

115TH CONGRESS
1ST SESSION

S. 2001

To establish a State public option through Medicaid to provide Americans with the choice of a high-quality, low-cost health insurance plan.

IN THE SENATE OF THE UNITED STATES

OCTOBER 24, 2017

Mr. SCHATZ (for himself, Mr. BOOKER, Ms. HARRIS, Mr. HEINRICH, Mr. SANDERS, Ms. CORTEZ MASTO, Mr. WHITEHOUSE, Mrs. GILLIBRAND, Ms. KLOBUCHAR, Mr. FRANKEN, Mr. MARKEY, Ms. WARREN, Mr. LEAHY, Mr. MERKLEY, Mr. REED, Ms. BALDWIN, Ms. HIRONO, Mr. MURPHY, and Mr. UDALL) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To establish a State public option through Medicaid to provide Americans with the choice of a high-quality, low-cost health insurance plan.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “State Public Option
5 Act”.

6 **SEC. 2. MEDICAID BUY-IN OPTION.**

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

1 (1) in subsection (a)(10)—

2 (A) in subparagraph (A)(ii)—

3 (i) in subclause (XXI), by striking “;
4 or” and inserting a semicolon;

5 (ii) in subclause (XXII), by adding
6 “or” at the end; and

7 (iii) by adding at the end the fol-
8 lowing new subclause:

9 “(XXIII) beginning January 1,
10 2018, who are residents of the State
11 and are not concurrently enrolled in
12 another health insurance coverage
13 plan, subject, in the case of individ-
14 uals described in subsection (nn) and
15 notwithstanding section 1916 (except
16 for subsection (k) of such section), to
17 payment of premiums or other cost-
18 sharing charges;”; and

19 (B) in the matter following subparagraph
20 (G), in clause (XV), by inserting “or subsection
21 (nn)” after “described in subparagraph
22 (A)(i)(VIII)”; and

23 (2) by adding at the end the following new sub-
24 section:

1 “(nn) PREVIOUSLY UNDESCRIBED INDIVIDUALS.—
 2 Individuals described in this subsection are individuals
 3 who are—

4 “(1) described in subclause (XXIII) of sub-
 5 section (a)(10)(A)(ii); and

6 “(2) are not described in any other subclause of
 7 such subsection or any other provision in this Act
 8 which provides for eligibility for medical assist-
 9 ance.”.

10 (b) PROVISION OF AT LEAST MINIMUM COVERAGE.—

11 (1) IN GENERAL.—Section 1902(k)(1) of the
 12 Social Security Act (42 U.S.C. 1396a(k)(1)) is
 13 amended by inserting “or an individual described in
 14 subsection (nn)” after “an individual described in
 15 subclause (VIII) of subsection (a)(10)(A)(i)” each
 16 place it appears.

17 (2) CONFORMING AMENDMENT.—Section
 18 1903(i)(26) of the Social Security Act (42 U.S.C.
 19 1396b(i)(26)) is amended by striking “individuals
 20 described in subclause (VIII) of subsection
 21 (a)(10)(A)(i)” and inserting “individuals described
 22 in subsection (a)(10)(A)(i)(VIII) or (nn) of section
 23 1902”.

24 (c) FEDERAL FINANCIAL PARTICIPATION IN BUY-IN
 25 PROGRAM.—

(1) ENHANCED MATCH FOR ADMINISTRATIVE EXPENSES.—Section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a)) is amended—

(A) by redesignating paragraph (7) as paragraph (8); and

(B) by inserting after paragraph (6) the following new paragraph:

“(7) an amount equal to 90 percent of the sums expended during the quarter which are attributable to reasonable administrative expenses related to the administration of a Medicaid buy-in program for individuals described in section 1902(a)(10)(A)(ii)(XXIII); plus”.

(2) TREATMENT OF PREMIUM AND COST-SHARING REVENUES FROM MEDICAID BUY-IN PROGRAM.—

(A) IN GENERAL.—For purposes of section 1903(a)(1) of the Social Security Act (42 U.S.C. 1396b(a)(1)), for any fiscal quarter during which a State collects premiums, cost-sharing, or similar charges under subsection (k) of section 1916 of such Act (42 U.S.C. 1396o) (as added by this Act), including any advance payments of premium tax credits under section 1412 of the Patient Protection and Affordable Care Act or payments for cost-sharing reduc-

tions under section 1402 of such Act that are received by the State, the total amount expended during such quarter as medical assistance for individuals who buy into Medicaid coverage under subclause (XXIII) of section 1902(a)(10)(A)(ii) of the Social Security Act (as added by this Act) shall be reduced by the amount of such premiums or charges.

(B) TREATMENT OF EXCESS PREMIUMS.—

Each State that collects premiums or similar charges under subsection (k) of section 1916 of the Social Security Act (42 U.S.C. 1396o) (as added by this Act) in a fiscal year shall pay to the Secretary of Health and Human Services, at such time and in such form and manner as the Secretary shall specify, an amount equal to 50 percent of the amount, if any, by which—

(i) the total amount of such premiums and charges collected by the State for such year; exceeds

(ii) the total amount expended by the State during such year as medical assistance for individuals who buy into Medicaid coverage under subclause (XXIII) of sec-

1 tion 1902(a)(10)(A)(ii) of such Act (as
2 added by this Act).

3 (d) COST-SHARING REQUIREMENT.—Section 1916 of
4 the Social Security Act (42 U.S.C. 1396o) is amended by
5 adding at the end the following new subsection:

6 “(k) PREMIUMS AND COST-SHARING FOR INDIVID-
7 UALS PARTICIPATING IN MEDICAID BUY-IN PROGRAM.—

8 “(1) IN GENERAL.—Subject to paragraph (2),
9 with respect to individuals who are eligible for med-
10 ical assistance under subsection
11 (a)(10)(A)(ii)(XXIII) of section 1902 and are de-
12 scribed in subsection (nn) of such section, a State
13 may—

14 “(A) impose premiums, deductibles, cost-
15 sharing, or other similar charges that are actu-
16 arially fair; and

17 “(B) vary the premium rate imposed on an
18 individual based only on the factors described in
19 section 2701(a)(1)(A) of the Public Health
20 Service Act and subject to the same limitations
21 on the weight which may be given to such fac-
22 tors under such section.

23 “(2) LIMITATIONS.—

24 “(A) PREMIUMS.—The total amount of
25 premiums imposed for a year under this sub-

section with respect to all individuals described in paragraph (1) in a family shall not exceed an amount equal to 9.5 percent of the family's household income (as defined in section 36B(d)(2) of the Internal Revenue Code of 1986) for the year involved.

“(B) OTHER COST-SHARING.—

“(i) IN GENERAL.—The cost-sharing limitations described in section 1302(c) of the Patient Protection and Affordable Care Act shall apply to cost-sharing (as defined in such section) for medical assistance provided under section 1902(a)(10)(A)(ii)(XXIII) in the same manner as such limitations apply to cost-sharing under qualified health plans under title I of such Act.

“(ii) AVAILABILITY OF COST-SHARING REDUCTIONS.—Individuals provided medical assistance under section 1902(a)(10)(A)(ii)(XXIII) and subject to cost-sharing under this subsection are eligible for cost-sharing reductions under section 1402 of the Patient Protection and Affordable Care Act (subject to the income

1 eligibility threshold in subsection (b)(2) of
 2 such section), and in applying such sec-
 3 tion—

4 “(I) enrollment in a State plan
 5 under section
 6 1902(a)(10)(A)(ii)(XXIII) shall be
 7 treated as coverage under a qualified
 8 health plan in the silver level of cov-
 9 erage in the individual market offered
 10 through an Exchange established for
 11 or by the State under title I of the
 12 Patient Protection and Affordable
 13 Care Act; and

14 “(II) the State agency admin-
 15 istering such plan shall be treated as
 16 the issuer of such plan.

17 “(3) PREMIUMS AND COST-SHARING FOR CER-
 18 TAIN OTHER INDIVIDUALS.—If an individual is eligi-
 19 ble for medical assistance under subsection
 20 (a)(10)(A)(ii)(XXIII) of section 1902 and is not de-
 21 scribed in subsection (nn) of such section, a State—

22 “(A) shall not impose premiums and cost-
 23 sharing on the individual under this subsection;
 24 and

“(B) may impose premiums and cost-sharing on the individual to the extent allowed by another provision of this Act (other than section 1902(a)(10)(A)(ii)(XXIII)) which provides for eligibility for medical assistance, but only if the individual is described in such other provision.

“(4) APPLICATION OF PREMIUM ASSISTANCE TAX CREDITS.—An individual who is required to pay premiums under this subsection for a year for medical assistance shall be eligible for a premium assistance credit under section 36B of the Internal Revenue Code to the same extent that such individual would be eligible for a premium assistance credit under such section if such individual had paid the same amount in premiums for coverage under a qualified health plan for such year.”.

(e) MANAGED CARE.—Section 1932(a)(1)(A)(i) of the Social Security Act (42 U.S.C. 1396u–2(a)(1)(A)(i)) is amended by inserting “, including an individual who is eligible for such assistance after buying into such coverage under section 1902(a)(10)(A)(ii)(XXIII),” after “the State plan under this title”.

(f) OFFERING BUY-IN PROGRAM ON STATE EXCHANGE; ENROLLMENT PERIODS.—

1 (1) IN GENERAL.—A State that has elected to
 2 allow individuals to buy into Medicaid coverage
 3 under section 1902(a)(10)(A)(ii)(XXIII) of the So-
 4 cial Security Act (42 U.S.C.
 5 1396a(a)(10)(A)(ii)(XXIII)) shall allow individuals
 6 to enroll in such coverage through the Federal, Fed-
 7 erally-facilitated, or State Exchange established pur-
 8 suant to title I of the Patient Protection and Afford-
 9 able Care Act.

10 (2) ENROLLMENT PERIODS.—A State may limit
 11 the enrollment of individuals into Medicaid coverage
 12 under section 1902(a)(10)(A)(ii)(XXIII) of the So-
 13 cial Security Act (42 U.S.C.
 14 1396a(a)(10)(A)(ii)(XXIII)) to the enrollment peri-
 15 ods provided for under section 1311(c)(6) of the Pa-
 16 tient Protection and Affordable Care Act (42 U.S.C.
 17 18031(c)(6)).

18 (g) APPLICATION OF ADVANCED PREMIUM TAX
 19 CREDITS TO MEDICAID BUY-IN PLANS.—

20 (1) IN GENERAL.—Section 36B of the Internal
 21 Revenue Code of 1986 is amended—

22 (A) in subsection (b)(3)(B), by adding at
 23 the end the following new sentence:

24 “If an applicable taxpayer resides in a rating
 25 area in which no silver plan is offered on the

1 individual market but the taxpayer buys into
 2 Medicaid coverage under section
 3 1902(a)(10)(A)(ii)(XXIII) of the Social Secu-
 4 rity Act, such Medicaid coverage shall be
 5 deemed to be the applicable second lowest cost
 6 silver plan with respect to such taxpayer.”; and

7 (B) by adding at the end the following new
 8 subsection:

9 “(h) APPLICATION TO INDIVIDUALS PURCHASING
 10 MEDICAID COVERAGE.—In the case of any individual who
 11 buys into Medicaid coverage under section
 12 1902(a)(10)(A)(ii)(XXIII) of the Social Security Act, this
 13 section shall be applied with the following modifications:

14 “(1) The amount determined under subsection
 15 (b)(2)(A) shall be increased by the amount of the
 16 monthly premiums paid for such coverage.

17 “(2) Subsection (c)(2)(A)(i) shall be applied by
 18 treating coverage under the Medicaid program under
 19 title XIX of the Social Security Act in the same
 20 manner as a qualified health plan that was enrolled
 21 in through an Exchange.

22 “(3) In applying subsection (c)(2)(B)—

23 “(A) an individual shall not be considered
 24 to be eligible for minimum essential coverage
 25 described in section 5000A(f)(1)(A)(ii) by rea-

son of eligibility for medical assistance under a State Medicaid program under section 1902(a)(10)(A)(ii)(XXIII); and

“(B) an individual who is not covered by minimum essential coverage described in section 5000A(f)(1)(B) shall not be considered to be eligible for such coverage.”.

(2) ADVANCED PAYMENT OF CREDIT.—

(A) IN GENERAL.—The Secretary of Health and Human Services, in consultation with the Secretary of the Treasury, shall establish a program under which—

(i) upon request of a State agency administering a State Medicaid program under title XIX of the Social Security Act, advance determinations are made in a manner similar to advanced determination under section 1411 of the Patient Protection and Affordable Care Act with respect to the income eligibility of individuals enrolling in such program for the premium tax credit allowable under section 36B of the Internal Revenue Code of 1986 and the cost-sharing reductions under section

1 1402 of the Patient Protection and Afford-
2 able Care Act;

3 (ii) the Secretary notifies—

4 (I) the State agency admin-
5 istering the program and the Sec-
6 retary of the Treasury of the advance
7 determinations; and

8 (II) the Secretary of the Treas-
9 ury of the name and employer identi-
10 fication number of each employer with
11 respect to whom 1 or more employee
12 of the employer were determined to be
13 eligible for the premium tax credit
14 under section 36B of the Internal
15 Revenue Code of 1986 and the cost-
16 sharing reductions under section 1402
17 of the Patient Protection and Afford-
18 able Care Act because—

19 (aa) the employer did not
20 provide minimum essential cov-
21 erage; or

22 (bb) the employer provided
23 such minimum essential coverage
24 but it was determined under sec-
25 tion 36B(c)(2)(C) of such Code

1 to either be unaffordable to the
2 employee or not provide the re-
3 quired minimum actuarial value;
4 and

5 (iii) the Secretary of the Treasury
6 makes advance payments of such credit or
7 reductions to the State agency admin-
8 istering the program in order to reduce the
9 premiums payable by individuals eligible
10 for such credit.

11 (B) DETERMINATIONS AND PAYMENTS.—
12 Rules similar to subsections (b) and (c) of sec-
13 tion 1412 of the Patient Protection and Afford-
14 able Care Act shall apply for purposes of this
15 subsection.

16 (C) COORDINATION WITH CREDIT.—

17 (i) IN GENERAL.—Section 36B of the
18 Internal Revenue Code of 1986 is amended
19 by inserting “and under section 2(g)(2) of
20 the State Public Option Act” after “sec-
21 tion 1412 of the Patient Protection and
22 Affordable Care Act” each place it appears
23 in subsections (f)(1), (f)(2), and (g)(1).

24 (ii) INFORMATION REPORTING.—Sec-
25 tion 36B(f)(3) of such Code is amended by

1 adding at the end the following flush sen-
 2 tence: “In the case of any coverage under
 3 the medicaid program under title XIX of
 4 the Social Security Act for which a credit
 5 under this section is allowable by reason of
 6 subsection (h), the State agency admin-
 7 istering the Medicaid program shall be
 8 treated as an Exchange for purposes of
 9 this paragraph and subparagraph (A) shall
 10 not apply.”.

11 (3) CONFORMING AMENDMENT RELATING TO
 12 EMPLOYER RESPONSIBILITY.—Paragraph (6) of sec-
 13 tion 4980H(c) of the Internal Revenue Code of 1986
 14 is amended by inserting “, except that for purposes
 15 of subsections (a)(2) and (b)(2), the term ‘qualified
 16 health plan’ shall include any plan described in sec-
 17 tion 36B(h)” after “such Act”.

18 (h) CONFORMING AMENDMENTS.—

19 (1) Section 1902(a)(10) of the Social Security
 20 Act (42 U.S.C. 1396a(a)(10)), as amended by sub-
 21 section (a), is further amended, in the matter fol-
 22 lowing subparagraph (G)—

23 (A) by striking “and (XVII)” and inserting
 24 “, (XVII)”; and

1 (B) by inserting “, and (XVIII) the med-
 2 ical assistance made available to an individual
 3 described in subparagraph (A)(ii)(XXIII) shall
 4 be limited to medical assistance described in
 5 subsection (k)(1)” before the semicolon.

6 (2) Section 1903(f)(4) of the Social Security
 7 Act (42 U.S.C. 1396b(f)(4)) is amended by inserting
 8 “1902(a)(10)(A)(ii)(XXIII),” after
 9 “1902(a)(10)(A)(ii)(XXII),”.

10 (3) Section 1905(a) of the Social Security Act
 11 (42 U.S.C. 1396d(a)) is amended in the matter pre-
 12 ceding paragraph (1)—

13 (A) by striking “or” at the end of clause
 14 (xvi);

15 (B) by inserting “or” at the end of clause
 16 (xvii); and

17 (C) by inserting after clause (xvii) the fol-
 18 lowing new clause:

19 “(xviii) individuals described in section
 20 1902(a)(10)(A)(ii)(XXIII),”.

21 (4) Section 1916A(a)(1) of the Social Security
 22 Act (42 U.S.C. 1396o–1(a)(1)) is amended by strik-
 23 ing “or (j)” and inserting “(j), or (k)”.

24 (5) Section 1937(a)(1)(B) of the Social Secu-
 25 rity Act (42 U.S.C. 1396u–7(a)(1)(B)) is amended

1 by inserting “, subclause (XXIII) of section
 2 1902(a)(10)(A)(ii),” after “1902(a)(10)(A)(i)”.

3 **SEC. 3. DEVELOPMENT OF STATE-LEVEL METRICS ON MED-**
 4 **ICAID BENEFICIARY ACCESS AND SATISFAC-**
 5 **TION.**

6 (a) IN GENERAL.—

7 (1) DEVELOPMENT OF METRICS.—Not later
 8 than 1 year after the date of enactment of this Act,
 9 the Director of the Agency for Healthcare Research
 10 and Quality, in consultation with the Deputy Admin-
 11 istrator for the Center for Medicaid and CHIP Serv-
 12 ices and State Medicaid Directors, shall develop
 13 standardized, State-level metrics of access to, and
 14 satisfaction with, providers, including primary care
 15 and specialist providers, with respect to individuals
 16 who are enrolled in State Medicaid plans under title
 17 XIX of the Social Security Act.

18 (2) PROCESS.—The Director of the Agency for
 19 Healthcare Research and Quality shall develop the
 20 metrics described in paragraph (1) through a public
 21 process, which shall provide opportunities for stake-
 22 holders to participate.

23 (b) UPDATING METRICS.—The Director of the Agen-
 24 cy for Healthcare Research and Quality, in consultation
 25 with the Deputy Administrator for the Center for Med-

1 icaid and CHIP Services and State Medicaid Directors,
 2 shall update the metrics developed under subsection (a)
 3 not less than once every 3 years.

4 (c) STATE IMPLEMENTATION FUNDING.—The Direc-
 5 tor of the Agency for Healthcare Research and Quality
 6 may award funds, from the amount appropriated under
 7 subsection (d), to States for the purpose of implementing
 8 the metrics developed under this section.

9 (d) APPROPRIATION.—There is appropriated to the
 10 Director of the Agency for Healthcare Research and Qual-
 11 ity out of any funds in the Treasury not otherwise appro-
 12 priated, \$200,000,000 for fiscal year 2019, to remain
 13 available until expended, for the purpose of carrying out
 14 this section.

15 **SEC. 4. RENEWAL OF APPLICATION OF MEDICARE PAY-**
 16 **MENT RATE FLOOR TO PRIMARY CARE SERV-**
 17 **ICES FURNISHED UNDER MEDICAID AND IN-**
 18 **CLUSION OF ADDITIONAL PROVIDERS.**

19 (a) RENEWAL OF PAYMENT FLOOR; ADDITIONAL
 20 PROVIDERS.—

21 (1) IN GENERAL.—Section 1902(a)(13) of the
 22 Social Security Act (42 U.S.C. 1396a(a)(13)) is
 23 amended by striking subparagraph (C) and inserting
 24 the following:

“(C) payment for primary care services (as defined in subsection (jj)) at a rate that is not less than 100 percent of the payment rate that applies to such services and physician under part B of title XVIII (or, if greater, the payment rate that would be applicable under such part if the conversion factor under section 1848(d) for the year involved were the conversion factor under such section for 2009), and that is not less than the rate that would otherwise apply to such services under this title if the rate were determined without regard to this subparagraph, and that are—

“(i) furnished in 2013 and 2014, by a physician with a primary specialty designation of family medicine, general internal medicine, or pediatric medicine; or

“(ii) furnished in the period that begins on the first day of the first month that begins after the date of enactment of the State Public Option Act—

“(I) by a physician with a primary specialty designation of family medicine, general internal medicine, or pediatric medicine, but only if the

1 physician self-attests that the physi-
2 cian is Board certified in family medi-
3 cine, general internal medicine, or pe-
4 diatric medicine;

5 “(II) by a physician with a pri-
6 mary specialty designation of obstet-
7 rics and gynecology, but only if the
8 physician self-attests that the physi-
9 cian is Board certified in obstetrics
10 and gynecology;

11 “(III) by an advanced practice
12 clinician, as defined by the Secretary,
13 that works under the supervision of—

14 “(aa) a physician that satis-
15 fies the criteria specified in sub-
16 clause (I) or (II); or

17 “(bb) a nurse practitioner or
18 a physician assistant (as such
19 terms are defined in section
20 1861(aa)(5)(A)) who is working
21 in accordance with State law, or
22 a certified nurse-midwife (as de-
23 fined in section 1861(gg)) who is
24 working in accordance with State
25 law;

1 “(IV) by a rural health clinic,
2 Federally-qualified health center, or
3 other health clinic that receives reim-
4 bursement on a fee schedule applica-
5 ble to a physician, a nurse practi-
6 tioner or a physician assistant (as
7 such terms are defined in section
8 1861(aa)(5)(A)) who is working in ac-
9 cordance with State law, or a certified
10 nurse-midwife (as defined in section
11 1861(gg)) who is working in accord-
12 ance with State law, for services fur-
13 nished by a physician, nurse practi-
14 tioner, physician assistant, or certified
15 nurse-midwife, or services furnished
16 by an advanced practice clinician su-
17 pervised by a physician described in
18 subclause (I)(aa) or (II)(aa), another
19 advanced practice clinician, or a cer-
20 tified nurse-midwife; or

21 “(V) by a nurse practitioner or a
22 physician assistant (as such terms are
23 defined in section 1861(aa)(5)(A))
24 who is working in accordance with
25 State law, or a certified nurse-midwife

1 (as defined in section 1861(gg)) who
 2 is working in accordance with State
 3 law, in accordance with procedures
 4 that ensure that the portion of the
 5 payment for such services that the
 6 nurse practitioner, physician assist-
 7 ant, or certified nurse-midwife is paid
 8 is not less than the amount that the
 9 nurse practitioner, physician assist-
 10 ant, or certified nurse-midwife would
 11 be paid if the services were provided
 12 under part B of title XVIII;”.

13 (2) CONFORMING AMENDMENTS.—Section
 14 1905(dd) of the Social Security Act (42 U.S.C.
 15 1396d(dd)) is amended—

16 (A) by striking “Notwithstanding” and in-
 17 serting the following:

18 “(1) IN GENERAL.—Notwithstanding”;

19 (B) by inserting “or furnished during an
 20 additional period specified in paragraph (2),”
 21 after “2015,”; and

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

23 “(2) ADDITIONAL PERIODS.—For purposes of
 24 paragraph (1), the following are additional periods:

1 “(A) The period that begins on the first
 2 day of the first month that begins after the
 3 date of enactment of the State Public Option
 4 Act.”.

5 (b) IMPROVED TARGETING OF PRIMARY CARE.—Sec-
 6 tion 1902(jj) of the Social Security Act (42 U.S.C.
 7 1396a(jj)) is amended—

8 (1) by redesignating paragraphs (1) and (2) as
 9 subparagraphs (A) and (B), respectively and realign-
 10 ing the left margins accordingly;

11 (2) by striking “For purposes of” and inserting
 12 the following:

13 “(1) IN GENERAL.—For purposes of”; and

14 (3) by adding at the end the following:

15 “(2) EXCLUSIONS.—Such term does not include
 16 any services described in subparagraph (A) or (B) of
 17 paragraph (1) if such services are provided in an
 18 emergency department of a hospital.”.

19 (c) ENSURING PAYMENT BY MANAGED CARE ENTI-
 20 TIES.—

21 (1) IN GENERAL.—Section 1903(m)(2)(A) of
 22 the Social Security Act (42 U.S.C. 1396b(m)(2)(A))
 23 is amended—

24 (A) in clause (xii), by striking “and” after
 25 the semicolon;

1 (B) by realigning the left margin of clause
2 (xiii) so as to align with the left margin of
3 clause (xii) and by striking the period at the
4 end of clause (xiii) and inserting “; and”; and

5 (C) by inserting after clause (xiii) the fol-
6 lowing:

7 “(xiv) such contract provides that (I) payments
8 to providers specified in section 1902(a)(13)(C) for
9 primary care services defined in section 1902(jj)
10 that are furnished during a year or period specified
11 in section 1902(a)(13)(C) and section 1905(dd) are
12 at least equal to the amounts set forth and required
13 by the Secretary by regulation, (II) the entity shall,
14 upon request, provide documentation to the State,
15 sufficient to enable the State and the Secretary to
16 ensure compliance with subclause (I), and (III) the
17 Secretary shall approve payments described in sub-
18 clause (I) that are furnished through an agreed
19 upon capitation, partial capitation, or other value-
20 based payment arrangement if the capitation, partial
21 capitation, or other value-based payment arrange-
22 ment is based on a reasonable methodology and the
23 entity provides documentation to the State sufficient
24 to enable the State and the Secretary to ensure com-
25 pliance with subclause (I).”.

1 (2) CONFORMING AMENDMENT.—Section
 2 1932(f) of the Social Security Act (42 U.S.C.
 3 1396u–2(f)) is amended by inserting “and clause
 4 (xiv) of section 1903(m)(2)(A)” before the period.

5 **SEC. 5. MEDICAID ACCESS GRANTS.**

6 (a) IN GENERAL.—Beginning in fiscal year 2019, the
 7 Secretary of Health and Human Services (referred to in
 8 this section as the “Secretary”) shall award grants to
 9 States that submit an application meeting the require-
 10 ments of subsection (b) for the purpose of improving ac-
 11 cess to services for individuals enrolled in State Medicaid
 12 plans under title XIX of the Social Security Act.

13 (b) APPLICATION REQUIREMENTS.—To be eligible
 14 for a grant under this section, a State shall submit to the
 15 Secretary, at such time and in such manner as the Sec-
 16 retary shall require, an application that contains the fol-
 17 lowing:

18 (1) A description of gaps in access to providers
 19 for individuals enrolled in the State Medicaid plan
 20 that the State has identified, and how the State pro-
 21 poses to fix such gaps.

22 (2) A discussion of any changes the State pro-
 23 poses to make to the reimbursement of providers
 24 under the State Medicaid plan, including changes to
 25 the fee-for-service rates for providers of services

1 under such plans or moving to population-based or
2 episode-based payment models.

3 (3) A justification establishing that the changes
4 proposed by the State will increase access to pro-
5 viders for individuals enrolled in the State Medicaid
6 plan, and a plan for measuring changes to such ac-
7 cess over the grant period.

8 (c) USE OF FUNDS.—

9 (1) IN GENERAL.—If the Secretary determines
10 that a State is using grant funds awarded under this
11 section in a manner that is inconsistent with the
12 purpose described in subsection (a) or paragraph
13 (2), the Secretary may withhold or reduce future
14 grant payments or recover previous grant payments
15 to the State under this section as the Secretary
16 deems appropriate.

17 (2) USE OF FUNDS TO IMPLEMENT MEDICAID
18 BUY-IN PROGRAM.—A State may use up to 10 per-
19 cent of the amount of a grant awarded to the State
20 under this section for the purpose of implementing
21 a Medicaid buy-in program under subclause (XXIII)
22 of section 1902(a)(10)(A)(ii) of the Social Security
23 Act (42 U.S.C. 1396a(a)(10)(A)(ii)).

24 (3) USE OF FUNDS TO INCREASE MEDICAID
25 PROVIDER PAYMENT RATES.—Notwithstanding any

1 other provision of law, a State may use grant funds
2 awarded under this section for the purpose of fi-
3 nancing the portion of the non-Federal share of ex-
4 penditures under the State Medicaid plan under title
5 XIX of the Social Security Act (42 U.S.C. 1396 et
6 seq.) that is attributable to an increase in the pay-
7 ment rate for providers under such plan.

8 (d) SELECTION OF STATES AND MAXIMUM GRANT
9 AMOUNT.—In awarding grants to States under this sec-
10 tion, the Secretary shall—

11 (1) ensure that geographically diverse areas, in-
12 cluding rural and underserved areas, are included;
13 and

14 (2) award grants both to States that have elect-
15 ed to expand Medicaid eligibility under section
16 1902(a)(10)(A)(i)(VIII) of the Social Security Act
17 (42 U.S.C. 1396a(a)(10)(A)(i)(VIII)) and to States
18 that have not so elected.

19 (e) APPROPRIATION.—There is appropriated to the
20 Secretary, out of any funds in the Treasury not otherwise
21 appropriated, \$100,000,000,000 for fiscal year 2018, to
22 remain available until September 30, 2021, for the pur-
23 pose of making grants under this section.

1 **SEC. 6. INCREASED FMAP FOR MEDICAL ASSISTANCE TO**
2 **NEWLY ELIGIBLE INDIVIDUALS.**

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

5 (1) in subparagraph (A), by striking “2014,
6 2015, and 2016” and inserting “each of the first 3
7 consecutive 12-month periods in which the State
8 provides medical assistance to newly eligible individ-
9 uals”;

10 (2) in subparagraph (B), by striking “2017”
11 and inserting “the fourth consecutive 12-month pe-
12 riod in which the State provides medical assistance
13 to newly eligible individuals”;

14 (3) in subparagraph (C), by striking “2018”
15 and inserting “the fifth consecutive 12-month period
16 in which the State provides medical assistance to
17 newly eligible individuals”;

18 (4) in subparagraph (D), by striking “2019”
19 and inserting “the sixth consecutive 12-month period
20 in which the State provides medical assistance to
21 newly eligible individuals”; and

22 (5) in subparagraph (E), by striking “2020 and
23 each year thereafter” and inserting “the seventh
24 consecutive 12-month period in which the State pro-
25 vides medical assistance to newly eligible individuals
26 and each such period thereafter”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall take effect as if included in the enact-
3 ment of Public Law 111–148.

