personal care services are electronically  
4           verified with respect to—

5                   “(i) the type of service performed;

6                   “(ii) the person receiving the service;

7                   “(iii) the date of the service;

8                   “(iv) the location of service delivery;

9                   “(v) the person providing the service; and

10                  “(vi) the time the service begins and ends.

11           “(B) The term ‘personal care services’ means  
12           personal care services provided under a State plan  
13           under this title (or under a waiver of the plan), in-  
14           cluding services provided under section 1905(a)(24),  
15           1915(c), 1915(i), 1915(j), or 1915(k) or under a  
16           wavier under section 1115.”.

17           (b) RULES OF CONSTRUCTION.—

18                   (1) NO EMPLOYER-EMPLOYEE RELATIONSHIP  
19           ESTABLISHED.—Nothing in the amendment made by  
20           this section may be construed as establishing an em-  
21           ployer-employee relationship between the agency or  
22           entity that provides for personal care services and  
23           the individuals who, under a contract with such an  
24           agency or entity, furnish such services for purposes



1 of part 552 of title 29, Code of Federal Regulations  
2 (or any successor regulations).

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

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

