

1 (CLASS) program are necessary to ensure the long-
2 term solvency of that program.

3 (b) *SENSE OF THE SENATE.*—It is the sense of the Sen-
4 ate that—

5 (1) the additional surplus in the Social Security
6 Trust Fund generated by this Act should be reserved
7 for Social Security and not spent in this Act for other
8 purposes; and

9 (2) the net savings generated by the CLASS pro-
10 gram should be reserved for the CLASS program and
11 not spent in this Act for other purposes.

12 **TITLE II—ROLE OF PUBLIC**
13 **PROGRAMS**

14 **Subtitle A—Improved Access to**
15 **Medicaid**

16 **SEC. 2001. MEDICAID COVERAGE FOR THE LOWEST INCOME**
17 **POPULATIONS.**

18 (a) *COVERAGE FOR INDIVIDUALS WITH INCOME AT OR*
19 *BELOW 133 PERCENT OF THE POVERTY LINE.*—

20 (1) *BEGINNING 2014.*—Section 1902(a)(10)(A)(i)
21 of the Social Security Act (42 U.S.C. 1396a) is
22 amended—

23 (A) by striking “or” at the end of subclause
24 (VI);

1 (B) by adding “or” at the end of subclause
2 (VII); and

3 (C) by inserting after subclause (VII) the
4 following:

5 “(VIII) beginning January 1,
6 2014, who are under 65 years of age,
7 not pregnant, not entitled to, or en-
8 rolled for, benefits under part A of title
9 XVIII, or enrolled for benefits under
10 part B of title XVIII, and are not de-
11 scribed in a previous subclause of this
12 clause, and whose income (as deter-
13 mined under subsection (e)(14)) does
14 not exceed 133 percent of the poverty
15 line (as defined in section 2110(c)(5))
16 applicable to a family of the size in-
17 volved, subject to subsection (k);”.

18 (2) *PROVISION OF AT LEAST MINIMUM ESSEN-*
19 *TIAL COVERAGE.—*

20 (A) *IN GENERAL.—*Section 1902 of such Act
21 (42 U.S.C. 1396a) is amended by inserting after
22 subsection (j) the following:

23 “(k)(1) The medical assistance provided to an indi-
24 vidual described in subclause (VIII) of subsection
25 (a)(10)(A)(i) shall consist of benchmark coverage described

1 *in section 1937(b)(1) or benchmark equivalent coverage de-*
2 *scribed in section 1937(b)(2). Such medical assistance shall*
3 *be provided subject to the requirements of section 1937,*
4 *without regard to whether a State otherwise has elected the*
5 *option to provide medical assistance through coverage under*
6 *that section, unless an individual described in subclause*
7 *(VIII) of subsection (a)(10)(A)(i) is also an individual for*
8 *whom, under subparagraph (B) of section 1937(a)(2), the*
9 *State may not require enrollment in benchmark coverage*
10 *described in subsection (b)(1) of section 1937 or benchmark*
11 *equivalent coverage described in subsection (b)(2) of that*
12 *section.”.*

13 (B) *CONFORMING AMENDMENT.—Section*
14 *1903(i) of the Social Security Act, as amended*
15 *by section 6402(c), is amended—*

16 (i) *in paragraph (24), by striking “or”*
17 *at the end;*

18 (ii) *in paragraph (25), by striking the*
19 *period and inserting “; or”; and*

20 (iii) *by adding at the end the fol-*
21 *lowing:*

22 “(26) *with respect to any amounts expended for*
23 *medical assistance for individuals described in sub-*
24 *clause (VIII) of subsection (a)(10)(A)(i) other than*
25 *medical assistance provided through benchmark cov-*

1 *erage described in section 1937(b)(1) or benchmark*
2 *equivalent coverage described in section 1937(b)(2).”.*

3 *(3) FEDERAL FUNDING FOR COST OF COVERING*
4 *NEWLY ELIGIBLE INDIVIDUALS.—Section 1905 of the*
5 *Social Security Act (42 U.S.C. 1396d), is amended—*

6 *(A) in subsection (b), in the first sentence,*
7 *by inserting “subsection (y) and” before “section*
8 *1933(d)”;* and

9 *(B) by adding at the end the following new*
10 *subsection:*

11 *“(y) INCREASED FMAP FOR MEDICAL ASSISTANCE*
12 *FOR NEWLY ELIGIBLE MANDATORY INDIVIDUALS.—*

13 *“(1) AMOUNT OF INCREASE.—*

14 *“(A) 100 PERCENT FMAP.—During the pe-*
15 *riod that begins on January 1, 2014, and ends*
16 *on December 31, 2016, notwithstanding sub-*
17 *section (b), the Federal medical assistance per-*
18 *centage determined for a State that is one of the*
19 *50 States or the District of Columbia for each*
20 *fiscal year occurring during that period with re-*
21 *spect to amounts expended for medical assistance*
22 *for newly eligible individuals described in sub-*
23 *clause (VIII) of section 1902(a)(10)(A)(i) shall*
24 *be equal to 100 percent.*

25 *“(B) 2017 AND 2018.—*

1 “(i) *IN GENERAL.*—During the period
 2 that begins on January 1, 2017, and ends
 3 on December 31, 2018, notwithstanding sub-
 4 section (b) and subject to subparagraph (D),
 5 the Federal medical assistance percentage
 6 determined for a State that is one of the 50
 7 States or the District of Columbia for each
 8 fiscal year occurring during that period
 9 with respect to amounts expended for med-
 10 ical assistance for newly eligible individuals
 11 described in subclause (VIII) of section
 12 1902(a)(10)(A)(i), shall be increased by the
 13 applicable percentage point increase speci-
 14 fied in clause (ii) for the quarter and the
 15 State.

16 “(ii) *APPLICABLE PERCENTAGE POINT*
 17 *INCREASE.*—

18 “(I) *IN GENERAL.*—For purposes
 19 of clause (i), the applicable percentage
 20 point increase for a quarter is the fol-
 21 lowing:

“For any fiscal year quarter occurring in the calendar year:	If the State is an expansion State, the applicable percentage point increase is:	If the State is not an expansion State, the applicable percentage point increase is:
2017	30.3	34.3
2018	31.3	33.3

1 “(II) *EXPANSION STATE DE-*
2 *FINED.*—*For purposes of the table in*
3 *subclause (I), a State is an expansion*
4 *State if, on the date of the enactment*
5 *of the Patient Protection and Afford-*
6 *able Care Act, the State offers health*
7 *benefits coverage statewide to parents*
8 *and nonpregnant, childless adults*
9 *whose income is at least 100 percent of*
10 *the poverty line, that is not dependent*
11 *on access to employer coverage, em-*
12 *ployer contribution, or employment*
13 *and is not limited to premium assist-*
14 *ance, hospital-only benefits, a high de-*
15 *ductible health plan, or alternative*
16 *benefits under a demonstration pro-*
17 *gram authorized under section 1938. A*
18 *State that offers health benefits cov-*
19 *erage to only parents or only nonpreg-*
20 *nant childless adults described in the*
21 *preceding sentence shall not be consid-*
22 *ered to be an expansion State.*

23 “(C) *2019 AND SUCCEEDING YEARS.*—*Be-*
24 *ginning January 1, 2019, notwithstanding sub-*
25 *section (b) but subject to subparagraph (D), the*

1 *Federal medical assistance percentage deter-*
2 *mined for a State that is one of the 50 States or*
3 *the District of Columbia for each fiscal year*
4 *quarter occurring during that period with re-*
5 *spect to amounts expended for medical assistance*
6 *for newly eligible individuals described in sub-*
7 *clause (VIII) of section 1902(a)(10)(A)(i), shall*
8 *be increased by 32.3 percentage points.*

9 “(D) *LIMITATION.*—*The Federal medical as-*
10 *istance percentage determined for a State under*
11 *subparagraph (B) or (C) shall in no case be*
12 *more than 95 percent.*

13 “(2) *DEFINITIONS.*—*In this subsection:*

14 “(A) *NEWLY ELIGIBLE.*—*The term ‘newly*
15 *eligible’ means, with respect to an individual de-*
16 *scribed in subclause (VIII) of section*
17 *1902(a)(10)(A)(i), an individual who is not*
18 *under 19 years of age (or such higher age as the*
19 *State may have elected) and who, on the date of*
20 *enactment of the Patient Protection and Afford-*
21 *able Care Act, is not eligible under the State*
22 *plan or under a waiver of the plan for full bene-*
23 *fits or for benchmark coverage described in sub-*
24 *paragraph (A), (B), or (C) of section 1937(b)(1)*
25 *or benchmark equivalent coverage described in*

1 *section 1937(b)(2) that has an aggregate actu-*
2 *arial value that is at least actuarially equivalent*
3 *to benchmark coverage described in subpara-*
4 *graph (A), (B), or (C) of section 1937(b)(1), or*
5 *is eligible but not enrolled (or is on a waiting*
6 *list) for such benefits or coverage through a*
7 *waiver under the plan that has a capped or lim-*
8 *ited enrollment that is full.*

9 *“(B) FULL BENEFITS.—The term ‘full bene-*
10 *fits’ means, with respect to an individual, med-*
11 *ical assistance for all services covered under the*
12 *State plan under this title that is not less in*
13 *amount, duration, or scope, or is determined by*
14 *the Secretary to be substantially equivalent, to*
15 *the medical assistance available for an indi-*
16 *vidual described in section 1902(a)(10)(A)(i).”.*

17 *(4) STATE OPTIONS TO OFFER COVERAGE EAR-*
18 *LIER AND PRESUMPTIVE ELIGIBILITY; CHILDREN RE-*
19 *QUIRED TO HAVE COVERAGE FOR PARENTS TO BE EL-*
20 *IGIBLE.—*

21 *(A) IN GENERAL.—Subsection (k) of section*
22 *1902 of the Social Security Act (as added by*
23 *paragraph (2)), is amended by inserting after*
24 *paragraph (1) the following:*

1 “(2) *Beginning with the first day of any fiscal year*
2 *quarter that begins on or after January 1, 2011, and before*
3 *January 1, 2014, a State may elect through a State plan*
4 *amendment to provide medical assistance to individuals*
5 *who would be described in subclause (VIII) of subsection*
6 *(a)(10)(A)(i) if that subclause were effective before January*
7 *1, 2014. A State may elect to phase-in the extension of eligi-*
8 *bility for medical assistance to such individuals based on*
9 *income, so long as the State does not extend such eligibility*
10 *to individuals described in such subclause with higher in-*
11 *come before making individuals described in such subclause*
12 *with lower income eligible for medical assistance.*

13 “(3) *If an individual described in subclause (VIII) of*
14 *subsection (a)(10)(A)(i) is the parent of a child who is*
15 *under 19 years of age (or such higher age as the State may*
16 *have elected) who is eligible for medical assistance under*
17 *the State plan or under a waiver of such plan (under that*
18 *subclause or under a State plan amendment under para-*
19 *graph (2), the individual may not be enrolled under the*
20 *State plan unless the individual’s child is enrolled under*
21 *the State plan or under a waiver of the plan or is enrolled*
22 *in other health insurance coverage. For purposes of the pre-*
23 *ceding sentence, the term ‘parent’ includes an individual*
24 *treated as a caretaker relative for purposes of carrying out*
25 *section 1931.”.*

1 (B) *PRESUMPTIVE ELIGIBILITY.*—Section
2 1920 of the Social Security Act (42 U.S.C.
3 1396r–1) is amended by adding at the end the
4 following:

5 “(e) If the State has elected the option to provide a
6 presumptive eligibility period under this section or section
7 1920A, the State may elect to provide a presumptive eligi-
8 bility period (as defined in subsection (b)(1)) for individ-
9 uals who are eligible for medical assistance under clause
10 (i)(VIII) of subsection (a)(10)(A) or section 1931 in the
11 same manner as the State provides for such a period under
12 this section or section 1920A, subject to such guidance as
13 the Secretary shall establish.”

14 (5) *CONFORMING AMENDMENTS.*—

15 (A) Section 1902(a)(10) of such Act (42
16 U.S.C. 1396a(a)(10)) is amended in the matter
17 following subparagraph (G), by striking “and
18 (XIV)” and inserting “(XIV)” and by inserting
19 “and (XV) the medical assistance made available
20 to an individual described in subparagraph
21 (A)(i)(VIII) shall be limited to medical assist-
22 ance described in subsection (k)(1)” before the
23 semicolon.

1 (B) Section 1902(l)(2)(C) of such Act (42
2 U.S.C. 1396a(l)(2)(C)) is amended by striking
3 “100” and inserting “133”.

4 (C) Section 1905(a) of such Act (42 U.S.C.
5 1396d(a)) is amended in the matter preceding
6 paragraph (1)—

7 (i) by striking “or” at the end of clause

8 (xii);

9 (ii) by inserting “or” at the end of

10 clause (xiii); and

11 (iii) by inserting after clause (xiii) the

12 following:

13 “(xiv) individuals described in section
14 1902(a)(10)(A)(i)(VIII),”.

15 (D) Section 1903(f)(4) of such Act (42
16 U.S.C. 1396b(f)(4)) is amended by inserting
17 “1902(a)(10)(A)(i)(VIII),” after
18 “1902(a)(10)(A)(i)(VII),”.

19 (E) Section 1937(a)(1)(B) of such Act (42
20 U.S.C. 1396u-7(a)(1)(B)) is amended by insert-
21 ing “subclause (VIII) of section
22 1902(a)(10)(A)(i) or under” after “eligible
23 under”.

1 **(b) MAINTENANCE OF MEDICAID INCOME ELIGI-**
2 *BILITY.—Section 1902 of the Social Security Act (42 U.S.C.*
3 *1396a) is amended—*

4 *(1) in subsection (a)—*

5 *(A) by striking “and” at the end of para-*
6 *graph (72);*

7 *(B) by striking the period at the end of*
8 *paragraph (73) and inserting “; and”; and*

9 *(C) by inserting after paragraph (73) the*
10 *following new paragraph:*

11 *“(74) provide for maintenance of effort under the*
12 *State plan or under any waiver of the plan in ac-*
13 *cordance with subsection (gg).”;* and

14 *(2) by adding at the end the following new sub-*
15 *section:*

16 *“(gg) MAINTENANCE OF EFFORT.—*

17 *“(1) GENERAL REQUIREMENT TO MAINTAIN ELI-*
18 *GIBILITY STANDARDS UNTIL STATE EXCHANGE IS*
19 *FULLY OPERATIONAL.—Subject to the succeeding*
20 *paragraphs of this subsection, during the period that*
21 *begins on the date of enactment of the Patient Protec-*
22 *tion and Affordable Care Act and ends on the date on*
23 *which the Secretary determines that an Exchange es-*
24 *tablished by the State under section 1311 of the Pa-*
25 *tient Protection and Affordable Care Act is fully oper-*

1 *ational, as a condition for receiving any Federal pay-*
2 *ments under section 1903(a) for calendar quarters oc-*
3 *curing during such period, a State shall not have in*
4 *effect eligibility standards, methodologies, or proce-*
5 *dures under the State plan under this title or under*
6 *any waiver of such plan that is in effect during that*
7 *period, that are more restrictive than the eligibility*
8 *standards, methodologies, or procedures, respectively,*
9 *under the plan or waiver that are in effect on the date*
10 *of enactment of the Patient Protection and Affordable*
11 *Care Act.*

12 “(2) *CONTINUATION OF ELIGIBILITY STANDARDS*
13 *FOR CHILDREN UNTIL OCTOBER 1, 2019.—The require-*
14 *ment under paragraph (1) shall continue to apply to*
15 *a State through September 30, 2019, with respect to*
16 *the eligibility standards, methodologies, and proce-*
17 *dures under the State plan under this title or under*
18 *any waiver of such plan that are applicable to deter-*
19 *mining the eligibility for medical assistance of any*
20 *child who is under 19 years of age (or such higher age*
21 *as the State may have elected).*

22 “(3) *NONAPPLICATION.—During the period that*
23 *begins on January 1, 2011, and ends on December 31,*
24 *2013, the requirement under paragraph (1) shall not*
25 *apply to a State with respect to nonpregnant, non-*

1 *disabled adults who are eligible for medical assistance*
2 *under the State plan or under a waiver of the plan*
3 *at the option of the State and whose income exceeds*
4 *133 percent of the poverty line (as defined in section*
5 *2110(c)(5)) applicable to a family of the size involved*
6 *if, on or after December 31, 2010, the State certifies*
7 *to the Secretary that, with respect to the State fiscal*
8 *year during which the certification is made, the State*
9 *has a budget deficit, or with respect to the succeeding*
10 *State fiscal year, the State is projected to have a*
11 *budget deficit. Upon submission of such a certifi-*
12 *cation to the Secretary, the requirement under para-*
13 *graph (1) shall not apply to the State with respect to*
14 *any remaining portion of the period described in the*
15 *preceding sentence.*

16 *“(4) DETERMINATION OF COMPLIANCE.—*

17 *“(A) STATES SHALL APPLY MODIFIED*
18 *GROSS INCOME.—A State’s determination of in-*
19 *come in accordance with subsection (e)(14) shall*
20 *not be considered to be eligibility standards,*
21 *methodologies, or procedures that are more re-*
22 *strictive than the standards, methodologies, or*
23 *procedures in effect under the State plan or*
24 *under a waiver of the plan on the date of enact-*
25 *ment of the Patient Protection and Affordable*

1 *Care Act for purposes of determining compliance*
2 *with the requirements of paragraph (1), (2), or*
3 *(3).*

4 “(B) STATES MAY EXPAND ELIGIBILITY OR
5 MOVE WAIVERED POPULATIONS INTO COVERAGE
6 UNDER THE STATE PLAN.—With respect to any
7 period applicable under paragraph (1), (2), or
8 (3), a State that applies eligibility standards,
9 methodologies, or procedures under the State
10 plan under this title or under any waiver of the
11 plan that are less restrictive than the eligibility
12 standards, methodologies, or procedures, applied
13 under the State plan or under a waiver of the
14 plan on the date of enactment of the Patient Pro-
15 tection and Affordable Care Act, or that makes
16 individuals who, on such date of enactment, are
17 eligible for medical assistance under a waiver of
18 the State plan, after such date of enactment eli-
19 gible for medical assistance through a State plan
20 amendment with an income eligibility level that
21 is not less than the income eligibility level that
22 applied under the waiver, or as a result of the
23 application of subclause (VIII) of section
24 1902(a)(10)(A)(i), shall not be considered to have
25 in effect eligibility standards, methodologies, or

1 *procedures that are more restrictive than the*
2 *standards, methodologies, or procedures in effect*
3 *under the State plan or under a waiver of the*
4 *plan on the date of enactment of the Patient Pro-*
5 *tection and Affordable Care Act for purposes of*
6 *determining compliance with the requirements of*
7 *paragraph (1), (2), or (3).”.*

8 *(c) MEDICAID BENCHMARK BENEFITS MUST CONSIST*
9 *OF AT LEAST MINIMUM ESSENTIAL COVERAGE.—Section*
10 *1937(b) of such Act (42 U.S.C. 1396u–7(b)) is amended—*

11 *(1) in paragraph (1), in the matter preceding*
12 *subparagraph (A), by inserting “subject to para-*
13 *graphs (5) and (6),” before “each”;*

14 *(2) in paragraph (2)—*

15 *(A) in the matter preceding subparagraph*
16 *(A), by inserting “subject to paragraphs (5) and*
17 *(6)” after “subsection (a)(1),”;*

18 *(B) in subparagraph (A)—*

19 *(i) by redesignating clauses (iv) and*
20 *(v) as clauses (vi) and (vii), respectively;*
21 *and*

22 *(ii) by inserting after clause (iii), the*
23 *following:*

24 *“(iv) Coverage of prescription drugs.*

25 *“(v) Mental health services.”; and*

1 (C) in subparagraph (C)—

2 (i) by striking clauses (i) and (ii); and

3 (ii) by redesignating clauses (iii) and

4 (iv) as clauses (i) and (ii), respectively; and

5 (3) by adding at the end the following new para-
6 graphs:

7 “(5) *MINIMUM STANDARDS.*—*Effective January*
8 *1, 2014, any benchmark benefit package under para-*
9 *graph (1) or benchmark equivalent coverage under*
10 *paragraph (2) must provide at least essential health*
11 *benefits as described in section 1302(b) of the Patient*
12 *Protection and Affordable Care Act.*

13 “(6) *MENTAL HEALTH SERVICES PARITY.*—

14 “(A) *IN GENERAL.*—*In the case of any*
15 *benchmark benefit package under paragraph (1)*
16 *or benchmark equivalent coverage under para-*
17 *graph (2) that is offered by an entity that is not*
18 *a medicaid managed care organization and that*
19 *provides both medical and surgical benefits and*
20 *mental health or substance use disorder benefits,*
21 *the entity shall ensure that the financial require-*
22 *ments and treatment limitations applicable to*
23 *such mental health or substance use disorder ben-*
24 *efits comply with the requirements of section*
25 *2705(a) of the Public Health Service Act in the*

1 *same manner as such requirements apply to a*
2 *group health plan.*

3 “(B) *DEEMED COMPLIANCE.*—Coverage pro-
4 *vided with respect to an individual described in*
5 *section 1905(a)(4)(B) and covered under the*
6 *State plan under section 1902(a)(10)(A) of the*
7 *services described in section 1905(a)(4)(B) (relat-*
8 *ing to early and periodic screening, diagnostic,*
9 *and treatment services defined in section*
10 *1905(r)) and provided in accordance with sec-*
11 *tion 1902(a)(43), shall be deemed to satisfy the*
12 *requirements of subparagraph (A).”.*

13 (d) *ANNUAL REPORTS ON MEDICAID ENROLLMENT.*—

14 (1) *STATE REPORTS.*—Section 1902(a) of the So-
15 *cial Security Act (42 U.S.C. 1396a(a)), as amended*
16 *by subsection (b), is amended—*

17 (A) *by striking “and” at the end of para-*
18 *graph (73);*

19 (B) *by striking the period at the end of*
20 *paragraph (74) and inserting “; and”; and*

21 (C) *by inserting after paragraph (74) the*
22 *following new paragraph:*

23 “(75) *provide that, beginning January 2015,*
24 *and annually thereafter, the State shall submit a re-*
25 *port to the Secretary that contains—*

1 “(A) the total number of enrolled and newly
2 enrolled individuals in the State plan or under
3 a waiver of the plan for the fiscal year ending
4 on September 30 of the preceding calendar year,
5 disaggregated by population, including children,
6 parents, nonpregnant childless adults, disabled
7 individuals, elderly individuals, and such other
8 categories or sub-categories of individuals eligible
9 for medical assistance under the State plan or
10 under a waiver of the plan as the Secretary may
11 require;

12 “(B) a description, which may be specified
13 by population, of the outreach and enrollment
14 processes used by the State during such fiscal
15 year; and

16 “(C) any other data reporting determined
17 necessary by the Secretary to monitor enrollment
18 and retention of individuals eligible for medical
19 assistance under the State plan or under a wai-
20 ver of the plan.”.

21 (2) *REPORTS TO CONGRESS.*—Beginning April
22 2015, and annually thereafter, the Secretary of
23 Health and Human Services shall submit a report to
24 the appropriate committees of Congress on the total
25 enrollment and new enrollment in Medicaid for the

1 *fiscal year ending on September 30 of the preceding*
2 *calendar year on a national and State-by-State basis,*
3 *and shall include in each such report such rec-*
4 *ommendations for administrative or legislative*
5 *changes to improve enrollment in the Medicaid pro-*
6 *gram as the Secretary determines appropriate.*

7 *(e) STATE OPTION FOR COVERAGE FOR INDIVIDUALS*
8 *WITH INCOME THAT EXCEEDS 133 PERCENT OF THE POV-*
9 *ERTY LINE.—*

10 *(1) COVERAGE AS OPTIONAL CATEGORICALLY*
11 *NEEDY GROUP.—Section 1902 of the Social Security*
12 *Act (42 U.S.C. 1396a) is amended—*

13 *(A) in subsection (a)(10)(A)(ii)—*

14 *(i) in subclause (XVIII), by striking*
15 *“or” at the end;*

16 *(ii) in subclause (XIX), by adding*
17 *“or” at the end; and*

18 *(iii) by adding at the end the following*
19 *new subclause:*

20 *“(XX) beginning January 1,*
21 *2014, who are under 65 years of age*
22 *and are not described in or enrolled*
23 *under a previous subclause of this*
24 *clause, and whose income (as deter-*
25 *mined under subsection (e)(14)) exceeds*

1 133 percent of the poverty line (as de-
2 fined in section 2110(c)(5)) applicable
3 to a family of the size involved but
4 does not exceed the highest income eli-
5 gibility level established under the
6 State plan or under a waiver of the
7 plan, subject to subsection (hh);” and

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

10 “(hh)(1) A State may elect to phase-in the extension
11 of eligibility for medical assistance to individuals described
12 in subclause (XX) of subsection (a)(10)(A)(ii) based on the
13 categorical group (including nonpregnant childless adults)
14 or income, so long as the State does not extend such eligi-
15 bility to individuals described in such subclause with higher
16 income before making individuals described in such sub-
17 clause with lower income eligible for medical assistance.

18 “(2) If an individual described in subclause (XX) of
19 subsection (a)(10)(A)(ii) is the parent of a child who is
20 under 19 years of age (or such higher age as the State may
21 have elected) who is eligible for medical assistance under
22 the State plan or under a waiver of such plan, the indi-
23 vidual may not be enrolled under the State plan unless the
24 individual’s child is enrolled under the State plan or under
25 a waiver of the plan or is enrolled in other health insurance

1 coverage. For purposes of the preceding sentence, the term
2 ‘parent’ includes an individual treated as a caretaker rel-
3 ative for purposes of carrying out section 1931.”.

4 (2) CONFORMING AMENDMENTS.—

5 (A) Section 1905(a) of such Act (42 U.S.C.
6 1396d(a)), as amended by subsection (a)(5)(C),
7 is amended in the matter preceding paragraph
8 (1)—

9 (i) by striking “or” at the end of clause
10 (xiii);

11 (ii) by inserting “or” at the end of
12 clause (xiv); and

13 (iii) by inserting after clause (xiv) the
14 following:

15 “(xv) individuals described in section
16 1902(a)(10)(A)(ii)(XX),”.

17 (B) Section 1903(f)(4) of such Act (42
18 U.S.C. 1396b(f)(4)) is amended by inserting
19 “1902(a)(10)(A)(ii)(XX),” after
20 “1902(a)(10)(A)(ii)(XIX),”.

21 (C) Section 1920(e) of such Act (42 U.S.C.
22 1396r-1(e)), as added by subsection (a)(4)(B), is
23 amended by inserting “or clause (ii)(XX)” after
24 “clause (i)(VIII)”.

1 **SEC. 2002. INCOME ELIGIBILITY FOR NONELDERLY DETER-**
2 **MINED USING MODIFIED GROSS INCOME.**

3 (a) *IN GENERAL.*—Section 1902(e) of the Social Secu-
4 rity Act (42 U.S.C. 1396a(e)) is amended by adding at the
5 end the following:

6 “(14) *INCOME DETERMINED USING MODIFIED*
7 *GROSS INCOME.*—

8 “(A) *IN GENERAL.*—Notwithstanding sub-
9 section (r) or any other provision of this title, ex-
10 cept as provided in subparagraph (D), for pur-
11 poses of determining income eligibility for med-
12 ical assistance under the State plan or under
13 any waiver of such plan and for any other pur-
14 pose applicable under the plan or waiver for
15 which a determination of income is required, in-
16 cluding with respect to the imposition of pre-
17 miums and cost-sharing, a State shall use the
18 modified gross income of an individual and, in
19 the case of an individual in a family greater
20 than 1, the household income of such family. A
21 State shall establish income eligibility thresholds
22 for populations to be eligible for medical assist-
23 ance under the State plan or a waiver of the
24 plan using modified gross income and household
25 income that are not less than the effective income
26 eligibility levels that applied under the State

1 *plan or waiver on the date of enactment of the*
2 *Patient Protection and Affordable Care Act. For*
3 *purposes of complying with the maintenance of*
4 *effort requirements under subsection (gg) during*
5 *the transition to modified gross income and*
6 *household income, a State shall, working with*
7 *the Secretary, establish an equivalent income test*
8 *that ensures individuals eligible for medical as-*
9 *sistance under the State plan or under a waiver*
10 *of the plan on the date of enactment of the Pa-*
11 *tient Protection and Affordable Care Act, do not*
12 *lose coverage under the State plan or under a*
13 *waiver of the plan. The Secretary may waive*
14 *such provisions of this title and title XXI as are*
15 *necessary to ensure that States establish income*
16 *and eligibility determination systems that pro-*
17 *tect beneficiaries.*

18 *“(B) NO INCOME OR EXPENSE DIS-*
19 *REGARDS.—No type of expense, block, or other*
20 *income disregard shall be applied by a State to*
21 *determine income eligibility for medical assist-*
22 *ance under the State plan or under any waiver*
23 *of such plan or for any other purpose applicable*
24 *under the plan or waiver for which a determina-*
25 *tion of income is required.*

1 “(C) *NO ASSETS TEST.*—A State shall not
2 *apply any assets or resources test for purposes of*
3 *determining eligibility for medical assistance*
4 *under the State plan or under a waiver of the*
5 *plan.*

6 “(D) *EXCEPTIONS.*—

7 “(i) *INDIVIDUALS ELIGIBLE BECAUSE*
8 *OF OTHER AID OR ASSISTANCE, ELDERLY*
9 *INDIVIDUALS, MEDICALLY NEEDY INDIVID-*
10 *UALS, AND INDIVIDUALS ELIGIBLE FOR*
11 *MEDICARE COST-SHARING.*—Subparagraphs
12 *(A), (B), and (C) shall not apply to the de-*
13 *termination of eligibility under the State*
14 *plan or under a waiver for medical assist-*
15 *ance for the following:*

16 “(I) *Individuals who are eligible*
17 *for medical assistance under the State*
18 *plan or under a waiver of the plan on*
19 *a basis that does not require a deter-*
20 *mination of income by the State agen-*
21 *cy administering the State plan or*
22 *waiver, including as a result of eligi-*
23 *bility for, or receipt of, other Federal*
24 *or State aid or assistance, individuals*
25 *who are eligible on the basis of receiv-*

1 *ing (or being treated as if receiving)*
2 *supplemental security income benefits*
3 *under title XVI, and individuals who*
4 *are eligible as a result of being or*
5 *being deemed to be a child in foster*
6 *care under the responsibility of the*
7 *State.*

8 *“(II) Individuals who have at-*
9 *tained age 65.*

10 *“(III) Individuals who qualify for*
11 *medical assistance under the State*
12 *plan or under any waiver of such plan*
13 *on the basis of being blind or disabled*
14 *(or being treated as being blind or dis-*
15 *abled) without regard to whether the*
16 *individual is eligible for supplemental*
17 *security income benefits under title*
18 *XVI on the basis of being blind or dis-*
19 *abled and including an individual who*
20 *is eligible for medical assistance on the*
21 *basis of section 1902(e)(3).*

22 *“(IV) Individuals described in*
23 *subsection (a)(10)(C).*

24 *“(V) Individuals described in any*
25 *clause of subsection (a)(10)(E).*

1 “(i) *EXPRESS LANE AGENCY FIND-*
2 *INGS.—In the case of a State that elects the*
3 *Express Lane option under paragraph (13),*
4 *notwithstanding subparagraphs (A), (B),*
5 *and (C), the State may rely on a finding*
6 *made by an Express Lane agency in ac-*
7 *cordance with that paragraph relating to*
8 *the income of an individual for purposes of*
9 *determining the individual’s eligibility for*
10 *medical assistance under the State plan or*
11 *under a waiver of the plan.*

12 “(iii) *MEDICARE PRESCRIPTION DRUG*
13 *SUBSIDIES DETERMINATIONS.—Subpara-*
14 *graphs (A), (B), and (C) shall not apply to*
15 *any determinations of eligibility for pre-*
16 *mium and cost-sharing subsidies under and*
17 *in accordance with section 1860D–14 made*
18 *by the State pursuant to section 1935(a)(2).*

19 “(iv) *LONG-TERM CARE.—Subpara-*
20 *graphs (A), (B), and (C) shall not apply to*
21 *any determinations of eligibility of individ-*
22 *uals for purposes of medical assistance for*
23 *nursing facility services, a level of care in*
24 *any institution equivalent to that of nurs-*
25 *ing facility services, home or community-*

1 *based services furnished under a waiver or*
2 *State plan amendment under section 1915*
3 *or a waiver under section 1115, and serv-*
4 *ices described in section 1917(c)(1)(C)(ii).*

5 “(v) *GRANDFATHER OF CURRENT EN-*
6 *ROLLEES UNTIL DATE OF NEXT REGULAR*
7 *REDETERMINATION.—An individual who,*
8 *on January 1, 2014, is enrolled in the State*
9 *plan or under a waiver of the plan and who*
10 *would be determined ineligible for medical*
11 *assistance solely because of the application*
12 *of the modified gross income or household*
13 *income standard described in subparagraph*
14 *(A), shall remain eligible for medical assist-*
15 *ance under the State plan or waiver (and*
16 *subject to the same premiums and cost-shar-*
17 *ing as applied to the individual on that*
18 *date) through March 31, 2014, or the date*
19 *on which the individual’s next regularly*
20 *scheduled redetermination of eligibility is to*
21 *occur, whichever is later.*

22 “(E) *TRANSITION PLANNING AND OVER-*
23 *SIGHT.—Each State shall submit to the Sec-*
24 *retary for the Secretary’s approval the income*
25 *eligibility thresholds proposed to be established*

1 *using modified gross income and household in-*
2 *come, the methodologies and procedures to be*
3 *used to determine income eligibility using modi-*
4 *fied gross income and household income and, if*
5 *applicable, a State plan amendment establishing*
6 *an optional eligibility category under subsection*
7 *(a)(10)(A)(ii)(XX). To the extent practicable, the*
8 *State shall use the same methodologies and pro-*
9 *cedures for purposes of making such determina-*
10 *tions as the State used on the date of enactment*
11 *of the Patient Protection and Affordable Care*
12 *Act. The Secretary shall ensure that the income*
13 *eligibility thresholds proposed to be established*
14 *using modified gross income and household in-*
15 *come, including under the eligibility category es-*
16 *tablished under subsection (a)(10)(A)(ii)(XX),*
17 *and the methodologies and procedures proposed*
18 *to be used to determine income eligibility, will*
19 *not result in children who would have been eligi-*
20 *ble for medical assistance under the State plan*
21 *or under a waiver of the plan on the date of en-*
22 *actment of the Patient Protection and Affordable*
23 *Care Act no longer being eligible for such assist-*
24 *ance.*

1 “(F) *LIMITATION ON SECRETARIAL AU-*
2 *THORITY.—The Secretary shall not waive com-*
3 *pliance with the requirements of this paragraph*
4 *except to the extent necessary to permit a State*
5 *to coordinate eligibility requirements for dual el-*
6 *igible individuals (as defined in section*
7 *1915(h)(2)(B)) under the State plan or under a*
8 *waiver of the plan and under title XVIII and in-*
9 *dividuals who require the level of care provided*
10 *in a hospital, a nursing facility, or an inter-*
11 *mediate care facility for the mentally retarded.*

12 “(G) *DEFINITIONS OF MODIFIED GROSS IN-*
13 *COME AND HOUSEHOLD INCOME.—In this para-*
14 *graph, the terms ‘modified gross income’ and*
15 *‘household income’ have the meanings given such*
16 *terms in section 36B(d)(2) of the Internal Rev-*
17 *enue Code of 1986.*

18 “(H) *CONTINUED APPLICATION OF MED-*
19 *ICAID RULES REGARDING POINT-IN-TIME INCOME*
20 *AND SOURCES OF INCOME.—The requirement*
21 *under this paragraph for States to use modified*
22 *gross income and household income to determine*
23 *income eligibility for medical assistance under*
24 *the State plan or under any waiver of such plan*
25 *and for any other purpose applicable under the*

1 *plan or waiver for which a determination of in-*
2 *come is required shall not be construed as affect-*
3 *ing or limiting the application of—*

4 “(i) *the requirement under this title*
5 *and under the State plan or a waiver of the*
6 *plan to determine an individual’s income as*
7 *of the point in time at which an applica-*
8 *tion for medical assistance under the State*
9 *plan or a waiver of the plan is processed;*
10 *or*

11 “(ii) *any rules established under this*
12 *title or under the State plan or a waiver of*
13 *the plan regarding sources of countable in-*
14 *come.”.*

15 (b) *CONFORMING AMENDMENT.—Section 1902(a)(17)*
16 *of such Act (42 U.S.C. 1396a(a)(17)) is amended by insert-*
17 *ing “(e)(14),” before “(l)(3)”.*

18 (c) *EFFECTIVE DATE.—The amendments made by sub-*
19 *sections (a) and (b) take effect on January 1, 2014.*

20 **SEC. 2003. REQUIREMENT TO OFFER PREMIUM ASSISTANCE**
21 **FOR EMPLOYER-SPONSORED INSURANCE.**

22 (a) *IN GENERAL.—Section 1906A of such Act (42*
23 *U.S.C. 1396e–1) is amended—*

24 (1) *in subsection (a)—*

1 (A) by striking “may elect to” and insert-
2 ing “shall”;

3 (B) by striking “under age 19”; and

4 (C) by inserting “, in the case of an indi-
5 vidual under age 19,” after “(and”;

6 (2) in subsection (c), in the first sentence, by
7 striking “under age 19”; and

8 (3) in subsection (d)—

9 (A) in paragraph (2)—

10 (i) in the first sentence, by striking
11 “under age 19”; and

12 (ii) by striking the third sentence and
13 inserting “A State may not require, as a
14 condition of an individual (or the individ-
15 ual’s parent) being or remaining eligible for
16 medical assistance under this title, that the
17 individual (or the individual’s parent)
18 apply for enrollment in qualified employer-
19 sponsored coverage under this section.”; and

20 (B) in paragraph (3), by striking “the par-
21 ent of an individual under age 19” and insert-
22 ing “an individual (or the parent of an indi-
23 vidual)”; and

24 (4) in subsection (e), by striking “under age 19”
25 each place it appears.

1 (b) *CONFORMING AMENDMENT.*—*The heading for sec-*
2 *tion 1906A of such Act (42 U.S.C. 1396e–1) is amended*
3 *by striking “OPTION FOR CHILDREN”.*

4 (c) *EFFECTIVE DATE.*—*The amendments made by this*
5 *section take effect on January 1, 2014.*

6 **SEC. 2004. MEDICAID COVERAGE FOR FORMER FOSTER**
7 **CARE CHILDREN.**

8 (a) *IN GENERAL.*—*Section 1902(a)(10)(A)(i) of the*
9 *Social Security Act (42 U.S.C. 1396a), as amended by sec-*
10 *tion 2001(a)(1), is amended—*

11 (1) *by striking “or” at the end of subclause*
12 *(VII);*

13 (2) *by adding “or” at the end of subclause*
14 *(VIII); and*

15 (3) *by inserting after subclause (VIII) the fol-*
16 *lowing:*

17 *“(IX) who were in foster care*
18 *under the responsibility of a State for*
19 *more than 6 months (whether or not*
20 *consecutive) but are no longer in such*
21 *care, who are not described in any of*
22 *subclauses (I) through (VII) of this*
23 *clause, and who are under 25 years of*
24 *age;”.*

1 **(b) OPTION TO PROVIDE PRESUMPTIVE ELIGI-**
2 *BILITY.*—Section 1920(e) of such Act (42 U.S.C. 1396r–
3 1(e)), as added by section 2001(a)(4)(B) and amended by
4 section 2001(e)(2)(C), is amended by inserting “, clause
5 (i)(IX),” after “clause (i)(VIII)”.

6 **(c) CONFORMING AMENDMENTS.**—

7 (1) Section 1903(f)(4) of such Act (42 U.S.C.
8 1396b(f)(4)), as amended by section 2001(a)(5)(D), is
9 amended by inserting “1902(a)(10)(A)(i)(IX),” after
10 “1902(a)(10)(A)(i)(VIII),”.

11 (2) Section 1937(a)(2)(B)(viii) of such Act (42
12 U.S.C. 1396u–7(a)(2)(B)(viii)) is amended by insert-
13 ing “, or the individual qualifies for medical assist-
14 ance on the basis of section 1902(a)(10)(A)(i)(IX)”
15 before the period.

16 **(d) EFFECTIVE DATE.**—The amendments made by this
17 section take effect on January 1, 2019.

18 **SEC. 2005. PAYMENTS TO TERRITORIES.**

19 **(a) INCREASE IN LIMIT ON PAYMENTS.**—Section
20 1108(g) of the Social Security Act (42 U.S.C. 1308(g)) is
21 amended—

22 (1) in paragraph (2), in the matter preceding
23 subparagraph (A), by striking “paragraph (3)” and
24 inserting “paragraphs (3) and (5)”;

1 (2) *in paragraph (4), by striking “and (3)” and*
2 *inserting “(3), and (4)”*; and

3 (3) *by adding at the end the following para-*
4 *graph:*

5 “(5) *FISCAL YEAR 2011 AND THEREAFTER.—The*
6 *amounts otherwise determined under this subsection*
7 *for Puerto Rico, the Virgin Islands, Guam, the North-*
8 *ern Mariana Islands, and American Samoa for the*
9 *second, third, and fourth quarters of fiscal year 2011,*
10 *and for each fiscal year after fiscal year 2011 (after*
11 *the application of subsection (f) and the preceding*
12 *paragraphs of this subsection), shall be increased by*
13 *30 percent.”.*

14 (b) *DISREGARD OF PAYMENTS FOR MANDATORY EX-*
15 *PANDED ENROLLMENT.—Section 1108(g)(4) of such Act (42*
16 *U.S.C. 1308(g)(4)) is amended—*

17 (1) *by striking “to fiscal years beginning” and*
18 *inserting “to—*

19 *“(A) fiscal years beginning”*;

20 (2) *by striking the period at the end and insert-*
21 *ing “; and”*; and

22 (3) *by adding at the end the following:*

23 *“(B) fiscal years beginning with fiscal year*
24 *2014, payments made to Puerto Rico, the Virgin*
25 *Islands, Guam, the Northern Mariana Islands,*

1 or American Samoa with respect to amounts ex-
2 pended for medical assistance for newly eligible
3 (as defined in section 1905(y)(2)) nonpregnant
4 childless adults who are eligible under subclause
5 (VIII) of section 1902(a)(10)(A)(i) and whose in-
6 come (as determined under section 1902(e)(14))
7 does not exceed (in the case of each such com-
8 monwealth and territory respectively) the income
9 eligibility level in effect for that population
10 under title XIX or under a waiver on the date
11 of enactment of the Patient Protection and Af-
12 fordable Care Act, shall not be taken into ac-
13 count in applying subsection (f) (as increased in
14 accordance with paragraphs (1), (2), (3), and
15 (5) of this subsection) to such commonwealth or
16 territory for such fiscal year.”.

17 (c) *INCREASED FMAP.*—

18 (1) *IN GENERAL.*—The first sentence of section
19 1905(b) of the Social Security Act (42 U.S.C.
20 1396d(b)) is amended by striking “shall be 50 per
21 centum” and inserting “shall be 55 percent”.

22 (2) *EFFECTIVE DATE.*—The amendment made by
23 paragraph (1) takes effect on January 1, 2011.

1 **SEC. 2006. SPECIAL ADJUSTMENT TO FMAP DETERMINA-**
2 **TION FOR CERTAIN STATES RECOVERING**
3 **FROM A MAJOR DISASTER.**

4 *Section 1905 of the Social Security Act (42 U.S.C.*
5 *1396d), as amended by sections 2001(a)(3) and 2001(b)(2),*
6 *is amended—*

7 *(1) in subsection (b), in the first sentence, by*
8 *striking “subsection (y)” and inserting “subsections*
9 *(y) and (aa)”;* and

10 *(2) by adding at the end the following new sub-*
11 *section:*

12 *“(aa)(1) Notwithstanding subsection (b), beginning*
13 *January 1, 2011, the Federal medical assistance percentage*
14 *for a fiscal year for a disaster-recovery FMAP adjustment*
15 *State shall be equal to the following:*

16 *“(A) In the case of the first fiscal year (or part*
17 *of a fiscal year) for which this subsection applies to*
18 *the State, the Federal medical assistance percentage*
19 *determined for the fiscal year without regard to this*
20 *subsection and subsection (y), increased by 50 percent*
21 *of the number of percentage points by which the Fed-*
22 *eral medical assistance percentage determined for the*
23 *State for the fiscal year without regard to this sub-*
24 *section and subsection (y), is less than the Federal*
25 *medical assistance percentage determined for the*
26 *State for the preceding fiscal year after the applica-*

1 *tion of only subsection (a) of section 5001 of Public*
2 *Law 111–5 (if applicable to the preceding fiscal year)*
3 *and without regard to this subsection, subsection (y),*
4 *and subsections (b) and (c) of section 5001 of Public*
5 *Law 111–5.*

6 *“(B) In the case of the second or any succeeding*
7 *fiscal year for which this subsection applies to the*
8 *State, the Federal medical assistance percentage de-*
9 *termined for the preceding fiscal year under this sub-*
10 *section for the State, increased by 25 percent of the*
11 *number of percentage points by which the Federal*
12 *medical assistance percentage determined for the*
13 *State for the fiscal year without regard to this sub-*
14 *section and subsection (y), is less than the Federal*
15 *medical assistance percentage determined for the*
16 *State for the preceding fiscal year under this sub-*
17 *section.*

18 *“(2) In this subsection, the term ‘disaster-recovery*
19 *FMAP adjustment State’ means a State that is one of the*
20 *50 States or the District of Columbia, for which, at any*
21 *time during the preceding 7 fiscal years, the President has*
22 *declared a major disaster under section 401 of the Robert*
23 *T. Stafford Disaster Relief and Emergency Assistance Act*
24 *and determined as a result of such disaster that every coun-*
25 *ty or parish in the State warrant individual and public*

1 *assistance or public assistance from the Federal Govern-*
2 *ment under such Act and for which—*

3 “(A) *in the case of the first fiscal year (or part*
4 *of a fiscal year) for which this subsection applies to*
5 *the State, the Federal medical assistance percentage*
6 *determined for the State for the fiscal year without*
7 *regard to this subsection and subsection (y), is less*
8 *than the Federal medical assistance percentage deter-*
9 *mined for the State for the preceding fiscal year after*
10 *the application of only subsection (a) of section 5001*
11 *of Public Law 111–5 (if applicable to the preceding*
12 *fiscal year) and without regard to this subsection,*
13 *subsection (y), and subsections (b) and (c) of section*
14 *5001 of Public Law 111–5, by at least 3 percentage*
15 *points; and*

16 “(B) *in the case of the second or any succeeding*
17 *fiscal year for which this subsection applies to the*
18 *State, the Federal medical assistance percentage de-*
19 *termined for the State for the fiscal year without re-*
20 *gard to this subsection and subsection (y), is less than*
21 *the Federal medical assistance percentage determined*
22 *for the State for the preceding fiscal year under this*
23 *subsection by at least 3 percentage points.*

24 “(3) *The Federal medical assistance percentage deter-*
25 *mined for a disaster-recovery FMAP adjustment State*

1 *under paragraph (1) shall apply for purposes of this title*
2 *(other than with respect to disproportionate share hospital*
3 *payments described in section 1923 and payments under*
4 *this title that are based on the enhanced FMAP described*
5 *in 2105(b)) and shall not apply with respect to payments*
6 *under title IV (other than under part E of title IV) or pay-*
7 *ments under title XXI.”.*

8 **SEC. 2007. MEDICAID IMPROVEMENT FUND RESCISSION.**

9 (a) *RESCISSION.*—*Any amounts available to the Med-*
10 *icaid Improvement Fund established under section 1941 of*
11 *the Social Security Act (42 U.S.C. 1396w–1) for any of*
12 *fiscal years 2014 through 2018 that are available for ex-*
13 *penditure from the Fund and that are not so obligated as*
14 *of the date of the enactment of this Act are rescinded.*

15 (b) *CONFORMING AMENDMENTS.*—*Section 1941(b)(1)*
16 *of the Social Security Act (42 U.S.C. 1396w–1(b)(1)) is*
17 *amended—*

18 (1) *in subparagraph (A), by striking*
19 *“\$100,000,000” and inserting “\$0”; and*

20 (2) *in subparagraph (B), by striking*
21 *“\$150,000,000” and inserting “\$0”.*

1 ***Subtitle B—Enhanced Support for***
2 ***the Children’s Health Insurance***
3 ***Program***

4 ***SEC. 2101. ADDITIONAL FEDERAL FINANCIAL PARTICIPA-***
5 ***TION FOR CHIP.***

6 *(a) IN GENERAL.—Section 2105(b) of the Social Secu-*
7 *urity Act (42 U.S.C. 1397ee(b)) is amended by adding at*
8 *the end the following: “Notwithstanding the preceding sen-*
9 *tence, during the period that begins on October 1, 2013, and*
10 *ends on September 30, 2019, the enhanced FMAP deter-*
11 *mined for a State for a fiscal year (or for any portion of*
12 *a fiscal year occurring during such period) shall be in-*
13 *creased by 23 percentage points, but in no case shall exceed*
14 *100 percent. The increase in the enhanced FMAP under the*
15 *preceding sentence shall not apply with respect to deter-*
16 *mining the payment to a State under subsection (a)(1) for*
17 *expenditures described in subparagraph (D)(iv), para-*
18 *graphs (8), (9), (11) of subsection (c), or clause (4) of the*
19 *first sentence of section 1905(b).”.*

20 *(b) MAINTENANCE OF EFFORT.—*

21 *(1) IN GENERAL.—Section 2105(d) of the Social*
22 *Security Act (42 U.S.C. 1397ee(d)) is amended by*
23 *adding at the end the following:*

24 *“(3) CONTINUATION OF ELIGIBILITY STANDARDS*
25 *FOR CHILDREN UNTIL OCTOBER 1, 2019.—*

1 “(A) *IN GENERAL.*—During the period that
2 *begins on the date of enactment of the Patient*
3 *Protection and Affordable Care Act and ends on*
4 *September 30, 2019, a State shall not have in ef-*
5 *fect eligibility standards, methodologies, or proce-*
6 *dures under its State child health plan (includ-*
7 *ing any waiver under such plan) for children*
8 *(including children provided medical assistance*
9 *for which payment is made under section*
10 *2105(a)(1)(A)) that are more restrictive than the*
11 *eligibility standards, methodologies, or proce-*
12 *dures, respectively, under such plan (or waiver)*
13 *as in effect on the date of enactment of that Act.*
14 *The preceding sentence shall not be construed as*
15 *preventing a State during such period from—*

16 “(i) *applying eligibility standards,*
17 *methodologies, or procedures for children*
18 *under the State child health plan or under*
19 *any waiver of the plan that are less restric-*
20 *tive than the eligibility standards, meth-*
21 *odologies, or procedures, respectively, for*
22 *children under the plan or waiver that are*
23 *in effect on the date of enactment of such*
24 *Act; or*

1 “(ii) imposing a limitation described
2 in section 2112(b)(7) for a fiscal year in
3 order to limit expenditures under the State
4 child health plan to those for which Federal
5 financial participation is available under
6 this section for the fiscal year.

7 “(B) ASSURANCE OF EXCHANGE COVERAGE
8 FOR TARGETED LOW-INCOME CHILDREN UNABLE
9 TO BE PROVIDED CHILD HEALTH ASSISTANCE AS
10 A RESULT OF FUNDING SHORTFALLS.—In the
11 event that allotments provided under section
12 2104 are insufficient to provide coverage to all
13 children who are eligible to be targeted low-in-
14 come children under the State child health plan
15 under this title, a State shall establish proce-
16 dures to ensure that such children are provided
17 coverage through an Exchange established by the
18 State under section 1311 of the Patient Protec-
19 tion and Affordable Care Act.”.

20 (2) CONFORMING AMENDMENT TO TITLE XXI
21 MEDICAID MAINTENANCE OF EFFORT.—Section
22 2105(d)(1) of the Social Security Act (42 U.S.C.
23 1397ee(d)(1)) is amended by adding before the period
24 “; except as required under section 1902(e)(14)”.

1 (c) *NO ENROLLMENT BONUS PAYMENTS FOR CHIL-*
2 *DREN ENROLLED AFTER FISCAL YEAR 2013.*—Section
3 *2105(a)(3)(F)(iii) of the Social Security Act (42 U.S.C.*
4 *1397ee(a)(3)(F)(iii)) is amended by inserting “or any chil-*
5 *dren enrolled on or after October 1, 2013” before the period.*

6 (d) *INCOME ELIGIBILITY DETERMINED USING MODI-*
7 *FIED GROSS INCOME.*—

8 (1) *STATE PLAN REQUIREMENT.*—Section
9 *2102(b)(1)(B) of the Social Security Act (42 U.S.C.*
10 *1397bb(b)(1)(B)) is amended—*

11 (A) *in clause (iii), by striking “and” after*
12 *the semicolon;*

13 (B) *in clause (iv), by striking the period*
14 *and inserting “; and”; and*

15 (C) *by adding at the end the following:*

16 “*(v) shall, beginning January 1, 2014,*
17 *use modified gross income and household in-*
18 *come (as defined in section 36B(d)(2) of the*
19 *Internal Revenue Code of 1986) to deter-*
20 *mine eligibility for child health assistance*
21 *under the State child health plan or under*
22 *any waiver of such plan and for any other*
23 *purpose applicable under the plan or waiv-*
24 *er for which a determination of income is*
25 *required, including with respect to the im-*

1 *position of premiums and cost-sharing, con-*
2 *sistent with section 1902(e)(14).”.*

3 (2) *CONFORMING AMENDMENT.—Section*
4 *2107(e)(1) of the Social Security Act (42 U.S.C.*
5 *1397gg(e)(1)) is amended—*

6 (A) *by redesignating subparagraphs (E)*
7 *through (L) as subparagraphs (F) through (M),*
8 *respectively; and*

9 (B) *by inserting after subparagraph (D),*
10 *the following:*

11 “(E) *Section 1902(e)(14) (relating to in-*
12 *come determined using modified gross income*
13 *and household income).”.*

14 (e) *APPLICATION OF STREAMLINED ENROLLMENT SYS-*
15 *TEM.—Section 2107(e)(1) of the Social Security Act (42*
16 *U.S.C. 1397gg(e)(1)), as amended by subsection (d)(2), is*
17 *amended by adding at the end the following:*

18 “(N) *Section 1943(b) (relating to coordina-*
19 *tion with State Exchanges and the State Med-*
20 *icaid agency).”.*

21 (f) *CHIP ELIGIBILITY FOR CHILDREN INELIGIBLE*
22 *FOR MEDICAID AS A RESULT OF ELIMINATION OF DIS-*
23 *REGARDS.—Notwithstanding any other provision of law, a*
24 *State shall treat any child who is determined to be ineligible*
25 *for medical assistance under the State Medicaid plan or*

1 *under a waiver of the plan as a result of the elimination*
2 *of the application of an income disregard based on expense*
3 *or type of income, as required under section 1902(e)(14)*
4 *of the Social Security Act (as added by this Act), as a tar-*
5 *geted low-income child under section 2110(b) (unless the*
6 *child is excluded under paragraph (2) of that section) and*
7 *shall provide child health assistance to the child under the*
8 *State child health plan (whether implemented under title*
9 *XIX or XXI, or both, of the Social Security Act).*

10 **SEC. 2102. TECHNICAL CORRECTIONS.**

11 *(a) CHIPRA.—Effective as if included in the enact-*
12 *ment of the Children’s Health Insurance Program Reau-*
13 *thorization Act of 2009 (Public Law 111–3) (in this section*
14 *referred to as “CHIPRA”):*

15 *(1) Section 2104(m) of the Social Security Act,*
16 *as added by section 102 of CHIPRA, is amended—*

17 *(A) by redesignating paragraph (7) as*
18 *paragraph (8); and*

19 *(B) by inserting after paragraph (6), the*
20 *following:*

21 *“(7) ADJUSTMENT OF FISCAL YEAR 2010 ALLOT-*
22 *MENTS TO ACCOUNT FOR CHANGES IN PROJECTED*
23 *SPENDING FOR CERTAIN PREVIOUSLY APPROVED EX-*
24 *PANSION PROGRAMS.—For purposes of recalculating*
25 *the fiscal year 2010 allotment, in the case of one of*

1 *the 50 States or the District of Columbia that has an*
2 *approved State plan amendment effective January 1,*
3 *2006, to provide child health assistance through the*
4 *provision of benefits under the State plan under title*
5 *XIX for children from birth through age 5 whose fam-*
6 *ily income does not exceed 200 percent of the poverty*
7 *line, the Secretary shall increase the allotment by an*
8 *amount that would be equal to the Federal share of*
9 *expenditures that would have been claimed at the en-*
10 *hanced FMAP rate rather than the Federal medical*
11 *assistance percentage matching rate for such popu-*
12 *lation.”.*

13 *(2) Section 605 of CHIPRA is amended by strik-*
14 *ing “legal residents” and insert “lawfully residing in*
15 *the United States”.*

16 *(3) Subclauses (I) and (II) of paragraph*
17 *(3)(C)(i) of section 2105(a) of the Social Security Act*
18 *(42 U.S.C. 1397ee(a)(3)(ii)), as added by section 104*
19 *of CHIPRA, are each amended by striking “, respec-*
20 *tively”.*

21 *(4) Section 2105(a)(3)(E)(ii) of the Social Secu-*
22 *rity Act (42 U.S.C. 1397ee(a)(3)(E)(ii)), as added by*
23 *section 104 of CHIPRA, is amended by striking sub-*
24 *clause (IV).*

1 (5) *Section 2105(c)(9)(B) of the Social Security*
2 *Act (42 U.S.C. 1397e(c)(9)(B)), as added by section*
3 *211(c)(1) of CHIPRA, is amended by striking “sec-*
4 *tion 1903(a)(3)(F)” and inserting “section*
5 *1903(a)(3)(G)”.*

6 (6) *Section 2109(b)(2)(B) of the Social Security*
7 *Act (42 U.S.C. 1397ii(b)(2)(B)), as added by section*
8 *602 of CHIPRA, is amended by striking “the child*
9 *population growth factor under section*
10 *2104(m)(5)(B)” and inserting “a high-performing*
11 *State under section 2111(b)(3)(B)”.*

12 (7) *Section 2110(c)(9)(B)(v) of the Social Secu-*
13 *arity Act (42 U.S.C. 1397jj(c)(9)(B)(v)), as added by*
14 *section 505(b) of CHIPRA, is amended by striking*
15 *“school or school system” and inserting “local edu-*
16 *cational agency (as defined under section 9101 of the*
17 *Elementary and Secondary Education Act of 1965”.*

18 (8) *Section 211(a)(1)(B) of CHIPRA is amend-*
19 *ed—*

20 (A) *by striking “is amended” and all that*
21 *follows through “adding” and inserting “is*
22 *amended by adding”; and*

23 (B) *by redesignating the new subparagraph*
24 *to be added by such section to section 1903(a)(3)*

1 of the Social Security Act as a new subpara-
2 graph (H).

3 (b) *ARRA*.—Effective as if included in the enactment
4 of section 5006(a) of division B of the American Recovery
5 and Reinvestment Act of 2009 (Public Law 111–5), the sec-
6 ond sentence of section 1916A(a)(1) of the Social Security
7 Act (42 U.S.C. 1396o–1(a)(1)) is amended by striking “or
8 (i)” and inserting “, (i), or (j)”.

9 ***Subtitle C—Medicaid and CHIP***
10 ***Enrollment Simplification***

11 ***SEC. 2201. ENROLLMENT SIMPLIFICATION AND COORDINA-***
12 ***TION WITH STATE HEALTH INSURANCE EX-***
13 ***CHANGES.***

14 *Title XIX of the Social Security Act (42 U.S.C. 1397aa*
15 *et seq.) is amended by adding at the end the following:*

16 ***“SEC. 1943. ENROLLMENT SIMPLIFICATION AND COORDINA-***
17 ***TION WITH STATE HEALTH INSURANCE EX-***
18 ***CHANGES.***

19 ***“(a) CONDITION FOR PARTICIPATION IN MEDICAID.—***
20 *As a condition of the State plan under this title and receipt*
21 *of any Federal financial assistance under section 1903(a)*
22 *for calendar quarters beginning after January 1, 2014, a*
23 *State shall ensure that the requirements of subsection (b)*
24 *is met.*

1 “(b) *ENROLLMENT SIMPLIFICATION AND COORDINA-*
2 *TION WITH STATE HEALTH INSURANCE EXCHANGES AND*
3 *CHIP.*—

4 “(1) *IN GENERAL.*—*A State shall establish proce-*
5 *dures for—*

6 “(A) *enabling individuals, through an*
7 *Internet website that meets the requirements of*
8 *paragraph (4), to apply for medical assistance*
9 *under the State plan or under a waiver of the*
10 *plan, to be enrolled in the State plan or waiver,*
11 *to renew their enrollment in the plan or waiver,*
12 *and to consent to enrollment or reenrollment in*
13 *the State plan through electronic signature;*

14 “(B) *enrolling, without any further deter-*
15 *mination by the State and through such website,*
16 *individuals who are identified by an Exchange*
17 *established by the State under section 1311 of the*
18 *Patient Protection and Affordable Care Act as*
19 *being eligible for—*

20 “(i) *medical assistance under the State*
21 *plan or under a waiver of the plan; or*

22 “(ii) *child health assistance under the*
23 *State child health plan under title XXI;*

24 “(C) *ensuring that individuals who apply*
25 *for but are determined to be ineligible for med-*

1 *ical assistance under the State plan or a waiver*
2 *or ineligible for child health assistance under the*
3 *State child health plan under title XXI, are*
4 *screened for eligibility for enrollment in qualified*
5 *health plans offered through such an Exchange*
6 *and, if applicable, premium assistance for the*
7 *purchase of a qualified health plan under section*
8 *36B of the Internal Revenue Code of 1986 (and,*
9 *if applicable, advance payment of such assist-*
10 *ance under section 1412 of the Patient Protec-*
11 *tion and Affordable Care Act), and, if eligible,*
12 *enrolled in such a plan without having to submit*
13 *an additional or separate application, and that*
14 *such individuals receive information regarding*
15 *reduced cost-sharing for eligible individuals*
16 *under section 1402 of the Patient Protection and*
17 *Affordable Care Act, and any other assistance or*
18 *subsidies available for coverage obtained through*
19 *the Exchange;*

20 *“(D) ensuring that the State agency respon-*
21 *sible for administering the State plan under this*
22 *title (in this section referred to as the ‘State*
23 *Medicaid agency’), the State agency responsible*
24 *for administering the State child health plan*
25 *under title XXI (in this section referred to as the*

1 ‘State CHIP agency’) and an Exchange estab-
2 lished by the State under section 1311 of the Pa-
3 tient Protection and Affordable Care Act utilize
4 a secure electronic interface sufficient to allow
5 for a determination of an individual’s eligibility
6 for such medical assistance, child health assist-
7 ance, or premium assistance, and enrollment in
8 the State plan under this title, title XXI, or a
9 qualified health plan, as appropriate;

10 “(E) coordinating, for individuals who are
11 enrolled in the State plan or under a waiver of
12 the plan and who are also enrolled in a qualified
13 health plan offered through such an Exchange,
14 and for individuals who are enrolled in the State
15 child health plan under title XXI and who are
16 also enrolled in a qualified health plan, the pro-
17 vision of medical assistance or child health as-
18 sistance to such individuals with the coverage
19 provided under the qualified health plan in
20 which they are enrolled, including services de-
21 scribed in section 1905(a)(4)(B) (relating to
22 early and periodic screening, diagnostic, and
23 treatment services defined in section 1905(r))
24 and provided in accordance with the require-
25 ments of section 1902(a)(43); and

1 “(F) conducting outreach to and enrolling
2 vulnerable and underserved populations eligible
3 for medical assistance under this title XIX or for
4 child health assistance under title XXI, including
5 children, unaccompanied homeless youth, chil-
6 dren and youth with special health care needs,
7 pregnant women, racial and ethnic minorities,
8 rural populations, victims of abuse or trauma,
9 individuals with mental health or substance-re-
10 lated disorders, and individuals with HIV/AIDS.

11 “(2) *AGREEMENTS WITH STATE HEALTH INSUR-*
12 *ANCE EXCHANGES.*—*The State Medicaid agency and*
13 *the State CHIP agency may enter into an agreement*
14 *with an Exchange established by the State under sec-*
15 *tion 1311 of the Patient Protection and Affordable*
16 *Care Act under which the State Medicaid agency or*
17 *State CHIP agency may determine whether a State*
18 *resident is eligible for premium assistance for the*
19 *purchase of a qualified health plan under section 36B*
20 *of the Internal Revenue Code of 1986 (and, if appli-*
21 *cable, advance payment of such assistance under sec-*
22 *tion 1412 of the Patient Protection and Affordable*
23 *Care Act), so long as the agreement meets such condi-*
24 *tions and requirements as the Secretary of the Treas-*
25 *ury may prescribe to reduce administrative costs and*

1 *the likelihood of eligibility errors and disruptions in*
2 *coverage.*

3 “(3) *STREAMLINED ENROLLMENT SYSTEM.*—*The*
4 *State Medicaid agency and State CHIP agency shall*
5 *participate in and comply with the requirements for*
6 *the system established under section 1413 of the Pa-*
7 *tient Protection and Affordable Care Act (relating to*
8 *streamlined procedures for enrollment through an Ex-*
9 *change, Medicaid, and CHIP).*

10 “(4) *ENROLLMENT WEBSITE REQUIREMENTS.*—
11 *The procedures established by State under paragraph*
12 *(1) shall include establishing and having in oper-*
13 *ation, not later than January 1, 2014, an Internet*
14 *website that is linked to any website of an Exchange*
15 *established by the State under section 1311 of the Pa-*
16 *tient Protection and Affordable Care Act and to the*
17 *State CHIP agency (if different from the State Med-*
18 *icaid agency) and allows an individual who is eligi-*
19 *ble for medical assistance under the State plan or*
20 *under a waiver of the plan and who is eligible to re-*
21 *ceive premium credit assistance for the purchase of a*
22 *qualified health plan under section 36B of the Inter-*
23 *nal Revenue Code of 1986 to compare the benefits,*
24 *premiums, and cost-sharing applicable to the indi-*
25 *vidual under the State plan or waiver with the bene-*

1 *fits, premiums, and cost-sharing available to the indi-*
 2 *vidual under a qualified health plan offered through*
 3 *such an Exchange, including, in the case of a child,*
 4 *the coverage that would be provided for the child*
 5 *through the State plan or waiver with the coverage*
 6 *that would be provided to the child through enroll-*
 7 *ment in family coverage under that plan and as sup-*
 8 *plemental coverage by the State under the State plan*
 9 *or waiver.*

10 *“(5) CONTINUED NEED FOR ASSESSMENT FOR*
 11 *HOME AND COMMUNITY-BASED SERVICES.—Nothing*
 12 *in paragraph (1) shall limit or modify the require-*
 13 *ment that the State assess an individual for purposes*
 14 *of providing home and community-based services*
 15 *under the State plan or under any waiver of such*
 16 *plan for individuals described in subsection*
 17 *(a)(10)(A)(i)(VI).”.*

18 **SEC. 2202. PERMITTING HOSPITALS TO MAKE PRESUMPTIVE**
 19 **ELIGIBILITY DETERMINATIONS FOR ALL MED-**
 20 **ICAID ELIGIBLE POPULATIONS.**

21 *(a) IN GENERAL.—Section 1902(a)(47) of the Social*
 22 *Security Act (42 U.S.C. 1396a(a)(47)) is amended—*

23 *(1) by striking “at the option of the State, pro-*
 24 *vide” and inserting “provide—*

25 *“(A) at the option of the State,”;*

1 (2) by inserting “and” after the semicolon; and
2 (3) by adding at the end the following:

3 “(B) that any hospital that is a partici-
4 pating provider under the State plan may elect
5 to be a qualified entity for purposes of deter-
6 mining, on the basis of preliminary information,
7 whether any individual is eligible for medical as-
8 sistance under the State plan or under a waiver
9 of the plan for purposes of providing the indi-
10 vidual with medical assistance during a pre-
11 sumptive eligibility period, in the same manner,
12 and subject to the same requirements, as apply
13 to the State options with respect to populations
14 described in section 1920, 1920A, or 1920B (but
15 without regard to whether the State has elected
16 to provide for a presumptive eligibility period
17 under any such sections), subject to such guid-
18 ance as the Secretary shall establish;”.

19 (b) CONFORMING AMENDMENT.—Section
20 1903(u)(1)(D)(v) of such Act (42 U.S.C. 1396b(u)(1)(D)(v))
21 is amended—

22 (1) by striking “or for” and inserting “for”; and
23 (2) by inserting before the period at the end the
24 following: “, or for medical assistance provided to an
25 individual during a presumptive eligibility period re-

1 *sulting from a determination of presumptive eligi-*
2 *bility made by a hospital that elects under section*
3 *1902(a)(47)(B) to be a qualified entity for such pur-*
4 *pose”.*

5 *(c) EFFECTIVE DATE.—The amendments made by this*
6 *section take effect on January 1, 2014, and apply to services*
7 *furnished on or after that date.*

8 ***Subtitle D—Improvements to***
9 ***Medicaid Services***

10 ***SEC. 2301. COVERAGE FOR FREESTANDING BIRTH CENTER***
11 ***SERVICES.***

12 *(a) IN GENERAL.—Section 1905 of the Social Security*
13 *Act (42 U.S.C. 1396d), is amended—*

14 *(1) in subsection (a)—*

15 *(A) in paragraph (27), by striking “and”*
16 *at the end;*

17 *(B) by redesignating paragraph (28) as*
18 *paragraph (29); and*

19 *(C) by inserting after paragraph (27) the*
20 *following new paragraph:*

21 *“(28) freestanding birth center services (as de-*
22 *finied in subsection (l)(3)(A)) and other ambulatory*
23 *services that are offered by a freestanding birth center*
24 *(as defined in subsection (l)(3)(B)) and that are oth-*
25 *erwise included in the plan; and”;* and

1 (2) *in subsection (l), by adding at the end the*
2 *following new paragraph:*

3 “(3)(A) *The term ‘freestanding birth center services’*
4 *means services furnished to an individual at a freestanding*
5 *birth center (as defined in subparagraph (B)) at such cen-*
6 *ter.*

7 “(B) *The term ‘freestanding birth center’ means a*
8 *health facility—*

9 “(i) *that is not a hospital;*

10 “(ii) *where childbirth is planned to occur away*
11 *from the pregnant woman’s residence;*

12 “(iii) *that is licensed or otherwise approved by*
13 *the State to provide prenatal labor and delivery or*
14 *postpartum care and other ambulatory services that*
15 *are included in the plan; and*

16 “(iv) *that complies with such other requirements*
17 *relating to the health and safety of individuals fur-*
18 *nished services by the facility as the State shall estab-*
19 *lish.*

20 “(C) *A State shall provide separate payments to pro-*
21 *viders administering prenatal labor and delivery or*
22 *postpartum care in a freestanding birth center (as defined*
23 *in subparagraph (B)), such as nurse midwives and other*
24 *providers of services such as birth attendants recognized*
25 *under State law, as determined appropriate by the Sec-*

1 *retary. For purposes of the preceding sentence, the term*
2 *'birth attendant' means an individual who is recognized or*
3 *registered by the State involved to provide health care at*
4 *childbirth and who provides such care within the scope of*
5 *practice under which the individual is legally authorized*
6 *to perform such care under State law (or the State regu-*
7 *latory mechanism provided by State law), regardless of*
8 *whether the individual is under the supervision of, or asso-*
9 *ciated with, a physician or other health care provider. Noth-*
10 *ing in this subparagraph shall be construed as changing*
11 *State law requirements applicable to a birth attendant."*

12 (b) *CONFORMING AMENDMENT.—Section*
13 *1902(a)(10)(A) of the Social Security Act (42 U.S.C.*
14 *1396a(a)(10)(A)), is amended in the matter preceding*
15 *clause (i) by striking "and (21)" and inserting ", (21), and*
16 *(28)".*

17 (c) *EFFECTIVE DATE.—*

18 (1) *IN GENERAL.—Except as provided in para-*
19 *graph (2), the amendments made by this section shall*
20 *take effect on the date of the enactment of this Act*
21 *and shall apply to services furnished on or after such*
22 *date.*

23 (2) *EXCEPTION IF STATE LEGISLATION RE-*
24 *QUIRED.—In the case of a State plan for medical as-*
25 *sistance under title XIX of the Social Security Act*

1 *which the Secretary of Health and Human Services*
2 *determines requires State legislation (other than legis-*
3 *lation appropriating funds) in order for the plan to*
4 *meet the additional requirement imposed by the*
5 *amendments made by this section, the State plan*
6 *shall not be regarded as failing to comply with the re-*
7 *quirements of such title solely on the basis of its fail-*
8 *ure to meet this additional requirement before the*
9 *first day of the first calendar quarter beginning after*
10 *the close of the first regular session of the State legis-*
11 *lature that begins after the date of the enactment of*
12 *this Act. For purposes of the previous sentence, in the*
13 *case of a State that has a 2-year legislative session,*
14 *each year of such session shall be deemed to be a sepa-*
15 *rate regular session of the State legislature.*

16 **SEC. 2302. CONCURRENT CARE FOR CHILDREN.**

17 *(a) IN GENERAL.—Section 1905(o)(1) of the Social Se-*
18 *curity Act (42 U.S.C. 1396d(o)(1)) is amended—*

19 *(1) in subparagraph (A), by striking “subpara-*
20 *graph (B)” and inserting “subparagraphs (B) and*
21 *(C)”;* and

22 *(2) by adding at the end the following new sub-*
23 *paragraph:*

24 *“(C) A voluntary election to have payment made for*
25 *hospice care for a child (as defined by the State) shall not*

1 *constitute a waiver of any rights of the child to be provided*
 2 *with, or to have payment made under this title for, services*
 3 *that are related to the treatment of the child's condition*
 4 *for which a diagnosis of terminal illness has been made.”.*

5 (b) *APPLICATION TO CHIP.*—Section 2110(a)(23) of
 6 *the Social Security Act (42 U.S.C. 1397jj(a)(23)) is amend-*
 7 *ed by inserting “(concurrent, in the case of an individual*
 8 *who is a child, with care related to the treatment of the*
 9 *child's condition with respect to which a diagnosis of ter-*
 10 *минаl illness has been made” after “hospice care”.*

11 **SEC. 2303. STATE ELIGIBILITY OPTION FOR FAMILY PLAN-**
 12 **NING SERVICES.**

13 (a) *COVERAGE AS OPTIONAL CATEGORICALLY NEEDY*
 14 *GROUP.*—

15 (1) *IN GENERAL.*—Section 1902(a)(10)(A)(ii) of
 16 *the Social Security Act (42 U.S.C.*
 17 *1396a(a)(10)(A)(ii)), as amended by section 2001(e),*
 18 *is amended—*

19 (A) *in subclause (XIX), by striking “or” at*
 20 *the end;*

21 (B) *in subclause (XX), by adding “or” at*
 22 *the end; and*

23 (C) *by adding at the end the following new*
 24 *subclause:*

1 “(XXI) who are described in sub-
2 section (ii) (relating to individuals
3 who meet certain income standards);”.

4 (2) GROUP DESCRIBED.—Section 1902 of such
5 Act (42 U.S.C. 1396a), as amended by section
6 2001(d), is amended by adding at the end the fol-
7 lowing new subsection:

8 “(ii)(1) Individuals described in this subsection are in-
9 dividuals—

10 “(A) whose income does not exceed an in-
11 come eligibility level established by the State that
12 does not exceed the highest income eligibility
13 level established under the State plan under this
14 title (or under its State child health plan under
15 title XXI) for pregnant women; and

16 “(B) who are not pregnant.

17 “(2) At the option of a State, individuals de-
18 scribed in this subsection may include individuals
19 who, had individuals applied on or before January 1,
20 2007, would have been made eligible pursuant to the
21 standards and processes imposed by that State for
22 benefits described in clause (XV) of the matter fol-
23 lowing subparagraph (G) of section subsection (a)(10)
24 pursuant to a waiver granted under section 1115.

1 “(3) *At the option of a State, for purposes of*
2 *subsection (a)(17)(B), in determining eligibility for*
3 *services under this subsection, the State may consider*
4 *only the income of the applicant or recipient.*”

5 (3) *LIMITATION ON BENEFITS.—Section*
6 *1902(a)(10) of the Social Security Act (42 U.S.C.*
7 *1396a(a)(10)), as amended by section 2001(a)(5)(A),*
8 *is amended in the matter following subparagraph*
9 *(G)—*

10 (A) *by striking “and (XV)” and inserting*
11 *“(XV)”*; *and*

12 (B) *by inserting “, and (XVI) the medical*
13 *assistance made available to an individual de-*
14 *scribed in subsection (ii) shall be limited to fam-*
15 *ily planning services and supplies described in*
16 *section 1905(a)(4)(C) including medical diag-*
17 *nosis and treatment services that are provided*
18 *pursuant to a family planning service in a fam-*
19 *ily planning setting” before the semicolon.*

20 (4) *CONFORMING AMENDMENTS.—*

21 (A) *Section 1905(a) of the Social Security*
22 *Act (42 U.S.C. 1396d(a)), as amended by section*
23 *2001(e)(2)(A), is amended in the matter pre-*
24 *ceding paragraph (1)—*

1 *(i) in clause (xiv), by striking “or” at*
 2 *the end;*

3 *(ii) in clause (xv), by adding “or” at*
 4 *the end; and*

5 *(iii) by inserting after clause (xv) the*
 6 *following:*

7 *“(xvi) individuals described in section*
 8 *1902(ii),”.*

9 *(B) Section 1903(f)(4) of such Act (42*
 10 *U.S.C. 1396b(f)(4)), as amended by section*
 11 *2001(e)(2)(B), is amended by inserting*
 12 *“1902(a)(10)(A)(ii)(XXI),”* *after*
 13 *“1902(a)(10)(A)(ii)(XX),”.*

14 *(b) PRESUMPTIVE ELIGIBILITY.—*

15 *(1) IN GENERAL.—Title XIX of the Social Secu-*
 16 *rity Act (42 U.S.C. 1396 et seq.) is amended by in-*
 17 *serting after section 1920B the following:*

18 *“PRESUMPTIVE ELIGIBILITY FOR FAMILY PLANNING*

19 *SERVICES*

20 *“SEC. 1920C. (a) STATE OPTION.—State plan ap-*
 21 *proved under section 1902 may provide for making medical*
 22 *assistance available to an individual described in section*
 23 *1902(ii) (relating to individuals who meet certain income*
 24 *eligibility standard) during a presumptive eligibility pe-*
 25 *riod. In the case of an individual described in section*
 26 *1902(ii), such medical assistance shall be limited to family*

1 *planning services and supplies described in 1905(a)(4)(C)*
2 *and, at the State’s option, medical diagnosis and treatment*
3 *services that are provided in conjunction with a family*
4 *planning service in a family planning setting.*

5 “(b) *DEFINITIONS.—For purposes of this section:*

6 “(1) *PRESUMPTIVE ELIGIBILITY PERIOD.—The*
7 *term ‘presumptive eligibility period’ means, with re-*
8 *spect to an individual described in subsection (a), the*
9 *period that—*

10 “(A) *begins with the date on which a quali-*
11 *fied entity determines, on the basis of prelimi-*
12 *nary information, that the individual is de-*
13 *scribed in section 1902(ii); and*

14 “(B) *ends with (and includes) the earlier*
15 *of—*

16 “(i) *the day on which a determination*
17 *is made with respect to the eligibility of*
18 *such individual for services under the State*
19 *plan; or*

20 “(ii) *in the case of such an individual*
21 *who does not file an application by the last*
22 *day of the month following the month dur-*
23 *ing which the entity makes the determina-*
24 *tion referred to in subparagraph (A), such*
25 *last day.*

1 “(2) *QUALIFIED ENTITY.*—

2 “(A) *IN GENERAL.*—Subject to subpara-
3 graph (B), the term ‘qualified entity’ means any
4 entity that—

5 “(i) is eligible for payments under a
6 State plan approved under this title; and

7 “(ii) is determined by the State agency
8 to be capable of making determinations of
9 the type described in paragraph (1)(A).

10 “(B) *RULE OF CONSTRUCTION.*—Nothing in
11 this paragraph shall be construed as preventing
12 a State from limiting the classes of entities that
13 may become qualified entities in order to prevent
14 fraud and abuse.

15 “(c) *ADMINISTRATION.*—

16 “(1) *IN GENERAL.*—The State agency shall pro-
17 vide qualified entities with—

18 “(A) such forms as are necessary for an ap-
19 plication to be made by an individual described
20 in subsection (a) for medical assistance under
21 the State plan; and

22 “(B) information on how to assist such in-
23 dividuals in completing and filing such forms.

24 “(2) *NOTIFICATION REQUIREMENTS.*—A quali-
25 fied entity that determines under subsection (b)(1)(A)

1 *that an individual described in subsection (a) is pre-*
2 *sumptively eligible for medical assistance under a*
3 *State plan shall—*

4 “(A) *notify the State agency of the deter-*
5 *mination within 5 working days after the date*
6 *on which determination is made; and*

7 “(B) *inform such individual at the time the*
8 *determination is made that an application for*
9 *medical assistance is required to be made by not*
10 *later than the last day of the month following the*
11 *month during which the determination is made.*

12 “(3) *APPLICATION FOR MEDICAL ASSISTANCE.—*
13 *In the case of an individual described in subsection*
14 *(a) who is determined by a qualified entity to be pre-*
15 *sumptively eligible for medical assistance under a*
16 *State plan, the individual shall apply for medical as-*
17 *sistance by not later than the last day of the month*
18 *following the month during which the determination*
19 *is made.*

20 “(d) *PAYMENT.—Notwithstanding any other provision*
21 *of law, medical assistance that—*

22 “(1) *is furnished to an individual described in*
23 *subsection (a)—*

24 “(A) *during a presumptive eligibility pe-*
25 *riod; and*

1 “(B) by a entity that is eligible for pay-
2 ments under the State plan; and
3 “(2) is included in the care and services covered
4 by the State plan,
5 shall be treated as medical assistance provided by such plan
6 for purposes of clause (4) of the first sentence of section
7 1905(b).”.

8 (2) CONFORMING AMENDMENTS.—

9 (A) Section 1902(a)(47) of the Social Secu-
10 rity Act (42 U.S.C. 1396a(a)(47)), as amended
11 by section 2202(a), is amended—

12 (i) in subparagraph (A), by inserting
13 before the semicolon at the end the fol-
14 lowing: “and provide for making medical
15 assistance available to individuals described
16 in subsection (a) of section 1920C during a
17 presumptive eligibility period in accordance
18 with such section”; and

19 (ii) in subparagraph (B), by striking
20 “or 1920B” and inserting “1920B, or
21 1920C”.

22 (B) Section 1903(u)(1)(D)(v) of such Act
23 (42 U.S.C. 1396b(u)(1)(D)(v)), as amended by
24 section 2202(b), is amended by inserting “or for
25 medical assistance provided to an individual de-

1 *scribed in subsection (a) of section 1920C during*
2 *a presumptive eligibility period under such sec-*
3 *tion,” after “1920B during a presumptive eligi-*
4 *bility period under such section.”.*

5 *(c) CLARIFICATION OF COVERAGE OF FAMILY PLAN-*
6 *NING SERVICES AND SUPPLIES.—Section 1937(b) of the So-*
7 *cial Security Act (42 U.S.C. 1396u–7(b)), as amended by*
8 *section 2001(c), is amended by adding at the end the fol-*
9 *lowing:*

10 *“(7) COVERAGE OF FAMILY PLANNING SERVICES*
11 *AND SUPPLIES.—Notwithstanding the previous provi-*
12 *sions of this section, a State may not provide for*
13 *medical assistance through enrollment of an indi-*
14 *vidual with benchmark coverage or benchmark-equiva-*
15 *lent coverage under this section unless such coverage*
16 *includes for any individual described in section*
17 *1905(a)(4)(C), medical assistance for family planning*
18 *services and supplies in accordance with such sec-*
19 *tion.”.*

20 *(d) EFFECTIVE DATE.—The amendments made by this*
21 *section take effect on the date of the enactment of this Act*
22 *and shall apply to items and services furnished on or after*
23 *such date.*

1 **SEC. 2304. CLARIFICATION OF DEFINITION OF MEDICAL AS-**
2 **SISTANCE.**

3 *Section 1905(a) of the Social Security Act (42 U.S.C.*
4 *1396d(a)) is amended by inserting “or the care and services*
5 *themselves, or both” before “(if provided in or after”.*

6 **Subtitle E—New Options for States**
7 **to Provide Long-Term Services**
8 **and Supports**

9 **SEC. 2401. COMMUNITY FIRST CHOICE OPTION.**

10 *Section 1915 of the Social Security Act (42 U.S.C.*
11 *1396n) is amended by adding at the end the following:*

12 *“(k) STATE PLAN OPTION TO PROVIDE HOME AND*
13 *COMMUNITY-BASED ATTENDANT SERVICES AND SUP-*
14 *PORTS.—*

15 *“(1) IN GENERAL.—Subject to the succeeding*
16 *provisions of this subsection, beginning October 1,*
17 *2010, a State may provide through a State plan*
18 *amendment for the provision of medical assistance for*
19 *home and community-based attendant services and*
20 *supports for individuals who are eligible for medical*
21 *assistance under the State plan whose income does*
22 *not exceed 150 percent of the poverty line (as defined*
23 *in section 2110(c)(5)) or, if greater, the income level*
24 *applicable for an individual who has been determined*
25 *to require an institutional level of care to be eligible*
26 *for nursing facility services under the State plan and*

1 *with respect to whom there has been a determination*
2 *that, but for the provision of such services, the indi-*
3 *viduals would require the level of care provided in a*
4 *hospital, a nursing facility, an intermediate care fa-*
5 *ility for the mentally retarded, or an institution for*
6 *mental diseases, the cost of which could be reimbursed*
7 *under the State plan, but only if the individual*
8 *chooses to receive such home and community-based at-*
9 *endant services and supports, and only if the State*
10 *meets the following requirements:*

11 *“(A) AVAILABILITY.—The State shall make*
12 *available home and community-based attendant*
13 *services and supports to eligible individuals, as*
14 *needed, to assist in accomplishing activities of*
15 *daily living, instrumental activities of daily liv-*
16 *ing, and health-related tasks through hands-on*
17 *assistance, supervision, or cueing—*

18 *“(i) under a person-centered plan of*
19 *services and supports that is based on an*
20 *assessment of functional need and that is*
21 *agreed to in writing by the individual or,*
22 *as appropriate, the individual’s representa-*
23 *tive;*

24 *“(ii) in a home or community setting,*
25 *which does not include a nursing facility,*

1 *institution for mental diseases, or an inter-*
2 *mediate care facility for the mentally re-*
3 *tarded;*

4 “(iii) *under an agency-provider model*
5 *or other model (as defined in paragraph*
6 *(6)(C)); and*

7 “(iv) *the furnishing of which—*

8 “(I) *is selected, managed, and dis-*
9 *missed by the individual, or, as appro-*
10 *priate, with assistance from the indi-*
11 *vidual’s representative;*

12 “(II) *is controlled, to the max-*
13 *imum extent possible, by the indi-*
14 *vidual or where appropriate, the indi-*
15 *vidual’s representative, regardless of*
16 *who may act as the employer of record;*
17 *and*

18 “(III) *provided by an individual*
19 *who is qualified to provide such serv-*
20 *ices, including family members (as de-*
21 *finied by the Secretary).*

22 “(B) *INCLUDED SERVICES AND SUP-*
23 *PORTS.—In addition to assistance in accom-*
24 *plishing activities of daily living, instrumental*
25 *activities of daily living, and health related*

1 *tasks, the home and community-based attendant*
2 *services and supports made available include—*

3 “(i) *the acquisition, maintenance, and*
4 *enhancement of skills necessary for the indi-*
5 *vidual to accomplish activities of daily liv-*
6 *ing, instrumental activities of daily living,*
7 *and health related tasks;*

8 “(ii) *back-up systems or mechanisms*
9 *(such as the use of beepers or other elec-*
10 *tronic devices) to ensure continuity of serv-*
11 *ices and supports; and*

12 “(iii) *voluntary training on how to se-*
13 *lect, manage, and dismiss attendants.*

14 “(C) *EXCLUDED SERVICES AND SUP-*
15 *PORTS.—Subject to subparagraph (D), the home*
16 *and community-based attendant services and*
17 *supports made available do not include—*

18 “(i) *room and board costs for the indi-*
19 *vidual;*

20 “(ii) *special education and related*
21 *services provided under the Individuals*
22 *with Disabilities Education Act and voca-*
23 *tional rehabilitation services provided under*
24 *the Rehabilitation Act of 1973;*

1 “(iii) assistive technology devices and
2 assistive technology services other than those
3 under (1)(B)(ii);

4 “(iv) medical supplies and equipment;
5 or

6 “(v) home modifications.

7 “(D) *PERMISSIBLE SERVICES AND SUP-*
8 *PORTS.—The home and community-based attend-*
9 *ant services and supports may include—*

10 “(i) expenditures for transition costs
11 such as rent and utility deposits, first
12 month’s rent and utilities, bedding, basic
13 kitchen supplies, and other necessities re-
14 quired for an individual to make the transi-
15 tion from a nursing facility, institution for
16 mental diseases, or intermediate care facil-
17 ity for the mentally retarded to a commu-
18 nity-based home setting where the indi-
19 vidual resides; and

20 “(ii) expenditures relating to a need
21 identified in an individual’s person-cen-
22 tered plan of services that increase inde-
23 pendence or substitute for human assistance,
24 to the extent that expenditures would other-
25 wise be made for the human assistance.

1 “(2) *INCREASED FEDERAL FINANCIAL PARTICIPA-*
2 *TION.—For purposes of payments to a State under*
3 *section 1903(a)(1), with respect to amounts expended*
4 *by the State to provide medical assistance under the*
5 *State plan for home and community-based attendant*
6 *services and supports to eligible individuals in ac-*
7 *cordance with this subsection during a fiscal year*
8 *quarter occurring during the period described in*
9 *paragraph (1), the Federal medical assistance per-*
10 *centage applicable to the State (as determined under*
11 *section 1905(b)) shall be increased by 6 percentage*
12 *points.*

13 “(3) *STATE REQUIREMENTS.—In order for a*
14 *State plan amendment to be approved under this sub-*
15 *section, the State shall—*

16 “(A) *develop and implement such amend-*
17 *ment in collaboration with a Development and*
18 *Implementation Council established by the State*
19 *that includes a majority of members with dis-*
20 *abilities, elderly individuals, and their represent-*
21 *atives and consults and collaborates with such*
22 *individuals;*

23 “(B) *provide consumer controlled home and*
24 *community-based attendant services and sup-*
25 *ports to individuals on a statewide basis, in a*

1 *manner that provides such services and supports*
2 *in the most integrated setting appropriate to the*
3 *individual's needs, and without regard to the in-*
4 *dividual's age, type or nature of disability, se-*
5 *verity of disability, or the form of home and*
6 *community-based attendant services and sup-*
7 *ports that the individual requires in order to*
8 *lead an independent life;*

9 “(C) *with respect to expenditures during the*
10 *first full fiscal year in which the State plan*
11 *amendment is implemented, maintain or exceed*
12 *the level of State expenditures for medical assist-*
13 *ance that is provided under section 1905(a), sec-*
14 *tion 1915, section 1115, or otherwise to individ-*
15 *uals with disabilities or elderly individuals at-*
16 *tributable to the preceding fiscal year;*

17 “(D) *establish and maintain a comprehen-*
18 *sive, continuous quality assurance system with*
19 *respect to community- based attendant services*
20 *and supports that—*

21 “(i) *includes standards for agency-*
22 *based and other delivery models with respect*
23 *to training, appeals for denials and recon-*
24 *sideration procedures of an individual plan,*

1 *and other factors as determined by the Sec-*
2 *retary;*

3 “(ii) *incorporates feedback from con-*
4 *sumers and their representatives, disability*
5 *organizations, providers, families of dis-*
6 *abled or elderly individuals, members of the*
7 *community, and others and maximizes con-*
8 *sumer independence and consumer control;*

9 “(iii) *monitors the health and well-*
10 *being of each individual who receives home*
11 *and community-based attendant services*
12 *and supports, including a process for the*
13 *mandatory reporting, investigation, and*
14 *resolution of allegations of neglect, abuse, or*
15 *exploitation in connection with the provi-*
16 *sion of such services and supports; and*

17 “(iv) *provides information about the*
18 *provisions of the quality assurance required*
19 *under clauses (i) through (iii) to each indi-*
20 *vidual receiving such services; and*

21 “(E) *collect and report information, as de-*
22 *termined necessary by the Secretary, for the pur-*
23 *poses of approving the State plan amendment,*
24 *providing Federal oversight, and conducting an*
25 *evaluation under paragraph (5)(A), including*

1 *data regarding how the State provides home and*
2 *community-based attendant services and sup-*
3 *ports and other home and community-based serv-*
4 *ices, the cost of such services and supports, and*
5 *how the State provides individuals with disabil-*
6 *ities who otherwise qualify for institutional care*
7 *under the State plan or under a waiver the*
8 *choice to instead receive home and community-*
9 *based services in lieu of institutional care.*

10 “(4) COMPLIANCE WITH CERTAIN LAWS.—A
11 *State shall ensure that, regardless of whether the State*
12 *uses an agency-provider model or other models to pro-*
13 *vide home and community-based attendant services*
14 *and supports under a State plan amendment under*
15 *this subsection, such services and supports are pro-*
16 *vided in accordance with the requirements of the Fair*
17 *Labor Standards Act of 1938 and applicable Federal*
18 *and State laws regarding—*

19 “(A) *withholding and payment of Federal*
20 *and State income and payroll taxes;*

21 “(B) *the provision of unemployment and*
22 *workers compensation insurance;*

23 “(C) *maintenance of general liability insur-*
24 *ance; and*

25 “(D) *occupational health and safety.*

1 “(5) *EVALUATION, DATA COLLECTION, AND RE-*
2 *PORT TO CONGRESS.—*

3 “(A) *EVALUATION.—The Secretary shall*
4 *conduct an evaluation of the provision of home*
5 *and community-based attendant services and*
6 *supports under this subsection in order to deter-*
7 *mine the effectiveness of the provision of such*
8 *services and supports in allowing the individuals*
9 *receiving such services and supports to lead an*
10 *independent life to the maximum extent possible;*
11 *the impact on the physical and emotional health*
12 *of the individuals who receive such services; and*
13 *an comparative analysis of the costs of services*
14 *provided under the State plan amendment under*
15 *this subsection and those provided under institu-*
16 *tional care in a nursing facility, institution for*
17 *mental diseases, or an intermediate care facility*
18 *for the mentally retarded.*

19 “(B) *DATA COLLECTION.—The State shall*
20 *provide the Secretary with the following infor-*
21 *mation regarding the provision of home and*
22 *community-based attendant services and sup-*
23 *ports under this subsection for each fiscal year*
24 *for which such services and supports are pro-*
25 *vided:*

1 “(i) *The number of individuals who*
2 *are estimated to receive home and commu-*
3 *nity-based attendant services and supports*
4 *under this subsection during the fiscal year.*

5 “(ii) *The number of individuals that*
6 *received such services and supports during*
7 *the preceding fiscal year.*

8 “(iii) *The specific number of individ-*
9 *uals served by type of disability, age, gen-*
10 *der, education level, and employment status.*

11 “(iv) *Whether the specific individuals*
12 *have been previously served under any other*
13 *home and community based services pro-*
14 *gram under the State plan or under a*
15 *waiver.*

16 “(C) *REPORTS.—Not later than—*

17 “(i) *December 31, 2013, the Secretary*
18 *shall submit to Congress and make available*
19 *to the public an interim report on the find-*
20 *ings of the evaluation under subparagraph*
21 *(A); and*

22 “(ii) *December 31, 2015, the Secretary*
23 *shall submit to Congress and make available*
24 *to the public a final report on the findings*
25 *of the evaluation under subparagraph (A).*

1 “(6) *DEFINITIONS.*—*In this subsection:*

2 “(A) *ACTIVITIES OF DAILY LIVING.*—*The*
3 *term ‘activities of daily living’ includes tasks*
4 *such as eating, toileting, grooming, dressing,*
5 *bathing, and transferring.*

6 “(B) *CONSUMER CONTROLLED.*—*The term*
7 *‘consumer controlled’ means a method of select-*
8 *ing and providing services and supports that*
9 *allow the individual, or where appropriate, the*
10 *individual’s representative, maximum control of*
11 *the home and community-based attendant serv-*
12 *ices and supports, regardless of who acts as the*
13 *employer of record.*

14 “(C) *DELIVERY MODELS.*—

15 “(i) *AGENCY-PROVIDER MODEL.*—*The*
16 *term ‘agency-provider model’ means, with*
17 *respect to the provision of home and com-*
18 *munity-based attendant services and sup-*
19 *ports for an individual, subject to para-*
20 *graph (4), a method of providing consumer*
21 *controlled services and supports under*
22 *which entities contract for the provision of*
23 *such services and supports.*

24 “(ii) *OTHER MODELS.*—*The term*
25 *‘other models’ means, subject to paragraph*

1 (4), methods, other than an agency-provider
2 model, for the provision of consumer con-
3 trolled services and supports. Such models
4 may include the provision of vouchers, di-
5 rect cash payments, or use of a fiscal agent
6 to assist in obtaining services.

7 “(D) *HEALTH-RELATED TASKS*.—The term
8 ‘health-related tasks’ means specific tasks related
9 to the needs of an individual, which can be dele-
10 gated or assigned by licensed health-care profes-
11 sionals under State law to be performed by an
12 attendant.

13 “(E) *INDIVIDUAL’S REPRESENTATIVE*.—The
14 term ‘individual’s representative’ means a par-
15 ent, family member, guardian, advocate, or other
16 authorized representative of an individual

17 “(F) *INSTRUMENTAL ACTIVITIES OF DAILY*
18 *LIVING*.—The term ‘instrumental activities of
19 daily living’ includes (but is not limited to)
20 meal planning and preparation, managing fi-
21 nances, shopping for food, clothing, and other es-
22 sential items, performing essential household
23 chores, communicating by phone or other media,
24 and traveling around and participating in the
25 community.”.

1 **SEC. 2402. REMOVAL OF BARRIERS TO PROVIDING HOME**
2 **AND COMMUNITY-BASED SERVICES.**

3 (a) *OVERSIGHT AND ASSESSMENT OF THE ADMINIS-*
4 *TRATION OF HOME AND COMMUNITY-BASED SERVICES.—*

5 *The Secretary of Health and Human Services shall promul-*
6 *gate regulations to ensure that all States develop service sys-*
7 *tems that are designed to—*

8 (1) *allocate resources for services in a manner*
9 *that is responsive to the changing needs and choices*
10 *of beneficiaries receiving non-institutionally-based*
11 *long-term services and supports (including such serv-*
12 *ices and supports that are provided under programs*
13 *other the State Medicaid program), and that provides*
14 *strategies for beneficiaries receiving such services to*
15 *maximize their independence, including through the*
16 *use of client-employed providers;*

17 (2) *provide the support and coordination needed*
18 *for a beneficiary in need of such services (and their*
19 *family caregivers or representative, if applicable) to*
20 *design an individualized, self-directed, community-*
21 *supported life; and*

22 (3) *improve coordination among, and the regula-*
23 *tion of, all providers of such services under federally*
24 *and State-funded programs in order to—*

1 (A) achieve a more consistent administra-
2 tion of policies and procedures across programs
3 in relation to the provision of such services; and

4 (B) oversee and monitor all service system
5 functions to assure—

6 (i) coordination of, and effectiveness of,
7 eligibility determinations and individual
8 assessments;

9 (ii) development and service moni-
10 toring of a complaint system, a manage-
11 ment system, a system to qualify and mon-
12 itor providers, and systems for role-setting
13 and individual budget determinations; and

14 (iii) an adequate number of qualified
15 direct care workers to provide self-directed
16 personal assistance services.

17 (b) *ADDITIONAL STATE OPTIONS.*—Section 1915(i) of
18 the Social Security Act (42 U.S.C. 1396n(i)) is amended
19 by adding at the end the following new paragraphs:

20 “(6) *STATE OPTION TO PROVIDE HOME AND COM-*
21 *MUNITY-BASED SERVICES TO INDIVIDUALS ELIGIBLE*
22 *FOR SERVICES UNDER A WAIVER.*—

23 “(A) *IN GENERAL.*—A State that provides
24 home and community-based services in accord-
25 ance with this subsection to individuals who sat-

1 *isfy the needs-based criteria for the receipt of*
2 *such services established under paragraph (1)(A)*
3 *may, in addition to continuing to provide such*
4 *services to such individuals, elect to provide*
5 *home and community-based services in accord-*
6 *ance with the requirements of this paragraph to*
7 *individuals who are eligible for home and com-*
8 *munity-based services under a waiver approved*
9 *for the State under subsection (c), (d), or (e) or*
10 *under section 1115 to provide such services, but*
11 *only for those individuals whose income does not*
12 *exceed 300 percent of the supplemental security*
13 *income benefit rate established by section*
14 *1611(b)(1).*

15 *“(B) APPLICATION OF SAME REQUIREMENTS*
16 *FOR INDIVIDUALS SATISFYING NEEDS-BASED CRI-*
17 *TERIA.—Subject to subparagraph (C), a State*
18 *shall provide home and community-based serv-*
19 *ices to individuals under this paragraph in the*
20 *same manner and subject to the same require-*
21 *ments as apply under the other paragraphs of*
22 *this subsection to the provision of home and com-*
23 *munity-based services to individuals who satisfy*
24 *the needs-based criteria established under para-*
25 *graph (1)(A).*

1 “(C) *AUTHORITY TO OFFER DIFFERENT*
2 *TYPE, AMOUNT, DURATION, OR SCOPE OF HOME*
3 *AND COMMUNITY-BASED SERVICES.—A State*
4 *may offer home and community-based services to*
5 *individuals under this paragraph that differ in*
6 *type, amount, duration, or scope from the home*
7 *and community-based services offered for indi-*
8 *viduals who satisfy the needs-based criteria es-*
9 *tablished under paragraph (1)(A), so long as*
10 *such services are within the scope of services de-*
11 *scribed in paragraph (4)(B) of subsection (c) for*
12 *which the Secretary has the authority to approve*
13 *a waiver and do not include room or board.*

14 “(7) *STATE OPTION TO OFFER HOME AND COM-*
15 *MUNITY-BASED SERVICES TO SPECIFIC, TARGETED*
16 *POPULATIONS.—*

17 “(A) *IN GENERAL.—A State may elect in a*
18 *State plan amendment under this subsection to*
19 *target the provision of home and community-*
20 *based services under this subsection to specific*
21 *populations and to differ the type, amount, du-*
22 *ration, or scope of such services to such specific*
23 *populations.*

24 “(B) *5-YEAR TERM.—*

1 “(i) *IN GENERAL.*—An election by a
2 State under this paragraph shall be for a
3 period of 5 years.

4 “(ii) *PHASE-IN OF SERVICES AND ELI-*
5 *GIBILITY PERMITTED DURING INITIAL 5-*
6 *YEAR PERIOD.*—A State making an election
7 under this paragraph may, during the first
8 5-year period for which the election is
9 made, phase-in the enrollment of eligible in-
10 dividuals, or the provision of services to
11 such individuals, or both, so long as all eli-
12 gible individuals in the State for such serv-
13 ices are enrolled, and all such services are
14 provided, before the end of the initial 5-year
15 period.

16 “(C) *RENEWAL.*—An election by a State
17 under this paragraph may be renewed for addi-
18 tional 5-year terms if the Secretary determines,
19 prior to beginning of each such renewal period,
20 that the State has—

21 “(i) *adhered to the requirements of this*
22 *subsection and paragraph in providing*
23 *services under such an election; and*

1 “(i) met the State’s objectives with re-
 2 spect to quality improvement and bene-
 3 ficiary outcomes.”.

4 (c) *REMOVAL OF LIMITATION ON SCOPE OF SERV-*
 5 *ICES.—Paragraph (1) of section 1915(i) of the Social Secu-*
 6 *rity Act (42 U.S.C. 1396n(i)), as amended by subsection*
 7 *(a), is amended by striking “or such other services requested*
 8 *by the State as the Secretary may approve”.*

9 (d) *OPTIONAL ELIGIBILITY CATEGORY TO PROVIDE*
 10 *FULL MEDICAID BENEFITS TO INDIVIDUALS RECEIVING*
 11 *HOME AND COMMUNITY-BASED SERVICES UNDER A STATE*
 12 *PLAN AMENDMENT.—*

13 (1) *IN GENERAL.—Section 1902(a)(10)(A)(ii) of*
 14 *the Social Security Act (42 U.S.C.*
 15 *1396a(a)(10)(A)(ii)), as amended by section*
 16 *2304(a)(1), is amended—*

17 (A) *in subclause (XX), by striking “or” at*
 18 *the end;*

19 (B) *in subclause (XXI), by adding “or” at*
 20 *the end; and*

21 (C) *by inserting after subclause (XXI), the*
 22 *following new subclause:*

23 “(XXII) who are eligible for home
 24 and community-based services under
 25 needs-based criteria established under

1 *paragraph (1)(A) of section 1915(i), or*
2 *who are eligible for home and commu-*
3 *nity-based services under paragraph*
4 *(6) of such section, and who will re-*
5 *ceive home and community-based serv-*
6 *ices pursuant to a State plan amend-*
7 *ment under such subsection;”.*

8 (2) *CONFORMING AMENDMENTS.—*

9 (A) *Section 1903(f)(4) of the Social Secu-*
10 *rity Act (42 U.S.C. 1396b(f)(4)), as amended by*
11 *section 2304(a)(4)(B), is amended in the matter*
12 *preceding subparagraph (A), by inserting*
13 *“1902(a)(10)(A)(ii)(XXII),”* *after*
14 *“1902(a)(10)(A)(ii)(XXI),”.*

15 (B) *Section 1905(a) of the Social Security*
16 *Act (42 U.S.C. 1396d(a)), as so amended, is*
17 *amended in the matter preceding paragraph*
18 *(1)—*

19 (i) *in clause (xv), by striking “or” at*
20 *the end;*

21 (ii) *in clause (xvi), by adding “or” at*
22 *the end; and*

23 (iii) *by inserting after clause (xvi) the*
24 *following new clause:*

1 “(xvii) individuals who are eligible for home and
2 community-based services under needs-based criteria
3 established under paragraph (1)(A) of section 1915(i),
4 or who are eligible for home and community-based
5 services under paragraph (6) of such section, and who
6 will receive home and community-based services pur-
7 suant to a State plan amendment under such sub-
8 section,”.

9 (e) *ELIMINATION OF OPTION TO LIMIT NUMBER OF*
10 *ELIGIBLE INDIVIDUALS OR LENGTH OF PERIOD FOR*
11 *GRANDFATHERED INDIVIDUALS IF ELIGIBILITY CRITERIA*
12 *IS MODIFIED.*—Paragraph (1) of section 1915(i) of such
13 Act (42 U.S.C. 1396n(i)) is amended—

14 (1) by striking subparagraph (C) and inserting
15 the following:

16 “(C) *PROJECTION OF NUMBER OF INDIVID-*
17 *UALS TO BE PROVIDED HOME AND COMMUNITY-*
18 *BASED SERVICES.*—The State submits to the Sec-
19 retary, in such form and manner, and upon such
20 frequency as the Secretary shall specify, the pro-
21 jected number of individuals to be provided home
22 and community-based services.”; and

23 (2) in subclause (II) of subparagraph (D)(ii), by
24 striking “to be eligible for such services for a period
25 of at least 12 months beginning on the date the indi-

1 *vidual first received medical assistance for such serv-*
 2 *ices” and inserting “to continue to be eligible for such*
 3 *services after the effective date of the modification and*
 4 *until such time as the individual no longer meets the*
 5 *standard for receipt of such services under such pre-*
 6 *modified criteria”.*

7 (f) *ELIMINATION OF OPTION TO WAIVE*
 8 *STATEWIDENESS; ADDITION OF OPTION TO WAIVE COM-*
 9 *PARABILITY.—Paragraph (3) of section 1915(i) of such Act*
 10 *(42 U.S.C. 1396n(3)) is amended by striking “1902(a)(1)*
 11 *(relating to statewideness)” and inserting “1902(a)(10)(B)*
 12 *(relating to comparability)”.*

13 (g) *EFFECTIVE DATE.—The amendments made by sub-*
 14 *sections (b) through (f) take effect on the first day of the*
 15 *first fiscal year quarter that begins after the date of enact-*
 16 *ment of this Act.*

17 **SEC. 2403. MONEY FOLLOWS THE PERSON REBALANCING**
 18 **DEMONSTRATION.**

19 (a) *EXTENSION OF DEMONSTRATION.—*

20 (1) *IN GENERAL.—Section 6071(h) of the Deficit*
 21 *Reduction Act of 2005 (42 U.S.C. 1396a note) is*
 22 *amended—*

23 (A) *in paragraph (1)(E), by striking “fiscal*
 24 *year 2011” and inserting “each of fiscal years*
 25 *2011 through 2016”; and*

1 (B) in paragraph (2), by striking “2011”
2 and inserting “2016”.

3 (2) *EVALUATION.*—Paragraphs (2) and (3) of
4 section 6071(g) of such Act is amended are each
5 amended by striking “2011” and inserting “2016”.

6 (b) *REDUCTION OF INSTITUTIONAL RESIDENCY PE-*
7 *RIOD.*—

8 (1) *IN GENERAL.*—Section 6071(b)(2) of the Def-
9 icit Reduction Act of 2005 (42 U.S.C. 1396a note) is
10 amended—

11 (A) in subparagraph (A)(i), by striking “,
12 for a period of not less than 6 months or for such
13 longer minimum period, not to exceed 2 years, as
14 may be specified by the State” and inserting “for
15 a period of not less than 90 consecutive days”;
16 and

17 (B) by adding at the end the following:
18 “Any days that an individual resides in an institu-
19 tion on the basis of having been admitted solely for
20 purposes of receiving short-term rehabilitative services
21 for a period for which payment for such services is
22 limited under title XVIII shall not be taken into ac-
23 count for purposes of determining the 90-day period
24 required under subparagraph (A)(i).”.

1 (2) *EFFECTIVE DATE.*—*The amendments made*
2 *by this subsection take effect 30 days after the date of*
3 *enactment of this Act.*

4 **SEC. 2404. PROTECTION FOR RECIPIENTS OF HOME AND**
5 **COMMUNITY-BASED SERVICES AGAINST**
6 **SPOUSAL IMPOVERISHMENT.**

7 *During the 5-year period that begins on January 1,*
8 *2014, section 1924(h)(1)(A) of the Social Security Act (42*
9 *U.S.C. 1396r–5(h)(1)(A)) shall be applied as though “is eli-*
10 *gible for medical assistance for home and community-based*
11 *services provided under subsection (c), (d), or (i) of section*
12 *1915, under a waiver approved under section 1115, or who*
13 *is eligible for such medical assistance by reason of being*
14 *determined eligible under section 1902(a)(10)(C) or by rea-*
15 *son of section 1902(f) or otherwise on the basis of a reduc-*
16 *tion of income based on costs incurred for medical or other*
17 *remedial care, or who is eligible for medical assistance for*
18 *home and community-based attendant services and sup-*
19 *ports under section 1915(k)” were substituted in such sec-*
20 *tion for “(at the option of the State) is described in section*
21 *1902(a)(10)(A)(ii)(VI)”.*

22 **SEC. 2405. FUNDING TO EXPAND STATE AGING AND DIS-**
23 **ABILITY RESOURCE CENTERS.**

24 *Out of any funds in the Treasury not otherwise appro-*
25 *priated, there is appropriated to the Secretary of Health*

1 *and Human Services, acting through the Assistant Sec-*
2 *retary for Aging, \$10,000,000 for each of fiscal years 2010*
3 *through 2014, to carry out subsections (a)(20)(B)(iii) and*
4 *(b)(8) of section 202 of the Older Americans Act of 1965*
5 *(42 U.S.C. 3012).*

6 **SEC. 2406. SENSE OF THE SENATE REGARDING LONG-TERM**
7 **CARE.**

8 (a) *FINDINGS.—The Senate makes the following find-*
9 *ings:*

10 (1) *Nearly 2 decades have passed since Congress*
11 *seriously considered long-term care reform. The*
12 *United States Bipartisan Commission on Comprehen-*
13 *sive Health Care, also know as the “Pepper Commis-*
14 *sion”, released its “Call for Action” blueprint for*
15 *health reform in September 1990. In the 20 years*
16 *since those recommendations were made, Congress has*
17 *never acted on the report.*

18 (2) *In 1999, under the United States Supreme*
19 *Court’s decision in *Olmstead v. L.C.*, 527 U.S. 581*
20 *(1999), individuals with disabilities have the right to*
21 *choose to receive their long-term services and supports*
22 *in the community, rather than in an institutional*
23 *setting.*

24 (3) *Despite the Pepper Commission and*
25 *Olmstead decision, the long-term care provided to our*

1 *Nation's elderly and disabled has not improved. In*
2 *fact, for many, it has gotten far worse.*

3 *(4) In 2007, 69 percent of Medicaid long-term*
4 *care spending for elderly individuals and adults with*
5 *physical disabilities paid for institutional services.*
6 *Only 6 states spent 50 percent or more of their Med-*
7 *icaid long-term care dollars on home and community-*
8 *based services for elderly individuals and adults with*
9 *physical disabilities while 1/2 of the States spent less*
10 *than 25 percent. This disparity continues even*
11 *though, on average, it is estimated that Medicaid dol-*
12 *lars can support nearly 3 elderly individuals and*
13 *adults with physical disabilities in home and commu-*
14 *nity-based services for every individual in a nursing*
15 *home. Although every State has chosen to provide cer-*
16 *tain services under home and community-based waiv-*
17 *ers, these services are unevenly available within and*
18 *across States, and reach a small percentage of eligible*
19 *individuals.*

20 *(b) SENSE OF THE SENATE.—It is the sense of the Sen-*
21 *ate that—*

22 *(1) during the 111th session of Congress, Con-*
23 *gress should address long-term services and supports*
24 *in a comprehensive way that guarantees elderly and*
25 *disabled individuals the care they need; and*

1 (2) long term services and supports should be
2 made available in the community in addition to in
3 institutions.

4 ***Subtitle F—Medicaid Prescription***
5 ***Drug Coverage***

6 ***SEC. 2501. PRESCRIPTION DRUG REBATES.***

7 (a) INCREASE IN MINIMUM REBATE PERCENTAGE FOR
8 SINGLE SOURCE DRUGS AND INNOVATOR MULTIPLE
9 SOURCE DRUGS.—

10 (1) IN GENERAL.—Section 1927(c)(1)(B) of the
11 Social Security Act (42 U.S.C. 1396r-8(c)(1)(B)) is
12 amended—

13 (A) in clause (i)—

14 (i) in subclause (IV), by striking
15 “and” at the end;

16 (ii) in subclause (V)—

17 (I) by inserting “and before Janu-
18 ary 1, 2010” after “December 31,
19 1995,”; and

20 (II) by striking the period at the
21 end and inserting “; and”; and

22 (iii) by adding at the end the following
23 new subclause:

1 “(VI) except as provided in clause
2 (iii), after December 31, 2009, 23.1
3 percent.”; and

4 (B) by adding at the end the following new
5 clause:

6 “(iii) *MINIMUM REBATE PERCENTAGE*
7 *FOR CERTAIN DRUGS.*—

8 “(I) *IN GENERAL.*—*In the case of*
9 *a single source drug or an innovator*
10 *multiple source drug described in sub-*
11 *clause (II), the minimum rebate per-*
12 *centage for rebate periods specified in*
13 *clause (i)(VI) is 17.1 percent.*

14 “(II) *DRUG DESCRIBED.*—*For*
15 *purposes of subclause (I), a single*
16 *source drug or an innovator multiple*
17 *source drug described in this subclause*
18 *is any of the following drugs:*

19 “(aa) *A clotting factor for*
20 *which a separate furnishing pay-*
21 *ment is made under section*
22 *1842(o)(5) and which is included*
23 *on a list of such factors specified*
24 *and updated regularly by the Sec-*
25 *retary.*

1 “(bb) A drug approved by the
2 *Food and Drug Administration*
3 *exclusively for pediatric indica-*
4 *tions.*”.

5 (2) *RECAPTURE OF TOTAL SAVINGS DUE TO IN-*
6 *CREASE.—Section 1927(b)(1) of such Act (42 U.S.C.*
7 *1396r–8(b)(1)) is amended by adding at the end the*
8 *following new subparagraph:*

9 “(C) *SPECIAL RULE FOR INCREASED MIN-*
10 *IMUM REBATE PERCENTAGE.—*

11 “(i) *IN GENERAL.—In addition to the*
12 *amounts applied as a reduction under sub-*
13 *paragraph (B), for rebate periods beginning*
14 *on or after January 1, 2010, during a fiscal*
15 *year, the Secretary shall reduce payments to*
16 *a State under section 1903(a) in the man-*
17 *ner specified in clause (ii), in an amount*
18 *equal to the product of—*

19 “(I) *100 percent minus the Fed-*
20 *eral medical assistance percentage ap-*
21 *plicable to the rebate period for the*
22 *State; and*

23 “(II) *the amounts received by the*
24 *State under such subparagraph that*
25 *are attributable (as estimated by the*

1 *Secretary based on utilization and*
2 *other data) to the increase in the min-*
3 *imum rebate percentage effected by the*
4 *amendments made by subsections*
5 *(a)(1), (b), and (d) of section 2501 of*
6 *the Patient Protection and Affordable*
7 *Care Act, taking into account the addi-*
8 *tional drugs included under the*
9 *amendments made by subsection (c) of*
10 *section 2501 of such Act.*

11 *The Secretary shall adjust such payment re-*
12 *duction for a calendar quarter to the extent*
13 *the Secretary determines, based upon subse-*
14 *quent utilization and other data, that the*
15 *reduction for such quarter was greater or*
16 *less than the amount of payment reduction*
17 *that should have been made.*

18 *“(i) MANNER OF PAYMENT REDUC-*
19 *TION.—The amount of the payment reduc-*
20 *tion under clause (i) for a State for a quar-*
21 *ter shall be deemed an overpayment to the*
22 *State under this title to be disallowed*
23 *against the State’s regular quarterly draw*
24 *for all Medicaid spending under section*
25 *1903(d)(2). Such a disallowance is not sub-*

1 *ject to a reconsideration under section*
2 *1116(d).”.*

3 *(b) INCREASE IN REBATE FOR OTHER DRUGS.—Sec-*
4 *tion 1927(c)(3)(B) of such Act (42 U.S.C. 1396r-*
5 *8(c)(3)(B)) is amended—*

6 *(1) in clause (i), by striking “and” at the end;*

7 *(2) in clause (ii)—*

8 *(A) by inserting “and before January 1,*
9 *2010,” after “December 31, 1993,”; and*

10 *(B) by striking the period and inserting “;*
11 *and”; and*

12 *(3) by adding at the end the following new*
13 *clause:*

14 *“(iii) after December 31, 2009, is 13*
15 *percent.”.*

16 *(c) EXTENSION OF PRESCRIPTION DRUG DISCOUNTS*
17 *TO ENROLLEES OF MEDICAID MANAGED CARE ORGANIZA-*
18 *TIONS.—*

19 *(1) IN GENERAL.—Section 1903(m)(2)(A) of such*
20 *Act (42 U.S.C. 1396b(m)(2)(A)) is amended—*

21 *(A) in clause (xi), by striking “and” at the*
22 *end;*

23 *(B) in clause (xii), by striking the period at*
24 *the end and inserting “; and”; and*

25 *(C) by adding at the end the following:*

1 “(xiii) such contract provides that (I)
2 covered outpatient drugs dispensed to indi-
3 viduals eligible for medical assistance who
4 are enrolled with the entity shall be subject
5 to the same rebate required by the agree-
6 ment entered into under section 1927 as the
7 State is subject to and that the State shall
8 collect such rebates from manufacturers, (II)
9 capitation rates paid to the entity shall be
10 based on actual cost experience related to re-
11 bates and subject to the Federal regulations
12 requiring actuarially sound rates, and (III)
13 the entity shall report to the State, on such
14 timely and periodic basis as specified by the
15 Secretary in order to include in the infor-
16 mation submitted by the State to a manu-
17 facturer and the Secretary under section
18 1927(b)(2)(A), information on the total
19 number of units of each dosage form and
20 strength and package size by National Drug
21 Code of each covered outpatient drug dis-
22 pensed to individuals eligible for medical
23 assistance who are enrolled with the entity
24 and for which the entity is responsible for
25 coverage of such drug under this subsection

1 *(other than covered outpatient drugs that*
2 *under subsection (j)(1) of section 1927 are*
3 *not subject to the requirements of that sec-*
4 *tion) and such other data as the Secretary*
5 *determines necessary to carry out this sub-*
6 *section.”.*

7 (2) *CONFORMING AMENDMENTS.—Section 1927*
8 *(42 U.S.C. 1396r–8) is amended—*

9 (A) *in subsection (b)—*

10 (i) *in paragraph (1)(A), in the first*
11 *sentence, by inserting “, including such*
12 *drugs dispensed to individuals enrolled with*
13 *a medicaid managed care organization if*
14 *the organization is responsible for coverage*
15 *of such drugs” before the period; and*

16 (ii) *in paragraph (2)(A), by inserting*
17 *“including such information reported by*
18 *each medicaid managed care organization,”*
19 *after “for which payment was made under*
20 *the plan during the period,”; and*

21 (B) *in subsection (j), by striking paragraph*
22 *(1) and inserting the following:*

23 “(1) *Covered outpatient drugs are not subject to*
24 *the requirements of this section if such drugs are—*

1 “(A) dispensed by health maintenance orga-
2 nizations, including Medicaid managed care or-
3 ganizations that contract under section 1903(m);
4 and

5 “(B) subject to discounts under section
6 340B of the Public Health Service Act.”.

7 (d) *ADDITIONAL REBATE FOR NEW FORMULATIONS OF*
8 *EXISTING DRUGS.—*

9 (1) *IN GENERAL.—Section 1927(c)(2) of the So-*
10 *cial Security Act (42 U.S.C. 1396r–8(c)(2)) is*
11 *amended by adding at the end the following new sub-*
12 *paragraph:*

13 “(C) *TREATMENT OF NEW FORMULA-*
14 *TIONS.—*

15 “(i) *IN GENERAL.—Except as provided*
16 *in clause (ii), in the case of a drug that is*
17 *a new formulation, such as an extended-re-*
18 *lease formulation, of a single source drug or*
19 *an innovator multiple source drug, the re-*
20 *bate obligation with respect to the drug*
21 *under this section shall be the amount com-*
22 *puted under this section for the new formu-*
23 *lation of the drug or, if greater, the product*
24 *of—*

1 “(I) *the average manufacturer*
2 *price for each dosage form and strength*
3 *of the new formulation of the single*
4 *source drug or innovator multiple*
5 *source drug;*

6 “(II) *the highest additional rebate*
7 *(calculated as a percentage of average*
8 *manufacturer price) under this section*
9 *for any strength of the original single*
10 *source drug or innovator multiple*
11 *source drug; and*

12 “(III) *the total number of units of*
13 *each dosage form and strength of the*
14 *new formulation paid for under the*
15 *State plan in the rebate period (as re-*
16 *ported by the State).*

17 “(ii) *NO APPLICATION TO NEW FORMU-*
18 *LATIONS OF ORPHAN DRUGS.—Clause (i)*
19 *shall not apply to a new formulation of a*
20 *covered outpatient drug that is or has been*
21 *designated under section 526 of the Federal*
22 *Food, Drug, and Cosmetic Act (21 U.S.C.*
23 *360bb) for a rare disease or condition, with-*
24 *out regard to whether the period of market*
25 *exclusivity for the drug under section 527 of*

1 *such Act has expired or the specific indica-*
2 *tion for use of the drug.”.*

3 (2) *EFFECTIVE DATE.*—*The amendment made by*
4 *paragraph (1) shall apply to drugs that are paid for*
5 *by a State after December 31, 2009.*

6 (e) *MAXIMUM REBATE AMOUNT.*—*Section 1927(c)(2)*
7 *of such Act (42 U.S.C. 1396r–8(c)(2)), as amended by sub-*
8 *section (d), is amended by adding at the end the following*
9 *new subparagraph:*

10 “(D) *MAXIMUM REBATE AMOUNT.*—*In no*
11 *case shall the sum of the amounts applied under*
12 *paragraph (1)(A)(ii) and this paragraph with*
13 *respect to each dosage form and strength of a*
14 *single source drug or an innovator multiple*
15 *source drug for a rebate period beginning after*
16 *December 31, 2009, exceed 100 percent of the av-*
17 *erage manufacturer price of the drug.”.*

18 (f) *CONFORMING AMENDMENTS.*—

19 (1) *IN GENERAL.*—*Section 340B of the Public*
20 *Health Service Act (42 U.S.C. 256b) is amended—*

21 (A) *in subsection (a)(2)(B)(i), by striking*
22 *“1927(c)(4)” and inserting “1927(c)(3)”;* and

23 (B) *by striking subsection (c); and*

24 (C) *redesignating subsection (d) as sub-*
25 *section (c).*

1 (2) *EFFECTIVE DATE.*—*The amendments made*
2 *by this subsection take effect on January 1, 2010.*

3 **SEC. 2502. ELIMINATION OF EXCLUSION OF COVERAGE OF**
4 **CERTAIN DRUGS.**

5 (a) *IN GENERAL.*—*Section 1927(d) of the Social Secu-*
6 *riety Act (42 U.S.C. 1397r–8(d)) is amended—*

7 (1) *in paragraph (2)—*

8 (A) *by striking subparagraphs (E), (I), and*
9 *(J), respectively; and*

10 (B) *by redesignating subparagraphs (F),*
11 *(G), (H), and (K) as subparagraphs (E), (F),*
12 *(G), and (H), respectively; and*

13 (2) *by adding at the end the following new para-*
14 *graph:*

15 “(7) *NON-EXCLUDABLE DRUGS.*—*The following*
16 *drugs or classes of drugs, or their medical uses, shall*
17 *not be excluded from coverage:*

18 “(A) *Agents when used to promote smoking*
19 *cessation, including agents approved by the Food*
20 *and Drug Administration under the over-the-*
21 *counter monograph process for purposes of pro-*
22 *moting, and when used to promote, tobacco ces-*
23 *sation.*

24 “(B) *Barbiturates.*

25 “(C) *Benzodiazepines.*”.

1 (b) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall apply to services furnished on or after January*
3 *1, 2014.*

4 **SEC. 2503. PROVIDING ADEQUATE PHARMACY REIMBURSE-**
5 **MENT.**

6 (a) *PHARMACY REIMBURSEMENT LIMITS.*—

7 (1) *IN GENERAL.*—*Section 1927(e) of the Social*
8 *Security Act (42 U.S.C. 1396r–8(e)) is amended—*

9 (A) *in paragraph (4), by striking “(or, ef-*
10 *fective January 1, 2007, two or more)”*; and

11 (B) *by striking paragraph (5) and inserting*
12 *the following:*

13 “(5) *USE OF AMP IN UPPER PAYMENT LIMITS.*—

14 *The Secretary shall calculate the Federal upper reim-*
15 *bursement limit established under paragraph (4) as*
16 *no less than 175 percent of the weighted average (de-*
17 *termined on the basis of utilization) of the most re-*
18 *cently reported monthly average manufacturer prices*
19 *for pharmaceutically and therapeutically equivalent*
20 *multiple source drug products that are available for*
21 *purchase by retail community pharmacies on a na-*
22 *tionwide basis. The Secretary shall implement a*
23 *smoothing process for average manufacturer prices.*
24 *Such process shall be similar to the smoothing process*

1 *used in determining the average sales price of a drug*
2 *or biological under section 1847A.”.*

3 (2) *DEFINITION OF AMP.*—*Section 1927(k)(1) of*
4 *such Act (42 U.S.C. 1396r–8(k)(1)) is amended—*

5 (A) *in subparagraph (A), by striking “by”*
6 *and all that follows through the period and in-*
7 *serting “by—*

8 *“(i) wholesalers for drugs distributed to*
9 *retail community pharmacies; and*

10 *“(ii) retail community pharmacies*
11 *that purchase drugs directly from the man-*
12 *ufacturer.”; and*

13 (B) *by striking subparagraph (B) and in-*
14 *serting the following:*

15 *“(B) EXCLUSION OF CUSTOMARY PROMPT*
16 *PAY DISCOUNTS AND OTHER PAYMENTS.—*

17 *“(i) IN GENERAL.—The average manu-*
18 *facturer price for a covered outpatient drug*
19 *shall exclude—*

20 *“(I) customary prompt pay dis-*
21 *counts extended to wholesalers;*

22 *“(II) bona fide service fees paid*
23 *by manufacturers to wholesalers or re-*
24 *tail community pharmacies, including*
25 *(but not limited to) distribution service*

1 *fees, inventory management fees, prod-*
2 *uct stocking allowances, and fees asso-*
3 *ciated with administrative services*
4 *agreements and patient care programs*
5 *(such as medication compliance pro-*
6 *grams and patient education pro-*
7 *grams);*

8 *“(III) reimbursement by manu-*
9 *facturers for recalled, damaged, ex-*
10 *pired, or otherwise unsalable returned*
11 *goods, including (but not limited to)*
12 *reimbursement for the cost of the goods*
13 *and any reimbursement of costs associ-*
14 *ated with return goods handling and*
15 *processing, reverse logistics, and drug*
16 *destruction; and*

17 *“(IV) payments received from,*
18 *and rebates or discounts provided to,*
19 *pharmacy benefit managers, managed*
20 *care organizations, health maintenance*
21 *organizations, insurers, hospitals, clin-*
22 *ics, mail order pharmacies, long term*
23 *care providers, manufacturers, or any*
24 *other entity that does not conduct busi-*

1 *ness as a wholesaler or a retail com-*
2 *munity pharmacy.*

3 “(ii) *INCLUSION OF OTHER DISCOUNTS*
4 *AND PAYMENTS.—Notwithstanding clause*
5 *(i), any other discounts, rebates, payments,*
6 *or other financial transactions that are re-*
7 *ceived by, paid by, or passed through to, re-*
8 *tail community pharmacies shall be in-*
9 *cluded in the average manufacturer price*
10 *for a covered outpatient drug.”; and*

11 *(C) in subparagraph (C), by striking “the*
12 *retail pharmacy class of trade” and inserting*
13 *“retail community pharmacies”.*

14 (3) *DEFINITION OF MULTIPLE SOURCE DRUG.—*
15 *Section 1927(k)(7) of such Act (42 U.S.C. 1396r-*
16 *8(k)(7)) is amended—*

17 *(A) in subparagraph (A)(i)(III), by striking*
18 *“the State” and inserting “the United States”;*
19 *and*

20 *(B) in subparagraph (C)—*

21 *(i) in clause (i), by inserting “and”*
22 *after the semicolon;*

23 *(ii) in clause (ii), by striking “; and”*
24 *and inserting a period; and*

25 *(iii) by striking clause (iii).*

1 (4) *DEFINITIONS OF RETAIL COMMUNITY PHAR-*
2 *MACY; WHOLESALER.—Section 1927(k) of such Act*
3 *(42 U.S.C. 1396r–8(k)) is amended by adding at the*
4 *end the following new paragraphs:*

5 “(10) *RETAIL COMMUNITY PHARMACY.—The*
6 *term ‘retail community pharmacy’ means an inde-*
7 *pendent pharmacy, a chain pharmacy, a supermarket*
8 *pharmacy, or a mass merchandiser pharmacy that is*
9 *licensed as a pharmacy by the State and that dis-*
10 *pensates medications to the general public at retail*
11 *prices. Such term does not include a pharmacy that*
12 *dispenses prescription medications to patients pri-*
13 *marily through the mail, nursing home pharmacies,*
14 *long-term care facility pharmacies, hospital phar-*
15 *macies, clinics, charitable or not-for-profit phar-*
16 *macies, government pharmacies, or pharmacy benefit*
17 *managers.*

18 “(11) *WHOLESALER.—The term ‘wholesaler’*
19 *means a drug wholesaler that is engaged in wholesale*
20 *distribution of prescription drugs to retail community*
21 *pharmacies, including (but not limited to) manufac-*
22 *turers, repackers, distributors, own-label distributors,*
23 *private-label distributors, jobbers, brokers, warehouses*
24 *(including manufacturer’s and distributor’s ware-*
25 *houses, chain drug warehouses, and wholesale drug*

1 *warehouses) independent wholesale drug traders, and*
2 *retail community pharmacies that conduct wholesale*
3 *distributions.”.*

4 *(b) DISCLOSURE OF PRICE INFORMATION TO THE*
5 *PUBLIC.—Section 1927(b)(3) of such Act (42 U.S.C. 1396r–*
6 *8(b)(3)) is amended—*

7 *(1) in subparagraph (A)—*

8 *(A) in the first sentence, by inserting after*
9 *clause (iii) the following:*

10 *“(iv) not later than 30 days after the*
11 *last day of each month of a rebate period*
12 *under the agreement, on the manufacturer’s*
13 *total number of units that are used to cal-*
14 *culate the monthly average manufacturer*
15 *price for each covered outpatient drug;”;*
16 *and*

17 *(B) in the second sentence, by inserting*
18 *“(relating to the weighted average of the most re-*
19 *cently reported monthly average manufacturer*
20 *prices)” after “(D)(v)”;* and

21 *(2) in subparagraph (D)(v), by striking “average*
22 *manufacturer prices” and inserting “the weighted av-*
23 *erage of the most recently reported monthly average*
24 *manufacturer prices and the average retail survey*

1 *price determined for each multiple source drug in ac-*
 2 *cordance with subsection (f)”.*

3 *(c) CLARIFICATION OF APPLICATION OF SURVEY OF*
 4 *RETAIL PRICES.—Section 1927(f)(1) of such Act (42 U.S.C.*
 5 *1396r–8(b)(1)) is amended—*

6 *(1) in subparagraph (A)(i), by inserting “with*
 7 *respect to a retail community pharmacy,” before “the*
 8 *determination”; and*

9 *(2) in subparagraph (C)(ii), by striking “retail*
 10 *pharmacies” and inserting “retail community phar-*
 11 *macies”.*

12 *(d) EFFECTIVE DATE.—The amendments made by this*
 13 *section shall take effect on the first day of the first calendar*
 14 *year quarter that begins at least 180 days after the date*
 15 *of enactment of this Act, without regard to whether or not*
 16 *final regulations to carry out such amendments have been*
 17 *promulgated by such date.*

18 ***Subtitle G—Medicaid Dispropor-***
 19 ***tionate Share Hospital (DSH)***
 20 ***Payments***

21 ***SEC. 2551. DISPROPORTIONATE SHARE HOSPITAL PAY-***
 22 ***MENTS.***

23 *(a) IN GENERAL.—Section 1923(f) of the Social Secu-*
 24 *rity Act (42 U.S.C. 1396r–4(f)) is amended—*

1 (1) in paragraph (1), by striking “and (3)” and
2 inserting “, (3), and (7)”;

3 (2) in paragraph (3)(A), by striking “paragraph
4 (6)” and inserting “paragraphs (6) and (7)”;

5 (3) by redesignating paragraph (7) as para-
6 graph (8); and

7 (4) by inserting after paragraph (6) the fol-
8 lowing new paragraph:

9 “(7) *REDUCTION OF STATE DSH ALLOTMENTS*
10 *ONCE REDUCTION IN UNINSURED THRESHOLD*
11 *REACHED.—*

12 “(A) *IN GENERAL.—Subject to subpara-*
13 *graph (E), the DSH allotment for a State for fis-*
14 *cal years beginning with the fiscal year described*
15 *in subparagraph (C) (with respect to the State),*
16 *is equal to—*

17 “(i) *in the case of the first fiscal year*
18 *described in subparagraph (C) with respect*
19 *to a State, the DSH allotment that would*
20 *be determined under this subsection for the*
21 *State for the fiscal year without application*
22 *of this paragraph (but after the application*
23 *of subparagraph (D)), reduced by the appli-*
24 *cable percentage determined for the State*

1 for the fiscal year under subparagraph
2 (B)(i); and

3 “(ii) in the case of any subsequent fis-
4 cal year with respect to the State, the DSH
5 allotment determined under this paragraph
6 for the State for the preceding fiscal year,
7 reduced by the applicable percentage deter-
8 mined for the State for the fiscal year under
9 subparagraph (B)(ii).

10 “(B) *APPLICABLE PERCENTAGE.*—For pur-
11 poses of subparagraph (A), the applicable per-
12 centage for a State for a fiscal year is the fol-
13 lowing:

14 “(i) *UNINSURED REDUCTION THRESH-*
15 *OLD FISCAL YEAR.*—In the case of the first
16 fiscal year described in subparagraph (C)
17 with respect to the State—

18 “(I) if the State is a low DSH
19 State described in paragraph (5)(B),
20 the applicable percentage is equal to 25
21 percent; and

22 “(II) if the State is any other
23 State, the applicable percentage is 50
24 percent.

1 “(ii) *SUBSEQUENT FISCAL YEARS IN*
2 *WHICH THE PERCENTAGE OF UNINSURED*
3 *DECREASES.—In the case of any fiscal year*
4 *after the first fiscal year described in sub-*
5 *paragraph (C) with respect to a State, if*
6 *the Secretary determines on the basis of the*
7 *most recent American Community Survey*
8 *of the Bureau of the Census, that the per-*
9 *centage of uncovered individuals residing in*
10 *the State is less than the percentage of such*
11 *individuals determined for the State for the*
12 *preceding fiscal year—*

13 “(I) *if the State is a low DSH*
14 *State described in paragraph (5)(B),*
15 *the applicable percentage is equal to*
16 *the product of the percentage reduction*
17 *in uncovered individuals for the fiscal*
18 *year from the preceding fiscal year and*
19 *25 percent; and*

20 “(II) *if the State is any other*
21 *State, the applicable percentage is*
22 *equal to the product of the percentage*
23 *reduction in uncovered individuals for*
24 *the fiscal year from the preceding fiscal*
25 *year and 50 percent.*

1 “(C) *FISCAL YEAR DESCRIBED.*—For pur-
2 poses of subparagraph (A), the fiscal year de-
3 scribed in this subparagraph with respect to a
4 State is the first fiscal year that occurs after fis-
5 cal year 2012 for which the Secretary deter-
6 mines, on the basis of the most recent American
7 Community Survey of the Bureau of the Census,
8 that the percentage of uncovered individuals re-
9 siding in the State is at least 45 percent less
10 than the percentage of such individuals deter-
11 mined for the State for fiscal year 2009.

12 “(D) *EXCLUSION OF PORTIONS DIVERTED*
13 *FOR COVERAGE EXPANSIONS.*—For purposes of
14 applying the applicable percentage reduction
15 under subparagraph (A) to the DSH allotment
16 for a State for a fiscal year, the DSH allotment
17 for a State that would be determined under this
18 subsection for the State for the fiscal year with-
19 out the application of this paragraph (and prior
20 to any such reduction) shall not include any
21 portion of the allotment for which the Secretary
22 has approved the State’s diversion to the costs of
23 providing medical assistance or other health ben-
24 efits coverage under a waiver that is in effect on
25 July 2009.

1 “(E) *MINIMUM ALLOTMENT.*—*In no event*
2 *shall the DSH allotment determined for a State*
3 *in accordance with this paragraph for fiscal year*
4 *2013 or any succeeding fiscal year be less than*
5 *the amount equal to 35 percent of the DSH allot-*
6 *ment determined for the State for fiscal year*
7 *2012 under this subsection (and after the appli-*
8 *cation of this paragraph, if applicable), in-*
9 *creased by the percentage change in the consumer*
10 *price index for all urban consumers (all items,*
11 *U.S. city average) for each previous fiscal year*
12 *occurring before the fiscal year.*

13 “(F) *UNCOVERED INDIVIDUALS.*—*In this*
14 *paragraph, the term ‘uncovered individuals’*
15 *means individuals with no health insurance cov-*
16 *erage at any time during a year (as determined*
17 *by the Secretary based on the most recent data*
18 *available).’.*

19 “(b) *EFFECTIVE DATE.*—*The amendments made by sub-*
20 *section (a) take effect on October 1, 2011.*

1 ***Subtitle H—Improved Coordination***
2 ***for Dual Eligible Beneficiaries***

3 **SEC. 2601. 5-YEAR PERIOD FOR DEMONSTRATION**
4 **PROJECTS.**

5 (a) *IN GENERAL.*—Section 1915(h) of the Social Secu-
6 rity Act (42 U.S.C. 1396n(h)) is amended—

7 (1) by inserting “(1)” after “(h)”;

8 (2) by inserting “, or a waiver described in
9 paragraph (2)” after “(e)”; and

10 (3) by adding at the end the following new para-
11 graph:

12 “(2)(A) Notwithstanding subsections (c)(3) and (d)
13 (3), any waiver under subsection (b), (c), or (d), or a waiver
14 under section 1115, that provides medical assistance for
15 dual eligible individuals (including any such waivers under
16 which non dual eligible individuals may be enrolled in ad-
17 dition to dual eligible individuals) may be conducted for
18 a period of 5 years and, upon the request of the State, may
19 be extended for additional 5-year periods unless the Sec-
20 retary determines that for the previous waiver period the
21 conditions for the waiver have not been met or it would
22 no longer be cost-effective and efficient, or consistent with
23 the purposes of this title, to extend the waiver.

24 “(B) In this paragraph, the term ‘dual eligible indi-
25 vidual’ means an individual who is entitled to, or enrolled

1 *for, benefits under part A of title XVIII, or enrolled for ben-*
2 *efits under part B of title XVIII, and is eligible for medical*
3 *assistance under the State plan under this title or under*
4 *a waiver of such plan.”.*

5 (b) *CONFORMING AMENDMENTS.—*

6 (1) *Section 1915 of such Act (42 U.S.C. 1396n)*
7 *is amended—*

8 (A) *in subsection (b), by adding at the end*
9 *the following new sentence: “Subsection (h)(2)*
10 *shall apply to a waiver under this subsection.”;*

11 (B) *in subsection (c)(3), in the second sen-*
12 *tence, by inserting “(other than a waiver de-*
13 *scribed in subsection (h)(2))” after “A waiver*
14 *under this subsection”;*

15 (C) *in subsection (d)(3), in the second sen-*
16 *tence, by inserting “(other than a waiver de-*
17 *scribed in subsection (h)(2))” after “A waiver*
18 *under this subsection”.*

19 (2) *Section 1115 of such Act (42 U.S.C. 1315) is*
20 *amended—*

21 (A) *in subsection (e)(2), by inserting “(5*
22 *years, in the case of a waiver described in sec-*
23 *tion 1915(h)(2))” after “3 years”; and*

1 (B) in subsection (f)(6), by inserting “(5
2 years, in the case of a waiver described in sec-
3 tion 1915(h)(2))” after “3 years”.

4 **SEC. 2602. PROVIDING FEDERAL COVERAGE AND PAYMENT**
5 **COORDINATION FOR DUAL ELIGIBLE BENE-**
6 **FICIARIES.**

7 (a) *ESTABLISHMENT OF FEDERAL COORDINATED*
8 *HEALTH CARE OFFICE.*—

9 (1) *IN GENERAL.*—Not later than March 1, 2010,
10 the Secretary of Health and Human Services (in this
11 section referred to as the “Secretary”) shall establish
12 a Federal Coordinated Health Care Office.

13 (2) *ESTABLISHMENT AND REPORTING TO CMS*
14 *ADMINISTRATOR.*—The Federal Coordinated Health
15 *Care Office*—

16 (A) shall be established within the Centers
17 for Medicare & Medicaid Services; and

18 (B) have as the Office a Director who shall
19 be appointed by, and be in direct line of author-
20 ity to, the Administrator of the Centers for Medi-
21 care & Medicaid Services.

22 (b) *PURPOSE.*—The purpose of the Federal Coordi-
23 *nated Health Care Office* is to bring together officers and
24 *employees of the Medicare and Medicaid programs at the*
25 *Centers for Medicare & Medicaid Services in order to*—

1 (1) *more effectively integrate benefits under the*
2 *Medicare program under title XVIII of the Social Se-*
3 *curity Act and the Medicaid program under title XIX*
4 *of such Act; and*

5 (2) *improve the coordination between the Federal*
6 *Government and States for individuals eligible for*
7 *benefits under both such programs in order to ensure*
8 *that such individuals get full access to the items and*
9 *services to which they are entitled under titles XVIII*
10 *and XIX of the Social Security Act.*

11 (c) *GOALS.—The goals of the Federal Coordinated*
12 *Health Care Office are as follows:*

13 (1) *Providing dual eligible individuals full ac-*
14 *cess to the benefits to which such individuals are enti-*
15 *tled under the Medicare and Medicaid programs.*

16 (2) *Simplifying the processes for dual eligible in-*
17 *dividuals to access the items and services they are en-*
18 *titled to under the Medicare and Medicaid programs.*

19 (3) *Improving the quality of health care and*
20 *long-term services for dual eligible individuals.*

21 (4) *Increasing dual eligible individuals' under-*
22 *standing of and satisfaction with coverage under the*
23 *Medicare and Medicaid programs.*

24 (5) *Eliminating regulatory conflicts between*
25 *rules under the Medicare and Medicaid programs.*

1 (6) *Improving care continuity and ensuring safe*
2 *and effective care transitions for dual eligible individ-*
3 *uals.*

4 (7) *Eliminating cost-shifting between the Medi-*
5 *care and Medicaid program and among related health*
6 *care providers.*

7 (8) *Improving the quality of performance of pro-*
8 *viders of services and suppliers under the Medicare*
9 *and Medicaid programs.*

10 (d) *SPECIFIC RESPONSIBILITIES.—The specific re-*
11 *sponsibilities of the Federal Coordinated Health Care Office*
12 *are as follows:*

13 (1) *Providing States, specialized MA plans for*
14 *special needs individuals (as defined in section*
15 *1859(b)(6) of the Social Security Act (42 U.S.C.*
16 *1395w–28(b)(6))), physicians and other relevant enti-*
17 *ties or individuals with the education and tools nec-*
18 *essary for developing programs that align benefits*
19 *under the Medicare and Medicaid programs for dual*
20 *eligible individuals.*

21 (2) *Supporting State efforts to coordinate and*
22 *align acute care and long-term care services for dual*
23 *eligible individuals with other items and services fur-*
24 *nished under the Medicare program.*

1 (3) *Providing support for coordination of con-*
2 *tracting and oversight by States and the Centers for*
3 *Medicare & Medicaid Services with respect to the in-*
4 *tegration of the Medicare and Medicaid programs in*
5 *a manner that is supportive of the goals described in*
6 *paragraph (3).*

7 (4) *To consult and coordinate with the Medicare*
8 *Payment Advisory Commission established under sec-*
9 *tion 1805 of the Social Security Act (42 U.S.C.*
10 *1395b–6) and the Medicaid and CHIP Payment and*
11 *Access Commission established under section 1900 of*
12 *such Act (42 U.S.C. 1396) with respect to policies re-*
13 *lating to the enrollment in, and provision of, benefits*
14 *to dual eligible individuals under the Medicare pro-*
15 *gram under title XVIII of the Social Security Act*
16 *and the Medicaid program under title XIX of such*
17 *Act.*

18 (5) *To study the provision of drug coverage for*
19 *new full-benefit dual eligible individuals (as defined*
20 *in section 1935(c)(6) of the Social Security Act (42*
21 *U.S.C. 1396u–5(c)(6)), as well as to monitor and re-*
22 *port annual total expenditures, health outcomes, and*
23 *access to benefits for all dual eligible individuals.*

24 (e) *REPORT.*—*The Secretary shall, as part of the budg-*
25 *et transmitted under section 1105(a) of title 31, United*

1 *States Code, submit to Congress an annual report con-*
2 *taining recommendations for legislation that would im-*
3 *prove care coordination and benefits for dual eligible indi-*
4 *viduals.*

5 (f) *DUAL ELIGIBLE DEFINED.*—*In this section, the*
6 *term “dual eligible individual” means an individual who*
7 *is entitled to, or enrolled for, benefits under part A of title*
8 *XVIII of the Social Security Act, or enrolled for benefits*
9 *under part B of title XVIII of such Act, and is eligible for*
10 *medical assistance under a State plan under title XIX of*
11 *such Act or under a waiver of such plan.*

12 ***Subtitle I—Improving the Quality***
13 ***of Medicaid for Patients and***
14 ***Providers***

15 ***SEC. 2701. ADULT HEALTH QUALITY MEASURES.***

16 *Title XI of the Social Security Act (42 U.S.C. 1301*
17 *et seq.), as amended by section 401 of the Children’s Health*
18 *Insurance Program Reauthorization Act of 2009 (Public*
19 *Law 111–3), is amended by inserting after section 1139A*
20 *the following new section:*

21 ***“SEC. 1139B. ADULT HEALTH QUALITY MEASURES.***

22 ***“(a) DEVELOPMENT OF CORE SET OF HEALTH CARE***
23 ***QUALITY MEASURES FOR ADULTS ELIGIBLE FOR BENEFITS***
24 ***UNDER MEDICAID.***—*The Secretary shall identify and pub-*
25 *lish a recommended core set of adult health quality meas-*

1 ures for Medicaid eligible adults in the same manner as
2 the Secretary identifies and publishes a core set of child
3 health quality measures under section 1139A, including
4 with respect to identifying and publishing existing adult
5 health quality measures that are in use under public and
6 privately sponsored health care coverage arrangements, or
7 that are part of reporting systems that measure both the
8 presence and duration of health insurance coverage over
9 time, that may be applicable to Medicaid eligible adults.

10 “(b) *DEADLINES.*—

11 “(1) *RECOMMENDED MEASURES.*—Not later than
12 January 1, 2011, the Secretary shall identify and
13 publish for comment a recommended core set of adult
14 health quality measures for Medicaid eligible adults.

15 “(2) *DISSEMINATION.*—Not later than January
16 1, 2012, the Secretary shall publish an initial core set
17 of adult health quality measures that are applicable
18 to Medicaid eligible adults.

19 “(3) *STANDARDIZED REPORTING.*—Not later
20 than January 1, 2013, the Secretary, in consultation
21 with States, shall develop a standardized format for
22 reporting information based on the initial core set of
23 adult health quality measures and create procedures
24 to encourage States to use such measures to volun-

1 *tarily report information regarding the quality of*
2 *health care for Medicaid eligible adults.*

3 “(4) *REPORTS TO CONGRESS.—Not later than*
4 *January 1, 2014, and every 3 years thereafter, the*
5 *Secretary shall include in the report to Congress re-*
6 *quired under section 1139A(a)(6) information similar*
7 *to the information required under that section with*
8 *respect to the measures established under this section.*

9 “(5) *ESTABLISHMENT OF MEDICAID QUALITY*
10 *MEASUREMENT PROGRAM.—*

11 “(A) *IN GENERAL.—Not later than 12*
12 *months after the release of the recommended core*
13 *set of adult health quality measures under para-*
14 *graph (1)), the Secretary shall establish a Med-*
15 *icaid Quality Measurement Program in the same*
16 *manner as the Secretary establishes the pediatric*
17 *quality measures program under section*
18 *1139A(b). The aggregate amount awarded by the*
19 *Secretary for grants and contracts for the devel-*
20 *opment, testing, and validation of emerging and*
21 *innovative evidence-based measures under such*
22 *program shall equal the aggregate amount*
23 *awarded by the Secretary for grants under sec-*
24 *tion 1139A(b)(4)(A)*

1 “(B) *REVISING, STRENGTHENING, AND IM-*
2 *PROVING INITIAL CORE MEASURES.—Beginning*
3 *not later than 24 months after the establishment*
4 *of the Medicaid Quality Measurement Program,*
5 *and annually thereafter, the Secretary shall pub-*
6 *lish recommended changes to the initial core set*
7 *of adult health quality measures that shall reflect*
8 *the results of the testing, validation, and con-*
9 *sensus process for the development of adult health*
10 *quality measures.*

11 “(c) *CONSTRUCTION.—Nothing in this section shall be*
12 *construed as supporting the restriction of coverage, under*
13 *title XIX or XXI or otherwise, to only those services that*
14 *are evidence-based, or in anyway limiting available serv-*
15 *ices.*

16 “(d) *ANNUAL STATE REPORTS REGARDING STATE-*
17 *SPECIFIC QUALITY OF CARE MEASURES APPLIED UNDER*
18 *MEDICAID.—*

19 “(1) *ANNUAL STATE REPORTS.—Each State with*
20 *a State plan or waiver approved under title XIX*
21 *shall annually report (separately or as part of the an-*
22 *nuual report required under section 1139A(c)), to the*
23 *Secretary on the—*

24 “(A) *State-specific adult health quality*
25 *measures applied by the State under the such*

1 *plan, including measures described in subsection*
2 *(a)(5); and*

3 *“(B) State-specific information on the qual-*
4 *ity of health care furnished to Medicaid eligible*
5 *adults under such plan, including information*
6 *collected through external quality reviews of*
7 *managed care organizations under section 1932*
8 *and benchmark plans under section 1937.*

9 *“(2) PUBLICATION.—Not later than September*
10 *30, 2014, and annually thereafter, the Secretary shall*
11 *collect, analyze, and make publicly available the in-*
12 *formation reported by States under paragraph (1).*

13 *“(e) APPROPRIATION.—Out of any funds in the Treas-*
14 *ury not otherwise appropriated, there is appropriated for*
15 *each of fiscal years 2010 through 2014, \$60,000,000 for the*
16 *purpose of carrying out this section. Funds appropriated*
17 *under this subsection shall remain available until ex-*
18 *pended.”.*

19 **SEC. 2702. PAYMENT ADJUSTMENT FOR HEALTH CARE-AC-**
20 **QUIRED CONDITIONS.**

21 *(a) IN GENERAL.—The Secretary of Health and*
22 *Human Services (in this subsection referred to as the “Sec-*
23 *retary”)* shall identify current State practices that prohibit
24 *payment for health care-acquired conditions and shall in-*
25 *corporate the practices identified, or elements of such prac-*

1 *tices, which the Secretary determines appropriate for appli-*
2 *cation to the Medicaid program in regulations. Such regu-*
3 *lations shall be effective as of July 1, 2011, and shall pro-*
4 *hibit payments to States under section 1903 of the Social*
5 *Security Act for any amounts expended for providing med-*
6 *ical assistance for health care-acquired conditions specified*
7 *in the regulations. The regulations shall ensure that the pro-*
8 *hibition on payment for health care-acquired conditions*
9 *shall not result in a loss of access to care or services for*
10 *Medicaid beneficiaries.*

11 (b) *HEALTH CARE-ACQUIRED CONDITION.—In this*
12 *section, the term “health care-acquired condition” means a*
13 *medical condition for which an individual was diagnosed*
14 *that could be identified by a secondary diagnostic code de-*
15 *scribed in section 1886(d)(4)(D)(iv) of the Social Security*
16 *Act (42 U.S.C. 1395ww(d)(4)(D)(iv)).*

17 (c) *MEDICARE PROVISIONS.—In carrying out this sec-*
18 *tion, the Secretary shall apply to State plans (or waivers)*
19 *under title XIX of the Social Security Act the regulations*
20 *promulgated pursuant to section 1886(d)(4)(D) of such Act*
21 *(42 U.S.C. 1395ww(d)(4)(D)) relating to the prohibition of*
22 *payments based on the presence of a secondary diagnosis*
23 *code specified by the Secretary in such regulations, as ap-*
24 *propriate for the Medicaid program. The Secretary may ex-*
25 *clude certain conditions identified under title XVIII of the*

1 *Social Security Act for non-payment under title XIX of*
 2 *such Act when the Secretary finds the inclusion of such con-*
 3 *ditions to be inapplicable to beneficiaries under title XIX.*

4 **SEC. 2703. STATE OPTION TO PROVIDE HEALTH HOMES FOR**
 5 **ENROLLEES WITH CHRONIC CONDITIONS.**

6 (a) *STATE PLAN AMENDMENT.*—*Title XIX of the So-*
 7 *cial Security Act (42 U.S.C. 1396a et seq.), as amended*
 8 *by sections 2201 and 2305, is amended by adding at the*
 9 *end the following new section:*

10 “*SEC. 1945. STATE OPTION TO PROVIDE COORDI-*
 11 *NATED CARE THROUGH A HEALTH HOME FOR INDIVID-*
 12 *UALS WITH CHRONIC CONDITIONS.*—

13 “(a) *IN GENERAL.*—*Notwithstanding section*
 14 *1902(a)(1) (relating to statewideness), section*
 15 *1902(a)(10)(B) (relating to comparability), and any other*
 16 *provision of this title for which the Secretary determines*
 17 *it is necessary to waive in order to implement this section,*
 18 *beginning January 1, 2011, a State, at its option as a State*
 19 *plan amendment, may provide for medical assistance under*
 20 *this title to eligible individuals with chronic conditions who*
 21 *select a designated provider (as described under subsection*
 22 *(h)(5)), a team of health care professionals (as described*
 23 *under subsection (h)(6)) operating with such a provider, or*
 24 *a health team (as described under subsection (h)(7)) as the*

1 *individual's health home for purposes of providing the indi-*
2 *vidual with health home services.*

3 “(b) *HEALTH HOME QUALIFICATION STANDARDS.—*
4 *The Secretary shall establish standards for qualification as*
5 *a designated provider for the purpose of being eligible to*
6 *be a health home for purposes of this section.*

7 “(c) *PAYMENTS.—*

8 “(1) *IN GENERAL.—A State shall provide a des-*
9 *ignated provider, a team of health care professionals*
10 *operating with such a provider, or a health team with*
11 *payments for the provision of health home services to*
12 *each eligible individual with chronic conditions that*
13 *selects such provider, team of health care profes-*
14 *sionals, or health team as the individual's health*
15 *home. Payments made to a designated provider, a*
16 *team of health care professionals operating with such*
17 *a provider, or a health team for such services shall be*
18 *treated as medical assistance for purposes of section*
19 *1903(a), except that, during the first 8 fiscal year*
20 *quarters that the State plan amendment is in effect,*
21 *the Federal medical assistance percentage applicable*
22 *to such payments shall be equal to 90 percent.*

23 “(2) *METHODOLOGY.—*

24 “(A) *IN GENERAL.—The State shall specify*
25 *in the State plan amendment the methodology*

1 *the State will use for determining payment for*
2 *the provision of health home services. Such meth-*
3 *odology for determining payment—*

4 *“(i) may be tiered to reflect, with re-*
5 *spect to each eligible individual with chron-*
6 *ic conditions provided such services by a*
7 *designated provider, a team of health care*
8 *professionals operating with such a pro-*
9 *vider, or a health team, as well as the sever-*
10 *ity or number of each such individual’s*
11 *chronic conditions or the specific capabili-*
12 *ties of the provider, team of health care pro-*
13 *fessionals, or health team; and*

14 *“(ii) shall be established consistent*
15 *with section 1902(a)(30)(A).*

16 *“(B) ALTERNATE MODELS OF PAYMENT.—*
17 *The methodology for determining payment for*
18 *provision of health home services under this sec-*
19 *tion shall not be limited to a per-member per-*
20 *month basis and may provide (as proposed by*
21 *the State and subject to approval by the Sec-*
22 *retary) for alternate models of payment.*

23 *“(3) PLANNING GRANTS.—*

24 *“(A) IN GENERAL.—Beginning January 1,*
25 *2011, the Secretary may award planning grants*

1 to States for purposes of developing a State plan
2 amendment under this section. A planning grant
3 awarded to a State under this paragraph shall
4 remain available until expended.

5 “(B) STATE CONTRIBUTION.—A State
6 awarded a planning grant shall contribute an
7 amount equal to the State percentage determined
8 under section 1905(b) (without regard to section
9 5001 of Public Law 111–5) for each fiscal year
10 for which the grant is awarded.

11 “(C) LIMITATION.—The total amount of
12 payments made to States under this paragraph
13 shall not exceed \$25,000,000.

14 “(d) HOSPITAL REFERRALS.—A State shall include in
15 the State plan amendment a requirement for hospitals that
16 are participating providers under the State plan or a wai-
17 ver of such plan to establish procedures for referring any eli-
18 gible individuals with chronic conditions who seek or need
19 treatment in a hospital emergency department to des-
20 ignated providers.

21 “(e) COORDINATION.—A State shall consult and co-
22 ordinate, as appropriate, with the Substance Abuse and
23 Mental Health Services Administration in addressing issues
24 regarding the prevention and treatment of mental illness

1 *and substance abuse among eligible individuals with chron-*
2 *ic conditions.*

3 “(f) *MONITORING.—A State shall include in the State*
4 *plan amendment—*

5 “(1) *a methodology for tracking avoidable hos-*
6 *pital readmissions and calculating savings that result*
7 *from improved chronic care coordination and man-*
8 *agement under this section; and*

9 “(2) *a proposal for use of health information*
10 *technology in providing health home services under*
11 *this section and improving service delivery and co-*
12 *ordination across the care continuum (including the*
13 *use of wireless patient technology to improve coordi-*
14 *nation and management of care and patient adher-*
15 *ence to recommendations made by their provider).*

16 “(g) *REPORT ON QUALITY MEASURES.—As a condi-*
17 *tion for receiving payment for health home services provided*
18 *to an eligible individual with chronic conditions, a des-*
19 *ignated provider shall report to the State, in accordance*
20 *with such requirements as the Secretary shall specify, on*
21 *all applicable measures for determining the quality of such*
22 *services. When appropriate and feasible, a designated pro-*
23 *vider shall use health information technology in providing*
24 *the State with such information.*

25 “(h) *DEFINITIONS.—In this section:*

1 “(1) *ELIGIBLE INDIVIDUAL WITH CHRONIC CON-*
2 *DITIONS.*—

3 “(A) *IN GENERAL.*—*Subject to subpara-*
4 *graph (B), the term ‘eligible individual with*
5 *chronic conditions’ means an individual who—*

6 “(i) *is eligible for medical assistance*
7 *under the State plan or under a waiver of*
8 *such plan; and*

9 “(ii) *has at least—*

10 “(I) *2 chronic conditions;*

11 “(II) *1 chronic condition and is*
12 *at risk of having a second chronic con-*
13 *dition; or*

14 “(III) *1 serious and persistent*
15 *mental health condition.*

16 “(B) *RULE OF CONSTRUCTION.*—*Nothing in*
17 *this paragraph shall prevent the Secretary from*
18 *establishing higher levels as to the number or se-*
19 *verity of chronic or mental health conditions for*
20 *purposes of determining eligibility for receipt of*
21 *health home services under this section.*

22 “(2) *CHRONIC CONDITION.*—*The term ‘chronic*
23 *condition’ has the meaning given that term by the*
24 *Secretary and shall include, but is not limited to, the*
25 *following:*

1 “(A) *A mental health condition.*

2 “(B) *Substance use disorder.*

3 “(C) *Asthma.*

4 “(D) *Diabetes.*

5 “(E) *Heart disease.*

6 “(F) *Being overweight, as evidenced by hav-*
7 *ing a Body Mass Index (BMI) over 25.*

8 “(3) *HEALTH HOME.—The term ‘health home’*
9 *means a designated provider (including a provider*
10 *that operates in coordination with a team of health*
11 *care professionals) or a health team selected by an eli-*
12 *gible individual with chronic conditions to provide*
13 *health home services.*

14 “(4) *HEALTH HOME SERVICES.—*

15 “(A) *IN GENERAL.—The term ‘health home*
16 *services’ means comprehensive and timely high-*
17 *quality services described in subparagraph (B)*
18 *that are provided by a designated provider, a*
19 *team of health care professionals operating with*
20 *such a provider, or a health team.*

21 “(B) *SERVICES DESCRIBED.—The services*
22 *described in this subparagraph are—*

23 “(i) *comprehensive care management;*

24 “(ii) *care coordination and health pro-*
25 *motion;*

1 “(iii) *comprehensive transitional care,*
2 *including appropriate follow-up, from inpa-*
3 *tient to other settings;*

4 “(iv) *patient and family support (in-*
5 *cluding authorized representatives);*

6 “(v) *referral to community and social*
7 *support services, if relevant; and*

8 “(vi) *use of health information tech-*
9 *nology to link services, as feasible and ap-*
10 *propriate.*

11 “(5) *DESIGNATED PROVIDER.—The term ‘des-*
12 *ignated provider’ means a physician, clinical practice*
13 *or clinical group practice, rural clinic, community*
14 *health center, community mental health center, home*
15 *health agency, or any other entity or provider (in-*
16 *cluding pediatricians, gynecologists, and obstetri-*
17 *cians) that is determined by the State and approved*
18 *by the Secretary to be qualified to be a health home*
19 *for eligible individuals with chronic conditions on the*
20 *basis of documentation evidencing that the physician,*
21 *practice, or clinic—*

22 “(A) *has the systems and infrastructure in*
23 *place to provide health home services; and*

24 “(B) *satisfies the qualification standards es-*
25 *tablished by the Secretary under subsection (b).*

1 “(6) *TEAM OF HEALTH CARE PROFESSIONALS.*—
2 *The term ‘team of health care professionals’ means a*
3 *team of health professionals (as described in the State*
4 *plan amendment) that may—*

5 “(A) *include physicians and other profes-*
6 *sionals, such as a nurse care coordinator, nutri-*
7 *tionist, social worker, behavioral health profes-*
8 *sional, or any professionals deemed appropriate*
9 *by the State; and*

10 “(B) *be free standing, virtual, or based at*
11 *a hospital, community health center, community*
12 *mental health center, rural clinic, clinical prac-*
13 *tice or clinical group practice, academic health*
14 *center, or any entity deemed appropriate by the*
15 *State and approved by the Secretary.*

16 “(7) *HEALTH TEAM.*—*The term ‘health team’*
17 *has the meaning given such term for purposes of sec-*
18 *tion 3502 of the Patient Protection and Affordable*
19 *Care Act.”.*

20 (b) *EVALUATION.*—

21 (1) *INDEPENDENT EVALUATION.*—

22 (A) *IN GENERAL.*—*The Secretary shall enter*
23 *into a contract with an independent entity or*
24 *organization to conduct an evaluation and as-*
25 *essment of the States that have elected the op-*

1 *tion to provide coordinated care through a health*
2 *home for Medicaid beneficiaries with chronic*
3 *conditions under section 1945 of the Social Secu-*
4 *rity Act (as added by subsection (a)) for the pur-*
5 *pose of determining the effect of such option on*
6 *reducing hospital admissions, emergency room*
7 *visits, and admissions to skilled nursing facili-*
8 *ties.*

9 *(B) EVALUATION REPORT.—Not later than*
10 *January 1, 2017, the Secretary shall report to*
11 *Congress on the evaluation and assessment con-*
12 *ducted under subparagraph (A).*

13 *(2) SURVEY AND INTERIM REPORT.—*

14 *(A) IN GENERAL.—Not later than January*
15 *1, 2014, the Secretary of Health and Human*
16 *Services shall survey States that have elected the*
17 *option under section 1945 of the Social Security*
18 *Act (as added by subsection (a)) and report to*
19 *Congress on the nature, extent, and use of such*
20 *option, particularly as it pertains to—*

21 *(i) hospital admission rates;*

22 *(ii) chronic disease management;*

23 *(iii) coordination of care for individ-*
24 *uals with chronic conditions;*

1 (iv) assessment of program implemen-
2 tation;

3 (v) processes and lessons learned (as
4 described in subparagraph (B));

5 (vi) assessment of quality improve-
6 ments and clinical outcomes under such op-
7 tion; and

8 (vii) estimates of cost savings.

9 (B) **IMPLEMENTATION REPORTING.**—A
10 State that has elected the option under section
11 1945 of the Social Security Act (as added by
12 subsection (a)) shall report to the Secretary, as
13 necessary, on processes that have been developed
14 and lessons learned regarding provision of co-
15 ordinated care through a health home for Med-
16 icaid beneficiaries with chronic conditions under
17 such option.

18 **SEC. 2704. DEMONSTRATION PROJECT TO EVALUATE INTE-**
19 **GRATED CARE AROUND A HOSPITALIZATION.**

20 (a) **AUTHORITY TO CONDUCT PROJECT.**—

21 (1) **IN GENERAL.**—The Secretary of Health and
22 Human Services (in this section referred to as the
23 “Secretary”) shall establish a demonstration project
24 under title XIX of the Social Security Act to evaluate

1 *the use of bundled payments for the provision of inte-*
2 *grated care for a Medicaid beneficiary—*

3 *(A) with respect to an episode of care that*
4 *includes a hospitalization; and*

5 *(B) for concurrent physicians services pro-*
6 *vided during a hospitalization.*

7 *(2) DURATION.—The demonstration project shall*
8 *begin on January 1, 2012, and shall end on December*
9 *31, 2016.*

10 *(b) REQUIREMENTS.—The demonstration project shall*
11 *be conducted in accordance with the following:*

12 *(1) The demonstration project shall be conducted*
13 *in up to 8 States, determined by the Secretary based*
14 *on consideration of the potential to lower costs under*
15 *the Medicaid program while improving care for Med-*
16 *icaid beneficiaries. A State selected to participate in*
17 *the demonstration project may target the demonstra-*
18 *tion project to particular categories of beneficiaries,*
19 *beneficiaries with particular diagnoses, or particular*
20 *geographic regions of the State, but the Secretary*
21 *shall insure that, as a whole, the demonstration*
22 *project is, to the greatest extent possible, representa-*
23 *tive of the demographic and geographic composition*
24 *of Medicaid beneficiaries nationally.*

1 (2) *The demonstration project shall focus on con-*
2 *ditions where there is evidence of an opportunity for*
3 *providers of services and suppliers to improve the*
4 *quality of care furnished to Medicaid beneficiaries*
5 *while reducing total expenditures under the State*
6 *Medicaid programs selected to participate, as deter-*
7 *mined by the Secretary.*

8 (3) *A State selected to participate in the dem-*
9 *onstration project shall specify the 1 or more episodes*
10 *of care the State proposes to address in the project,*
11 *the services to be included in the bundled payments,*
12 *and the rationale for the selection of such episodes of*
13 *care and services. The Secretary may modify the epi-*
14 *sodes of care as well as the services to be included in*
15 *the bundled payments prior to or after approving the*
16 *project. The Secretary may also vary such factors*
17 *among the different States participating in the dem-*
18 *onstration project.*

19 (4) *The Secretary shall ensure that payments*
20 *made under the demonstration project are adjusted*
21 *for severity of illness and other characteristics of Med-*
22 *icaid beneficiaries within a category or having a di-*
23 *agnosis targeted as part of the demonstration project.*
24 *States shall ensure that Medicaid beneficiaries are not*
25 *liable for any additional cost sharing than if their*

1 *care had not been subject to payment under the dem-*
2 *onstration project.*

3 (5) *Hospitals participating in the demonstration*
4 *project shall have or establish robust discharge plan-*
5 *ning programs to ensure that Medicaid beneficiaries*
6 *requiring post-acute care are appropriately placed in,*
7 *or have ready access to, post-acute care settings.*

8 (6) *The Secretary and each State selected to par-*
9 *ticipate in the demonstration project shall ensure that*
10 *the demonstration project does not result in the Med-*
11 *icaid beneficiaries whose care is subject to payment*
12 *under the demonstration project being provided with*
13 *less items and services for which medical assistance is*
14 *provided under the State Medicaid program than the*
15 *items and services for which medical assistance would*
16 *have been provided to such beneficiaries under the*
17 *State Medicaid program in the absence of the dem-*
18 *onstration project.*

19 (c) *WAIVER OF PROVISIONS.—Notwithstanding section*
20 *1115(a) of the Social Security Act (42 U.S.C. 1315(a)), the*
21 *Secretary may waive such provisions of titles XIX, XVIII,*
22 *and XI of that Act as may be necessary to accomplish the*
23 *goals of the demonstration, ensure beneficiary access to*
24 *acute and post-acute care, and maintain quality of care.*

25 (d) *EVALUATION AND REPORT.—*

1 (1) *DATA.*—*Each State selected to participate in*
2 *the demonstration project under this section shall pro-*
3 *vide to the Secretary, in such form and manner as the*
4 *Secretary shall specify, relevant data necessary to*
5 *monitor outcomes, costs, and quality, and evaluate the*
6 *rationales for selection of the episodes of care and*
7 *services specified by States under subsection (b)(3).*

8 (2) *REPORT.*—*Not later than 1 year after the*
9 *conclusion of the demonstration project, the Secretary*
10 *shall submit a report to Congress on the results of the*
11 *demonstration project.*

12 **SEC. 2705. MEDICAID GLOBAL PAYMENT SYSTEM DEM-**
13 **ONSTRATION PROJECT.**

14 (a) *IN GENERAL.*—*The Secretary of Health and*
15 *Human Services (referred to in this section as the “Sec-*
16 *retary”)* shall, in coordination with the Center for Medicare
17 and Medicaid Innovation (as established under section
18 1115A of the Social Security Act, as added by section 3021
19 of this Act), establish the Medicaid Global Payment System
20 Demonstration Project under which a participating State
21 shall adjust the payments made to an eligible safety net
22 hospital system or network from a fee-for-service payment
23 structure to a global capitated payment model.

24 (b) *DURATION AND SCOPE.*—*The demonstration*
25 *project conducted under this section shall operate during*

1 *a period of fiscal years 2010 through 2012. The Secretary*
2 *shall select not more than 5 States to participate in the*
3 *demonstration project.*

4 (c) *ELIGIBLE SAFETY NET HOSPITAL SYSTEM OR*
5 *NETWORK.—For purposes of this section, the term “eligible*
6 *safety net hospital system or network” means a large, safety*
7 *net hospital system or network (as defined by the Secretary)*
8 *that operates within a State selected by the Secretary under*
9 *subsection (b).*

10 (d) *EVALUATION.—*

11 (1) *TESTING.—The Innovation Center shall test*
12 *and evaluate the demonstration project conducted*
13 *under this section to examine any changes in health*
14 *care quality outcomes and spending by the eligible*
15 *safety net hospital systems or networks.*

16 (2) *BUDGET NEUTRALITY.—During the testing*
17 *period under paragraph (1), any budget neutrality*
18 *requirements under section 1115A(b)(3) of the Social*
19 *Security Act (as so added) shall not be applicable.*

20 (3) *MODIFICATION.—During the testing period*
21 *under paragraph (1), the Secretary may, in the Sec-*
22 *retary’s discretion, modify or terminate the dem-*
23 *onstration project conducted under this section.*

24 (e) *REPORT.—Not later than 12 months after the date*
25 *of completion of the demonstration project under this sec-*

1 *tion, the Secretary shall submit to Congress a report con-*
2 *taining the results of the evaluation and testing conducted*
3 *under subsection (d), together with recommendations for*
4 *such legislation and administrative action as the Secretary*
5 *determines appropriate.*

6 (f) *AUTHORIZATION OF APPROPRIATIONS.—There are*
7 *authorized to be appropriated such sums as are necessary*
8 *to carry out this section.*

9 **SEC. 2706. PEDIATRIC ACCOUNTABLE CARE ORGANIZATION**
10 **DEMONSTRATION PROJECT.**

11 (a) *AUTHORITY TO CONDUCT DEMONSTRATION.—*

12 (1) *IN GENERAL.—The Secretary of Health and*
13 *Human Services (referred to in this section as the*
14 *“Secretary”) shall establish the Pediatric Accountable*
15 *Care Organization Demonstration Project to author-*
16 *ize a participating State to allow pediatric medical*
17 *providers that meet specified requirements to be recog-*
18 *nized as an accountable care organization for pur-*
19 *poses of receiving incentive payments (as described*
20 *under subsection (d)), in the same manner as an ac-*
21 *countable care organization is recognized and pro-*
22 *vided with incentive payments under section 1899 of*
23 *the Social Security Act (as added by section 3022).*

1 (2) *DURATION.*—*The demonstration project shall*
2 *begin on January 1, 2012, and shall end on December*
3 *31, 2016.*

4 (b) *APPLICATION.*—*A State that desires to participate*
5 *in the demonstration project under this section shall submit*
6 *to the Secretary an application at such time, in such man-*
7 *ner, and containing such information as the Secretary may*
8 *require.*

9 (c) *REQUIREMENTS.*—

10 (1) *PERFORMANCE GUIDELINES.*—*The Secretary,*
11 *in consultation with the States and pediatric pro-*
12 *viders, shall establish guidelines to ensure that the*
13 *quality of care delivered to individuals by a provider*
14 *recognized as an accountable care organization under*
15 *this section is not less than the quality of care that*
16 *would have otherwise been provided to such individ-*
17 *uals.*

18 (2) *SAVINGS REQUIREMENT.*—*A participating*
19 *State, in consultation with the Secretary, shall estab-*
20 *lish an annual minimal level of savings in expendi-*
21 *tures for items and services covered under the Med-*
22 *icaid program under title XIX of the Social Security*
23 *Act and the CHIP program under title XXI of such*
24 *Act that must be reached by an accountable care orga-*

1 *lish a demonstration project under which an eligible State*
2 *(as described in subsection (c)) shall provide payment under*
3 *the State Medicaid plan under title XIX of the Social Secu-*
4 *rity Act to an institution for mental diseases that is not*
5 *publicly owned or operated and that is subject to the re-*
6 *quirements of section 1867 of the Social Security Act (42*
7 *U.S.C. 1395dd) for the provision of medical assistance*
8 *available under such plan to individuals who—*

9 *(1) have attained age 21, but have not attained*
10 *age 65;*

11 *(2) are eligible for medical assistance under such*
12 *plan; and*

13 *(3) require such medical assistance to stabilize*
14 *an emergency medical condition.*

15 *(b) STABILIZATION REVIEW.—A State shall specify in*
16 *its application described in subsection (c)(1) establish a*
17 *mechanism for how it will ensure that institutions partici-*
18 *parting in the demonstration will determine whether or not*
19 *such individuals have been stabilized (as defined in sub-*
20 *section (h)(5)). This mechanism shall commence before the*
21 *third day of the inpatient stay. States participating in the*
22 *demonstration project may manage the provision of services*
23 *for the stabilization of medical emergency conditions*
24 *through utilization review, authorization, or management*

1 *practices, or the application of medical necessity and ap-*
2 *propriateness criteria applicable to behavioral health.*

3 (c) *ELIGIBLE STATE DEFINED.*—

4 (1) *IN GENERAL.*—*An eligible State is a State*
5 *that has made an application and has been selected*
6 *pursuant to paragraphs (2) and (3).*

7 (2) *APPLICATION.*—*A State seeking to partici-*
8 *rate in the demonstration project under this section*
9 *shall submit to the Secretary, at such time and in*
10 *such format as the Secretary requires, an application*
11 *that includes such information, provisions, and assur-*
12 *ances, as the Secretary may require.*

13 (3) *SELECTION.*—*A State shall be determined el-*
14 *igible for the demonstration by the Secretary on a*
15 *competitive basis among States with applications*
16 *meeting the requirements of paragraph (1). In select-*
17 *ing State applications for the demonstration project,*
18 *the Secretary shall seek to achieve an appropriate na-*
19 *tional balance in the geographic distribution of such*
20 *projects.*

21 (d) *LENGTH OF DEMONSTRATION PROJECT.*—*The*
22 *demonstration project established under this section shall*
23 *be conducted for a period of 3 consecutive years.*

24 (e) *LIMITATIONS ON FEDERAL FUNDING.*—

25 (1) *APPROPRIATION.*—

1 (A) *IN GENERAL.*—*Out of any funds in the*
2 *Treasury not otherwise appropriated, there is*
3 *appropriated to carry out this section,*
4 *\$75,000,000 for fiscal year 2011.*

5 (B) *BUDGET AUTHORITY.*—*Subparagraph*
6 *(A) constitutes budget authority in advance of*
7 *appropriations Act and represents the obligation*
8 *of the Federal Government to provide for the*
9 *payment of the amounts appropriated under that*
10 *subparagraph.*

11 (2) *5-YEAR AVAILABILITY.*—*Funds appropriated*
12 *under paragraph (1) shall remain available for obli-*
13 *gation through December 31, 2015.*

14 (3) *LIMITATION ON PAYMENTS.*—*In no case*
15 *may—*

16 (A) *the aggregate amount of payments made*
17 *by the Secretary to eligible States under this sec-*
18 *tion exceed \$75,000,000; or*

19 (B) *payments be provided by the Secretary*
20 *under this section after December 31, 2015.*

21 (4) *FUNDS ALLOCATED TO STATES.*—*Funds shall*
22 *be allocated to eligible States on the basis of criteria,*
23 *including a State's application and the availability*
24 *of funds, as determined by the Secretary.*

1 (5) *PAYMENTS TO STATES.*—*The Secretary shall*
2 *pay to each eligible State, from its allocation under*
3 *paragraph (4), an amount each quarter equal to the*
4 *Federal medical assistance percentage of expenditures*
5 *in the quarter for medical assistance described in sub-*
6 *section (a). As a condition of receiving payment, a*
7 *State shall collect and report information, as deter-*
8 *mined necessary by the Secretary, for the purposes of*
9 *providing Federal oversight and conducting an eval-*
10 *uation under subsection (f)(1).*

11 *(f) EVALUATION AND REPORT TO CONGRESS.*—

12 (1) *EVALUATION.*—*The Secretary shall conduct*
13 *an evaluation of the demonstration project in order to*
14 *determine the impact on the functioning of the health*
15 *and mental health service system and on individuals*
16 *enrolled in the Medicaid program and shall include*
17 *the following:*

18 (A) *An assessment of access to inpatient*
19 *mental health services under the Medicaid pro-*
20 *gram; average lengths of inpatient stays; and*
21 *emergency room visits.*

22 (B) *An assessment of discharge planning by*
23 *participating hospitals.*

24 (C) *An assessment of the impact of the dem-*
25 *onstration project on the costs of the full range*

1 *of mental health services (including inpatient,*
2 *emergency and ambulatory care).*

3 *(D) An analysis of the percentage of con-*
4 *sumers with Medicaid coverage who are admitted*
5 *to inpatient facilities as a result of the dem-*
6 *onstration project as compared to those admitted*
7 *to these same facilities through other means.*

8 *(E) A recommendation regarding whether*
9 *the demonstration project should be continued*
10 *after December 31, 2013, and expanded on a na-*
11 *tional basis.*

12 *(2) REPORT.—Not later than December 31, 2013,*
13 *the Secretary shall submit to Congress and make*
14 *available to the public a report on the findings of the*
15 *evaluation under paragraph (1).*

16 *(g) WAIVER AUTHORITY.—*

17 *(1) IN GENERAL.—The Secretary shall waive the*
18 *limitation of subdivision (B) following paragraph*
19 *(28) of section 1905(a) of the Social Security Act (42*
20 *U.S.C. 1396d(a)) (relating to limitations on pay-*
21 *ments for care or services for individuals under 65*
22 *years of age who are patients in an institution for*
23 *mental diseases) for purposes of carrying out the dem-*
24 *onstration project under this section.*

1 (2) *LIMITED OTHER WAIVER AUTHORITY.*—*The*
2 *Secretary may waive other requirements of titles XI*
3 *and XIX of the Social Security Act (including the re-*
4 *quirements of sections 1902(a)(1) (relating to*
5 *statewideness) and 1902(1)(10)(B) (relating to com-*
6 *parability)) only to extent necessary to carry out the*
7 *demonstration project under this section.*

8 (h) *DEFINITIONS.*—*In this section:*

9 (1) *EMERGENCY MEDICAL CONDITION.*—*The term*
10 *“emergency medical condition” means, with respect to*
11 *an individual, an individual who expresses suicidal*
12 *or homicidal thoughts or gestures, if determined dan-*
13 *gerous to self or others.*

14 (2) *FEDERAL MEDICAL ASSISTANCE PERCENT-*
15 *AGE.*—*The term “Federal medical assistance percent-*
16 *age” has the meaning given that term with respect to*
17 *a State under section 1905(b) of the Social Security*
18 *Act (42 U.S.C. 1396d(b)).*

19 (3) *INSTITUTION FOR MENTAL DISEASES.*—*The*
20 *term “institution for mental diseases” has the mean-*
21 *ing given to that term in section 1905(i) of the Social*
22 *Security Act (42 U.S.C. 1396d(i)).*

23 (4) *MEDICAL ASSISTANCE.*—*The term “medical*
24 *assistance” has the meaning given that term in sec-*

1 tion 1905(a) of the Social Security Act (42 U.S.C.
2 1396d(a)).

3 (5) *STABILIZED*.—The term “stabilized” means,
4 with respect to an individual, that the emergency
5 medical condition no longer exists with respect to the
6 individual and the individual is no longer dangerous
7 to self or others.

8 (6) *STATE*.—The term “State” has the meaning
9 given that term for purposes of title XIX of the Social
10 Security Act (42 U.S.C. 1396 et seq.).

11 **Subtitle J—Improvements to the**
12 **Medicaid and CHIP Payment**
13 **and Access Commission**
14 **(MACPAC)**

15 **SEC. 2801. MACPAC ASSESSMENT OF POLICIES AFFECTING**
16 **ALL MEDICAID BENEFICIARIES.**

17 (a) *IN GENERAL*.—Section 1900 of the Social Security
18 Act (42 U.S.C. 1396) is amended—

19 (1) in subsection (b)—

20 (A) in paragraph (1)—

21 (i) in the paragraph heading, by in-
22 serting “FOR ALL STATES” before “AND AN-
23 NUAL”; and

24 (ii) in subparagraph (A), by striking
25 “children’s”;

1 (iii) in subparagraph (B), by inserting
2 “, the Secretary, and States” after “Con-
3 gress”;

4 (iv) in subparagraph (C), by striking
5 “March 1” and inserting “March 15”; and

6 (v) in subparagraph (D), by striking
7 “June 1” and inserting “June 15”;

8 (B) in paragraph (2)—

9 (i) in subparagraph (A)—

10 (I) in clause (i)—

11 (aa) by inserting “the effi-
12 cient provision of” after “expendi-
13 tures for”; and

14 (bb) by striking “hospital,
15 skilled nursing facility, physician,
16 Federally-qualified health center,
17 rural health center, and other
18 fees” and inserting “payments to
19 medical, dental, and health profes-
20 sionals, hospitals, residential and
21 long-term care providers, pro-
22 viders of home and community
23 based services, Federally-qualified
24 health centers and rural health
25 clinics, managed care entities,

1 and providers of other covered
2 items and services”; and

3 (II) in clause (iii), by inserting
4 “(including how such factors and
5 methodologies enable such beneficiaries
6 to obtain the services for which they
7 are eligible, affect provider supply, and
8 affect providers that serve a dispropor-
9 tionate share of low-income and other
10 vulnerable populations)” after “bene-
11 ficiaries”;

12 (ii) by redesignating subparagraphs
13 (B) and (C) as subparagraphs (F) and (H),
14 respectively;

15 (iii) by inserting after subparagraph
16 (A), the following:

17 “(B) *ELIGIBILITY POLICIES.—Medicaid and*
18 *CHIP eligibility policies, including a determina-*
19 *tion of the degree to which Federal and State*
20 *policies provide health care coverage to needy*
21 *populations.*

22 “(C) *ENROLLMENT AND RETENTION PROC-*
23 *ESSES.—Medicaid and CHIP enrollment and re-*
24 *tion processes, including a determination of*
25 *the degree to which Federal and State policies*

1 *encourage the enrollment of individuals who are*
2 *eligible for such programs and screen out indi-*
3 *viduals who are ineligible, while minimizing the*
4 *share of program expenses devoted to such proc-*
5 *esses.*

6 “(D) *COVERAGE POLICIES.—Medicaid and*
7 *CHIP benefit and coverage policies, including a*
8 *determination of the degree to which Federal and*
9 *State policies provide access to the services en-*
10 *rollees require to improve and maintain their*
11 *health and functional status.*

12 “(E) *QUALITY OF CARE.—Medicaid and*
13 *CHIP policies as they relate to the quality of*
14 *care provided under those programs, including a*
15 *determination of the degree to which Federal and*
16 *State policies achieve their stated goals and*
17 *interact with similar goals established by other*
18 *purchasers of health care services.”;*

19 *(iv) by inserting after subparagraph*
20 *(F) (as redesignated by clause (ii) of this*
21 *subparagraph), the following:*

22 “(G) *INTERACTIONS WITH MEDICARE AND*
23 *MEDICAID.—Consistent with paragraph (11), the*
24 *interaction of policies under Medicaid and the*
25 *Medicare program under title XVIII, including*

1 *with respect to how such interactions affect ac-*
2 *cess to services, payments, and dual eligible indi-*
3 *viduals.” and*

4 *(v) in subparagraph (H) (as so redes-*
5 *ignated), by inserting “and preventive,*
6 *acute, and long-term services and supports”*
7 *after “barriers”;*

8 *(C) by redesignating paragraphs (3)*
9 *through (9) as paragraphs (4) through (10), re-*
10 *spectively;*

11 *(D) by inserting after paragraph (2), the*
12 *following new paragraph:*

13 “*(3) RECOMMENDATIONS AND REPORTS OF*
14 *STATE-SPECIFIC DATA.—MACPAC shall—*

15 “*(A) review national and State-specific*
16 *Medicaid and CHIP data; and*

17 “*(B) submit reports and recommendations*
18 *to Congress, the Secretary, and States based on*
19 *such reviews.”;*

20 *(E) in paragraph (4), as redesignated by*
21 *subparagraph (C), by striking “or any other*
22 *problems” and all that follows through the period*
23 *and inserting “, as well as other factors that ad-*
24 *versely affect, or have the potential to adversely*
25 *affect, access to care by, or the health care status*

1 of, Medicaid and CHIP beneficiaries. MACPAC
2 shall include in the annual report required
3 under paragraph (1)(D) a description of all such
4 areas or problems identified with respect to the
5 period addressed in the report.”;

6 (F) in paragraph (5), as so redesignated,—

7 (i) in the paragraph heading, by in-
8 serting “AND REGULATIONS” after “RE-
9 PORTS”; and

10 (ii) by striking “If” and inserting the
11 following:

12 “(A) CERTAIN SECRETARIAL REPORTS.—
13 If”;

14 (iii) in the second sentence, by insert-
15 ing “and the Secretary” after “appropriate
16 committees of Congress”; and

17 (iv) by adding at the end the following:

18 “(B) REGULATIONS.—MACPAC shall re-
19 view Medicaid and CHIP regulations and may
20 comment through submission of a report to the
21 appropriate committees of Congress and the Sec-
22 retary, on any such regulations that affect access,
23 quality, or efficiency of health care.”;

24 (G) in paragraph (10), as so redesignated,
25 by inserting “, and shall submit with any rec-

1 *ommendations, a report on the Federal and*
2 *State-specific budget consequences of the rec-*
3 *ommendations” before the period; and*

4 *(H) by adding at the end the following:*

5 *“(11) CONSULTATION AND COORDINATION WITH*
6 *MEDPAC.—*

7 *“(A) IN GENERAL.—MACPAC shall consult*
8 *with the Medicare Payment Advisory Commis-*
9 *sion (in this paragraph referred to as ‘MedPAC’)*
10 *established under section 1805 in carrying out*
11 *its duties under this section, as appropriate and*
12 *particularly with respect to the issues specified*
13 *in paragraph (2) as they relate to those Med-*
14 *icaid beneficiaries who are dually eligible for*
15 *Medicaid and the Medicare program under title*
16 *XVIII, adult Medicaid beneficiaries (who are not*
17 *dually eligible for Medicare), and beneficiaries*
18 *under Medicare. Responsibility for analysis of*
19 *and recommendations to change Medicare policy*
20 *regarding Medicare beneficiaries, including*
21 *Medicare beneficiaries who are dually eligible for*
22 *Medicare and Medicaid, shall rest with MedPAC.*

23 *“(B) INFORMATION SHARING.—MACPAC*
24 *and MedPAC shall have access to deliberations*

1 *and records of the other such entity, respectively,*
2 *upon the request of the other such entity.*

3 “(12) *CONSULTATION WITH STATES.*—MACPAC
4 *shall regularly consult with States in carrying out its*
5 *duties under this section, including with respect to*
6 *developing processes for carrying out such duties, and*
7 *shall ensure that input from States is taken into ac-*
8 *count and represented in MACPAC’s recommenda-*
9 *tions and reports.*

10 “(13) *COORDINATE AND CONSULT WITH THE*
11 *FEDERAL COORDINATED HEALTH CARE OFFICE.*—
12 *MACPAC shall coordinate and consult with the Fed-*
13 *eral Coordinated Health Care Office established under*
14 *section 2081 of the Patient Protection and Affordable*
15 *Care Act before making any recommendations regard-*
16 *ing dual eligible individuals.*

17 “(14) *PROGRAMMATIC OVERSIGHT VESTED IN*
18 *THE SECRETARY.*—MACPAC’s authority to make rec-
19 *ommendations in accordance with this section shall*
20 *not affect, or be considered to duplicate, the Sec-*
21 *retary’s authority to carry out Federal responsibil-*
22 *ities with respect to Medicaid and CHIP.”;*

23 (2) *in subsection (c)(2)—*

24 (A) *by striking subparagraphs (A) and (B)*
25 *and inserting the following:*

1 “(A) *IN GENERAL.*—*The membership of*
2 *MACPAC shall include individuals who have*
3 *had direct experience as enrollees or parents or*
4 *caregivers of enrollees in Medicaid or CHIP and*
5 *individuals with national recognition for their*
6 *expertise in Federal safety net health programs,*
7 *health finance and economics, actuarial science,*
8 *health plans and integrated delivery systems, re-*
9 *imbursement for health care, health information*
10 *technology, and other providers of health services,*
11 *public health, and other related fields, who pro-*
12 *vide a mix of different professions, broad geo-*
13 *graphic representation, and a balance between*
14 *urban and rural representation.*

15 “(B) *INCLUSION.*—*The membership of*
16 *MACPAC shall include (but not be limited to)*
17 *physicians, dentists, and other health profes-*
18 *sionals, employers, third-party payers, and indi-*
19 *viduals with expertise in the delivery of health*
20 *services. Such membership shall also include rep-*
21 *resentatives of children, pregnant women, the el-*
22 *derly, individuals with disabilities, caregivers,*
23 *and dual eligible individuals, current or former*
24 *representatives of State agencies responsible for*
25 *administering Medicaid, and current or former*

1 *representatives of State agencies responsible for*
2 *administering CHIP.”.*

3 *(3) in subsection (d)(2), by inserting “and*
4 *State” after “Federal”;*

5 *(4) in subsection (e)(1), in the first sentence, by*
6 *inserting “and, as a condition for receiving payments*
7 *under sections 1903(a) and 2105(a), from any State*
8 *agency responsible for administering Medicaid or*
9 *CHIP,” after “United States”; and*

10 *(5) in subsection (f)—*

11 *(A) in the subsection heading, by striking*
12 *“AUTHORIZATION OF APPROPRIATIONS” and in-*
13 *serting “FUNDING”;*

14 *(B) in paragraph (1), by inserting “(other*
15 *than for fiscal year 2010)” before “in the same*
16 *manner”; and*

17 *(C) by adding at the end the following:*

18 *“(3) FUNDING FOR FISCAL YEAR 2010.—*

19 *“(A) IN GENERAL.—Out of any funds in the*
20 *Treasury not otherwise appropriated, there is*
21 *appropriated to MACPAC to carry out the pro-*
22 *visions of this section for fiscal year 2010,*
23 *\$9,000,000.*

24 *“(B) TRANSFER OF FUNDS.—Notwith-*
25 *standing section 2104(a)(13), from the amounts*

1 *appropriated in such section for fiscal year*
2 *2010, \$2,000,000 is hereby transferred and made*
3 *available in such fiscal year to MACPAC to*
4 *carry out the provisions of this section.*

5 “(4) *AVAILABILITY.*—*Amounts made available*
6 *under paragraphs (2) and (3) to MACPAC to carry*
7 *out the provisions of this section shall remain avail-*
8 *able until expended.”.*

9 **(b) CONFORMING MEDPAC AMENDMENTS.**—*Section*
10 *1805(b) of the Social Security Act (42 U.S.C. 1395b–6(b)),*
11 *is amended—*

12 *(1) in paragraph (1)(C), by striking “March 1*
13 *of each year (beginning with 1998)” and inserting*
14 *“March 15”;*

15 *(2) in paragraph (1)(D), by inserting “, and (be-*
16 *ginning with 2012) containing an examination of the*
17 *topics described in paragraph (9), to the extent fea-*
18 *sible” before the period; and*

19 *(3) by adding at the end the following:*

20 “(9) *REVIEW AND ANNUAL REPORT ON MEDICAID*
21 *AND COMMERCIAL TRENDS.*—*The Commission shall*
22 *review and report on aggregate trends in spending,*
23 *utilization, and financial performance under the*
24 *Medicaid program under title XIX and the private*
25 *market for health care services with respect to pro-*

1 *viders for which, on an aggregate national basis, a*
2 *significant portion of revenue or services is associated*
3 *with the Medicaid program. Where appropriate, the*
4 *Commission shall conduct such review in consultation*
5 *with the Medicaid and CHIP Payment and Access*
6 *Commission established under section 1900 (in this*
7 *section referred to as ‘MACPAC’).*

8 “(10) *COORDINATE AND CONSULT WITH THE*
9 *FEDERAL COORDINATED HEALTH CARE OFFICE.—The*
10 *Commission shall coordinate and consult with the*
11 *Federal Coordinated Health Care Office established*
12 *under section 2081 of the Patient Protection and Af-*
13 *fordable Care Act before making any recommenda-*
14 *tions regarding dual eligible individuals.*

15 “(11) *INTERACTION OF MEDICAID AND MEDI-*
16 *CARE.—The Commission shall consult with MACPAC*
17 *in carrying out its duties under this section, as ap-*
18 *propriate. Responsibility for analysis of and rec-*
19 *ommendations to change Medicare policy regarding*
20 *Medicare beneficiaries, including Medicare bene-*
21 *ficiaries who are dually eligible for Medicare and*
22 *Medicaid, shall rest with the Commission. Responsi-*
23 *bility for analysis of and recommendations to change*
24 *Medicaid policy regarding Medicaid beneficiaries, in-*
25 *cluding Medicaid beneficiaries who are dually eligible*

1 for Medicare and Medicaid, shall rest with
2 MACPAC.”.

3 ***Subtitle K—Protections for Amer-***
4 ***ican Indians and Alaska Natives***

5 ***SEC. 2901. SPECIAL RULES RELATING TO INDIANS.***

6 (a) *NO COST-SHARING FOR INDIANS WITH INCOME AT*
7 *OR BELOW 300 PERCENT OF POVERTY ENROLLED IN COV-*
8 *ERAGE THROUGH A STATE EXCHANGE.—For provisions*
9 *prohibiting cost sharing for Indians enrolled in any quali-*
10 *fied health plan in the individual market through an Ex-*
11 *change, see section 1402(d) of the Patient Protection and*
12 *Affordable Care Act.*

13 (b) *PAYER OF LAST RESORT.—Health programs oper-*
14 *ated by the Indian Health Service, Indian tribes, tribal or-*
15 *ganizations, and Urban Indian organizations (as those*
16 *terms are defined in section 4 of the Indian Health Care*
17 *Improvement Act (25 U.S.C. 1603)) shall be the payer of*
18 *last resort for services provided by such Service, tribes, or*
19 *organizations to individuals eligible for services through*
20 *such programs, notwithstanding any Federal, State, or*
21 *local law to the contrary.*

22 (c) *FACILITATING ENROLLMENT OF INDIANS UNDER*
23 *THE EXPRESS LANE OPTION.—Section 1902(e)(13)(F)(ii)*
24 *of the Social Security Act (42 U.S.C. 1396a(e)(13)(F)(ii))*
25 *is amended—*

1 (1) *in the clause heading, by inserting “AND IN-*
2 *DIAN TRIBES AND TRIBAL ORGANIZATIONS” after*
3 *“AGENCIES”; and*

4 (2) *by adding at the end the following:*

5 *“(IV) The Indian Health Service,*
6 *an Indian Tribe, Tribal Organization,*
7 *or Urban Indian Organization (as de-*
8 *finied in section 1139(c)).”.*

9 (d) *TECHNICAL CORRECTIONS.—Section 1139(c) of the*
10 *Social Security Act (42 U.S.C. 1320b–9(c)) is amended by*
11 *striking “In this section” and inserting “For purposes of*
12 *this section, title XIX, and title XXI”.*

13 **SEC. 2902. ELIMINATION OF SUNSET FOR REIMBURSEMENT**
14 **FOR ALL MEDICARE PART B SERVICES FUR-**
15 **NISHED BY CERTAIN INDIAN HOSPITALS AND**
16 **CLINICS.**

17 (a) *REIMBURSEMENT FOR ALL MEDICARE PART B*
18 *SERVICES FURNISHED BY CERTAIN INDIAN HOSPITALS*
19 *AND CLINICS.—Section 1880(e)(1)(A) of the Social Security*
20 *Act (42 U.S.C. 1395qq(e)(1)(A)) is amended by striking*
21 *“during the 5-year period beginning on” and inserting “on*
22 *or after”.*

23 (b) *EFFECTIVE DATE.—The amendments made by this*
24 *section shall apply to items or services furnished on or after*
25 *January 1, 2010.*

1 ***Subtitle L—Maternal and Child***
2 ***Health Services***

3 **SEC. 2951. MATERNAL, INFANT, AND EARLY CHILDHOOD**

4 **HOME VISITING PROGRAMS.**

5 *Title V of the Social Security Act (42 U.S.C. 701 et*
6 *seq.) is amended by adding at the end the following new*
7 *section:*

8 **“SEC. 511. MATERNAL, INFANT, AND EARLY CHILDHOOD**

9 **HOME VISITING PROGRAMS.**

10 “(a) *PURPOSES.—The purposes of this section are—*

11 “(1) *to strengthen and improve the programs*
12 *and activities carried out under this title;*

13 “(2) *to improve coordination of services for at*
14 *risk communities; and*

15 “(3) *to identify and provide comprehensive serv-*
16 *ices to improve outcomes for families who reside in at*
17 *risk communities.*

18 “(b) *REQUIREMENT FOR ALL STATES TO ASSESS*
19 *STATEWIDE NEEDS AND IDENTIFY AT RISK COMMU-*
20 *NITIES.—*

21 “(1) *IN GENERAL.—Not later than 6 months*
22 *after the date of enactment of this section, each State*
23 *shall, as a condition of receiving payments from an*
24 *allotment for the State under section 502 for fiscal*
25 *year 2011, conduct a statewide needs assessment*

1 *(which shall be separate from the statewide needs as-*
2 *essment required under section 505(a)) that identi-*
3 *fies—*

4 “(A) *communities with concentrations of—*

5 “(i) *premature birth, low-birth weight*
6 *infants, and infant mortality, including in-*
7 *fant death due to neglect, or other indica-*
8 *tors of at-risk prenatal, maternal, newborn,*
9 *or child health;*

10 “(ii) *poverty;*

11 “(iii) *crime;*

12 “(iv) *domestic violence;*

13 “(v) *high rates of high-school drop-*
14 *outs;*

15 “(vi) *substance abuse;*

16 “(vii) *unemployment; or*

17 “(viii) *child maltreatment;*

18 “(B) *the quality and capacity of existing*
19 *programs or initiatives for early childhood home*
20 *visitation in the State including—*

21 “(i) *the number and types of individ-*
22 *uals and families who are receiving services*
23 *under such programs or initiatives;*

24 “(ii) *the gaps in early childhood home*
25 *visitation in the State; and*

1 “(iii) the extent to which such pro-
2 grams or initiatives are meeting the needs
3 of eligible families described in subsection
4 (k)(2); and

5 “(C) the State’s capacity for providing sub-
6 stance abuse treatment and counseling services to
7 individuals and families in need of such treat-
8 ment or services.

9 “(2) COORDINATION WITH OTHER ASSESS-
10 MENTS.—In conducting the statewide needs assess-
11 ment required under paragraph (1), the State shall
12 coordinate with, and take into account, other appro-
13 priate needs assessments conducted by the State, as
14 determined by the Secretary, including the needs as-
15 sessment required under section 505(a) (both the most
16 recently completed assessment and any such assess-
17 ment in progress), the communitywide strategic plan-
18 ning and needs assessments conducted in accordance
19 with section 640(g)(1)(C) of the Head Start Act, and
20 the inventory of current unmet needs and current
21 community-based and prevention-focused programs
22 and activities to prevent child abuse and neglect, and
23 other family resource services operating in the State
24 required under section 205(3) of the Child Abuse Pre-
25 vention and Treatment Act.

1 “(3) *SUBMISSION TO THE SECRETARY.*—*Each*
2 *State shall submit to the Secretary, in such form and*
3 *manner as the Secretary shall require—*

4 “(A) *the results of the statewide needs as-*
5 *essment required under paragraph (1); and*

6 “(B) *a description of how the State intends*
7 *to address needs identified by the assessment,*
8 *particularly with respect to communities identi-*
9 *fied under paragraph (1)(A), which may include*
10 *applying for a grant to conduct an early child-*
11 *hood home visitation program in accordance*
12 *with the requirements of this section.*

13 “(c) *GRANTS FOR EARLY CHILDHOOD HOME VISITA-*
14 *TION PROGRAMS.*—

15 “(1) *AUTHORITY TO MAKE GRANTS.*—*In addition*
16 *to any other payments made under this title to a*
17 *State, the Secretary shall make grants to eligible enti-*
18 *ties to enable the entities to deliver services under*
19 *early childhood home visitation programs that satisfy*
20 *the requirements of subsection (d) to eligible families*
21 *in order to promote improvements in maternal and*
22 *prenatal health, infant health, child health and devel-*
23 *opment, parenting related to child development out-*
24 *comes, school readiness, and the socioeconomic status*

1 *of such families, and reductions in child abuse, ne-*
2 *glect, and injuries.*

3 “(2) *AUTHORITY TO USE INITIAL GRANT FUNDS*
4 *FOR PLANNING OR IMPLEMENTATION.—An eligible en-*
5 *tity that receives a grant under paragraph (1) may*
6 *use a portion of the funds made available to the enti-*
7 *ty during the first 6 months of the period for which*
8 *the grant is made for planning or implementation ac-*
9 *tivities to assist with the establishment of early child-*
10 *hood home visitation programs that satisfy the re-*
11 *quirements of subsection (d).*

12 “(3) *GRANT DURATION.—The Secretary shall de-*
13 *termine the period of years for which a grant is made*
14 *to an eligible entity under paragraph (1).*

15 “(4) *TECHNICAL ASSISTANCE.—The Secretary*
16 *shall provide an eligible entity that receives a grant*
17 *under paragraph (1) with technical assistance in ad-*
18 *ministering programs or activities conducted in whole*
19 *or in part with grant funds.*

20 “(d) *REQUIREMENTS.—The requirements of this sub-*
21 *section for an early childhood home visitation program con-*
22 *ducted with a grant made under this section are as follows:*

23 “(1) *QUANTIFIABLE, MEASURABLE IMPROVEMENT*
24 *IN BENCHMARK AREAS.—*

1 “(A) *IN GENERAL.*—*The eligible entity es-*
2 *tablishes, subject to the approval of the Secretary,*
3 *quantifiable, measurable 3- and 5-year bench-*
4 *marks for demonstrating that the program re-*
5 *sults in improvements for the eligible families*
6 *participating in the program in each of the fol-*
7 *lowing areas:*

8 “(i) *Improved maternal and newborn*
9 *health.*

10 “(ii) *Prevention of child injuries, child*
11 *abuse, neglect, or maltreatment, and reduc-*
12 *tion of emergency department visits.*

13 “(iii) *Improvement in school readiness*
14 *and achievement.*

15 “(iv) *Reduction in crime or domestic*
16 *violence.*

17 “(v) *Improvements in family economic*
18 *self-sufficiency.*

19 “(vi) *Improvements in the coordina-*
20 *tion and referrals for other community re-*
21 *sources and supports.*

22 “(B) *DEMONSTRATION OF IMPROVEMENTS*
23 *AFTER 3 YEARS.*—

24 “(i) *REPORT TO THE SECRETARY.*—
25 *Not later than 30 days after the end of the*

1 3rd year in which the eligible entity con-
2 ducts the program, the entity submits to the
3 Secretary a report demonstrating improve-
4 ment in at least 4 of the areas specified in
5 subparagraph (A).

6 “(ii) *CORRECTIVE ACTION PLAN.*—If
7 the report submitted by the eligible entity
8 under clause (i) fails to demonstrate im-
9 provement in at least 4 of the areas speci-
10 fied in subparagraph (A), the entity shall
11 develop and implement a plan to improve
12 outcomes in each of the areas specified in
13 subparagraph (A), subject to approval by
14 the Secretary. The plan shall include provi-
15 sions for the Secretary to monitor imple-
16 mentation of the plan and conduct contin-
17 ued oversight of the program, including
18 through submission by the entity of regular
19 reports to the Secretary.

20 “(iii) *TECHNICAL ASSISTANCE.*—

21 “(I) *IN GENERAL.*—The Secretary
22 shall provide an eligible entity re-
23 quired to develop and implement an
24 improvement plan under clause (ii)
25 with technical assistance to develop

1 *and implement the plan. The Secretary*
2 *may provide the technical assistance*
3 *directly or through grants, contracts,*
4 *or cooperative agreements.*

5 “(II) *ADVISORY PANEL.*—*The Sec-*
6 *retary shall establish an advisory*
7 *panel for purposes of obtaining rec-*
8 *ommendations regarding the technical*
9 *assistance provided to entities in ac-*
10 *cordance with subclause (I).*

11 “(iv) *NO IMPROVEMENT OR FAILURE*
12 *TO SUBMIT REPORT.*—*If the Secretary de-*
13 *termines after a period of time specified by*
14 *the Secretary that an eligible entity imple-*
15 *menting an improvement plan under clause*
16 *(ii) has failed to demonstrate any improve-*
17 *ment in the areas specified in subparagraph*
18 *(A), or if the Secretary determines that an*
19 *eligible entity has failed to submit the re-*
20 *port required under clause (i), the Secretary*
21 *shall terminate the entity’s grant and may*
22 *include any unexpended grant funds in*
23 *grants made to nonprofit organizations*
24 *under subsection (h)(2)(B).*

1 “(C) *FINAL REPORT.*—Not later than De-
2 *cember 31, 2015, the eligible entity shall submit*
3 *a report to the Secretary demonstrating improve-*
4 *ments (if any) in each of the areas specified in*
5 *subparagraph (A).*

6 “(2) *IMPROVEMENTS IN OUTCOMES FOR INDI-*
7 *VIDUAL FAMILIES.*—

8 “(A) *IN GENERAL.*—*The program is de-*
9 *signed, with respect to an eligible family partici-*
10 *pating in the program, to result in the partici-*
11 *pant outcomes described in subparagraph (B)*
12 *that the eligible entity identifies on the basis of*
13 *an individualized assessment of the family, are*
14 *relevant for that family.*

15 “(B) *PARTICIPANT OUTCOMES.*—*The partici-*
16 *ipant outcomes described in this subparagraph*
17 *are the following:*

18 “(i) *Improvements in prenatal, mater-*
19 *nal, and newborn health, including im-*
20 *proved pregnancy outcomes*

21 “(ii) *Improvements in child health and*
22 *development, including the prevention of*
23 *child injuries and maltreatment and im-*
24 *provements in cognitive, language, social-*

1 *emotional, and physical developmental indi-*
2 *cators.*

3 “(iii) *Improvements in parenting*
4 *skills.*

5 “(iv) *Improvements in school readiness*
6 *and child academic achievement.*

7 “(v) *Reductions in crime or domestic*
8 *violence.*

9 “(vi) *Improvements in family eco-*
10 *nom ic self-sufficiency.*

11 “(vii) *Improvements in the coordina-*
12 *tion of referrals for, and the provision of,*
13 *other community resources and supports for*
14 *eligible families, consistent with State child*
15 *welfare agency training.*

16 “(3) *CORE COMPONENTS.—The program includes*
17 *the following core components:*

18 “(A) *SERVICE DELIVERY MODEL OR MOD-*
19 *ELS.—*

20 “(i) *IN GENERAL.—Subject to clause*
21 *(ii), the program is conducted using 1 or*
22 *more of the service delivery models described*
23 *in item (aa) or (bb) of subclause (I) or in*
24 *subclause (II) selected by the eligible entity:*

1 “(I) *The model conforms to a*
2 *clear consistent home visitation model*
3 *that has been in existence for at least*
4 *3 years and is research-based, ground-*
5 *ed in relevant empirically-based knowl-*
6 *edge, linked to program determined*
7 *outcomes, associated with a national*
8 *organization or institution of higher*
9 *education that has comprehensive home*
10 *visitation program standards that en-*
11 *sure high quality service delivery and*
12 *continuous program quality improve-*
13 *ment, and has demonstrated signifi-*
14 *cant, (and in the case of the service de-*
15 *livery model described in item (aa),*
16 *sustained) positive outcomes, as de-*
17 *scribed in the benchmark areas speci-*
18 *fied in paragraph (1)(A) and the par-*
19 *ticipant outcomes described in para-*
20 *graph (2)(B), when evaluated using*
21 *well-designed and rigorous—*

22 “(aa) *randomized controlled*
23 *research designs, and the evalua-*
24 *tion results have been published in*
25 *a peer-reviewed journal; or*

1 “(bb) *quasi-experimental re-*
2 *search designs.*

3 “(II) *The model conforms to a*
4 *promising and new approach to*
5 *achieving the benchmark areas speci-*
6 *fied in paragraph (1)(A) and the par-*
7 *ticipant outcomes described in para-*
8 *graph (2)(B), has been developed or*
9 *identified by a national organization*
10 *or institution of higher education, and*
11 *will be evaluated through well-designed*
12 *and rigorous process.*

13 “(ii) *MAJORITY OF GRANT FUNDS*
14 *USED FOR EVIDENCE-BASED MODELS.—An*
15 *eligible entity shall use not more than 25*
16 *percent of the amount of the grant paid to*
17 *the entity for a fiscal year for purposes of*
18 *conducting a program using the service de-*
19 *livery model described in clause (i)(II).*

20 “(iii) *CRITERIA FOR EVIDENCE OF EF-*
21 *ECTIVENESS OF MODELS.—The Secretary*
22 *shall establish criteria for evidence of effec-*
23 *tiveness of the service delivery models and*
24 *shall ensure that the process for establishing*

1 *the criteria is transparent and provides the*
2 *opportunity for public comment.*

3 “(B) *ADDITIONAL REQUIREMENTS.*—

4 “(i) *The program adheres to a clear,*
5 *consistent model that satisfies the require-*
6 *ments of being grounded in empirically-*
7 *based knowledge related to home visiting*
8 *and linked to the benchmark areas specified*
9 *in paragraph (1)(A) and the participant*
10 *outcomes described in paragraph (2)(B) re-*
11 *lated to the purposes of the program.*

12 “(ii) *The program employs well-*
13 *trained and competent staff, as dem-*
14 *onstrated by education or training, such as*
15 *nurses, social workers, educators, child de-*
16 *velopment specialists, or other well-trained*
17 *and competent staff, and provides ongoing*
18 *and specific training on the model being de-*
19 *livered.*

20 “(iii) *The program maintains high*
21 *quality supervision to establish home visitor*
22 *competencies.*

23 “(iv) *The program demonstrates strong*
24 *organizational capacity to implement the*
25 *activities involved.*

1 “(v) *The program establishes appro-*
2 *priate linkages and referral networks to*
3 *other community resources and supports for*
4 *eligible families.*

5 “(vi) *The program monitors the fidel-*
6 *ity of program implementation to ensure*
7 *that services are delivered pursuant to the*
8 *specified model.*

9 “(4) *PRIORITY FOR SERVING HIGH-RISK POPU-*
10 *LATIONS.—The eligible entity gives priority to pro-*
11 *viding services under the program to the following:*

12 “(A) *Eligible families who reside in commu-*
13 *nities in need of such services, as identified in*
14 *the statewide needs assessment required under*
15 *subsection (b)(1)(A).*

16 “(B) *Low-income eligible families.*

17 “(C) *Eligible families who are pregnant*
18 *women who have not attained age 21.*

19 “(D) *Eligible families that have a history of*
20 *child abuse or neglect or have had interactions*
21 *with child welfare services.*

22 “(E) *Eligible families that have a history of*
23 *substance abuse or need substance abuse treat-*
24 *ment.*

1 “(F) *Eligible families that have users of to-*
2 *bacco products in the home.*

3 “(G) *Eligible families that are or have chil-*
4 *dren with low student achievement.*

5 “(H) *Eligible families with children with*
6 *developmental delays or disabilities.*

7 “(I) *Eligible families who, or that include*
8 *individuals who, are serving or formerly served*
9 *in the Armed Forces, including such families*
10 *that have members of the Armed Forces who have*
11 *had multiple deployments outside of the United*
12 *States.*

13 “(e) *APPLICATION REQUIREMENTS.—An eligible entity*
14 *desiring a grant under this section shall submit an applica-*
15 *tion to the Secretary for approval, in such manner as the*
16 *Secretary may require, that includes the following:*

17 “(1) *A description of the populations to be served*
18 *by the entity, including specific information regard-*
19 *ing how the entity will serve high risk populations de-*
20 *scribed in subsection (d)(4).*

21 “(2) *An assurance that the entity will give pri-*
22 *ority to serving low-income eligible families and eligi-*
23 *ble families who reside in at risk communities identi-*
24 *fied in the statewide needs assessment required under*
25 *subsection (b)(1)(A).*

1 “(3) *The service delivery model or models de-*
2 *scribed in subsection (d)(3)(A) that the entity will use*
3 *under the program and the basis for the selection of*
4 *the model or models.*

5 “(4) *A statement identifying how the selection of*
6 *the populations to be served and the service delivery*
7 *model or models that the entity will use under the*
8 *program for such populations is consistent with the*
9 *results of the statewide needs assessment conducted*
10 *under subsection (b).*

11 “(5) *The quantifiable, measurable benchmarks es-*
12 *tablished by the State to demonstrate that the pro-*
13 *gram contributes to improvements in the areas speci-*
14 *fied in subsection (d)(1)(A).*

15 “(6) *An assurance that the entity will obtain*
16 *and submit documentation or other appropriate evi-*
17 *dence from the organization or entity that developed*
18 *the service delivery model or models used under the*
19 *program to verify that the program is implemented*
20 *and services are delivered according to the model spec-*
21 *ifications.*

22 “(7) *Assurances that the entity will establish*
23 *procedures to ensure that—*

24 “(A) *the participation of each eligible fam-*
25 *ily in the program is voluntary; and*

1 “(B) services are provided to an eligible
2 family in accordance with the individual assess-
3 ment for that family.

4 “(8) Assurances that the entity will—

5 “(A) submit annual reports to the Secretary
6 regarding the program and activities carried out
7 under the program that include such information
8 and data as the Secretary shall require; and

9 “(B) participate in, and cooperate with,
10 data and information collection necessary for the
11 evaluation required under subsection (g)(2) and
12 other research and evaluation activities carried
13 out under subsection (h)(3).

14 “(9) A description of other State programs that
15 include home visitation services, including, if appli-
16 cable to the State, other programs carried out under
17 this title with funds made available from allotments
18 under section 502(c), programs funded under title IV,
19 title II of the Child Abuse Prevention and Treatment
20 Act (relating to community-based grants for the pre-
21 vention of child abuse and neglect), and section 645A
22 of the Head Start Act (relating to Early Head Start
23 programs).

24 “(10) Other information as required by the Sec-
25 retary.

1 “(f) *MAINTENANCE OF EFFORT.*—*Funds provided to*
2 *an eligible entity receiving a grant under this section shall*
3 *supplement, and not supplant, funds from other sources for*
4 *early childhood home visitation programs or initiatives.*

5 “(g) *EVALUATION.*—

6 “(1) *INDEPENDENT, EXPERT ADVISORY PANEL.*—
7 *The Secretary, in accordance with subsection*
8 *(h)(1)(A), shall appoint an independent advisory*
9 *panel consisting of experts in program evaluation*
10 *and research, education, and early childhood develop-*
11 *ment—*

12 “(A) *to review, and make recommendations*
13 *on, the design and plan for the evaluation re-*
14 *quired under paragraph (2) within 1 year after*
15 *the date of enactment of this section;*

16 “(B) *to maintain and advise the Secretary*
17 *regarding the progress of the evaluation; and*

18 “(C) *to comment, if the panel so desires, on*
19 *the report submitted under paragraph (3).*

20 “(2) *AUTHORITY TO CONDUCT EVALUATION.*—*On*
21 *the basis of the recommendations of the advisory*
22 *panel under paragraph (1), the Secretary shall, by*
23 *grant, contract, or interagency agreement, conduct an*
24 *evaluation of the statewide needs assessments sub-*
25 *mitted under subsection (b) and the grants made*

1 *under subsections (c) and (h)(3)(B). The evaluation*
2 *shall include—*

3 *“(A) an analysis, on a State-by-State basis,*
4 *of the results of such assessments, including indi-*
5 *cators of maternal and prenatal health and in-*
6 *fant health and mortality, and State actions in*
7 *response to the assessments; and*

8 *“(B) an assessment of—*

9 *“(i) the effect of early childhood home*
10 *visitation programs on child and parent*
11 *outcomes, including with respect to each of*
12 *the benchmark areas specified in subsection*
13 *(d)(1)(A) and the participant outcomes de-*
14 *scribed in subsection (d)(2)(B);*

15 *“(ii) the effectiveness of such programs*
16 *on different populations, including the ex-*
17 *tent to which the ability of programs to im-*
18 *prove participant outcomes varies across*
19 *programs and populations; and*

20 *“(iii) the potential for the activities*
21 *conducted under such programs, if scaled*
22 *broadly, to improve health care practices,*
23 *eliminate health disparities, and improve*
24 *health care system quality, efficiencies, and*
25 *reduce costs.*

1 “(3) *REPORT.*—Not later than March 31, 2015,
2 the Secretary shall submit a report to Congress on the
3 results of the evaluation conducted under paragraph
4 (2) and shall make the report publicly available.

5 “(h) *OTHER PROVISIONS.*—

6 “(1) *INTRA-AGENCY COLLABORATION.*—The Sec-
7 retary shall ensure that the Maternal and Child
8 Health Bureau and the Administration for Children
9 and Families collaborate with respect to carrying out
10 this section, including with respect to—

11 “(A) reviewing and analyzing the statewide
12 needs assessments required under subsection (b),
13 the awarding and oversight of grants awarded
14 under this section, the establishment of the advi-
15 sory panels required under subsections
16 (d)(1)(B)(iii)(II) and (g)(1), and the evaluation
17 and report required under subsection (g); and

18 “(B) consulting with other Federal agencies
19 with responsibility for administering or evalu-
20 ating programs that serve eligible families to co-
21 ordinate and collaborate with respect to research
22 related to such programs and families, including
23 the Office of the Assistant Secretary for Planning
24 and Evaluation of the Department of Health and
25 Human Services, the Centers for Disease Control

1 *and Prevention, the National Institute of Child*
2 *Health and Human Development of the National*
3 *Institutes of Health, the Office of Juvenile Jus-*
4 *tice and Delinquency Prevention of the Depart-*
5 *ment of Justice, and the Institute of Education*
6 *Sciences of the Department of Education.*

7 “(2) GRANTS TO ELIGIBLE ENTITIES THAT ARE
8 NOT STATES.—

9 “(A) INDIAN TRIBES, TRIBAL ORGANIZA-
10 TIONS, OR URBAN INDIAN ORGANIZATIONS.—*The*
11 *Secretary shall specify requirements for eligible*
12 *entities that are Indian Tribes (or a consortium*
13 *of Indian Tribes), Tribal Organizations, or*
14 *Urban Indian Organizations to apply for and*
15 *conduct an early childhood home visitation pro-*
16 *gram with a grant under this section. Such re-*
17 *quirements shall, to the greatest extent prac-*
18 *ticable, be consistent with the requirements ap-*
19 *plicable to eligible entities that are States and*
20 *shall require an Indian Tribe (or consortium),*
21 *Tribal Organization, or Urban Indian Organi-*
22 *zation to—*

23 “(i) *conduct a needs assessment simi-*
24 *lar to the assessment required for all States*
25 *under subsection (b); and*

1 “(ii) establish quantifiable, measurable
2 3- and 5-year benchmarks consistent with
3 subsection (d)(1)(A).

4 “(B) NONPROFIT ORGANIZATIONS.—If, as of
5 the beginning of fiscal year 2012, a State has not
6 applied or been approved for a grant under this
7 section, the Secretary may use amounts appro-
8 priated under paragraph (1) of subsection (j)
9 that are available for expenditure under para-
10 graph (3) of that subsection to make a grant to
11 an eligible entity that is a nonprofit organiza-
12 tion described in subsection (k)(1)(B) to conduct
13 an early childhood home visitation program in
14 the State. The Secretary shall specify the require-
15 ments for such an organization to apply for and
16 conduct the program which shall, to the greatest
17 extent practicable, be consistent with the require-
18 ments applicable to eligible entities that are
19 States and shall require the organization to—

20 “(i) carry out the program based on
21 the needs assessment conducted by the State
22 under subsection (b); and

23 “(ii) establish quantifiable, measurable
24 3- and 5-year benchmarks consistent with
25 subsection (d)(1)(A).

1 “(3) *RESEARCH AND OTHER EVALUATION ACTIVITIES.*—

2
3 “(A) *IN GENERAL.*—*The Secretary shall*
4 *carry out a continuous program of research and*
5 *evaluation activities in order to increase knowl-*
6 *edge about the implementation and effectiveness*
7 *of home visiting programs, using random assign-*
8 *ment designs to the maximum extent feasible.*
9 *The Secretary may carry out such activities di-*
10 *rectly, or through grants, cooperative agreements,*
11 *or contracts.*

12 “(B) *REQUIREMENTS.*—*The Secretary shall*
13 *ensure that—*

14 “(i) *evaluation of a specific program*
15 *or project is conducted by persons or indi-*
16 *viduals not directly involved in the oper-*
17 *ation of such program or project; and*

18 “(ii) *the conduct of research and eval-*
19 *uation activities includes consultation with*
20 *independent researchers, State officials, and*
21 *developers and providers of home visiting*
22 *programs on topics including research de-*
23 *sign and administrative data matching.*

24 “(4) *REPORT AND RECOMMENDATION.*—*Not later*
25 *than December 31, 2015, the Secretary shall submit*

1 *a report to Congress regarding the programs con-*
2 *ducted with grants under this section. The report re-*
3 *quired under this paragraph shall include—*

4 *“(A) information regarding the extent to*
5 *which eligible entities receiving grants under this*
6 *section demonstrated improvements in each of*
7 *the areas specified in subsection (d)(1)(A);*

8 *“(B) information regarding any technical*
9 *assistance provided under subsection*
10 *(d)(1)(B)(iii)(I), including the type of any such*
11 *assistance provided; and*

12 *“(C) recommendations for such legislative*
13 *or administrative action as the Secretary deter-*
14 *mines appropriate.*

15 *“(i) APPLICATION OF OTHER PROVISIONS OF TITLE.—*

16 *“(1) IN GENERAL.—Except as provided in para-*
17 *graph (2), the other provisions of this title shall not*
18 *apply to a grant made under this section.*

19 *“(2) EXCEPTIONS.—The following provisions of*
20 *this title shall apply to a grant made under this sec-*
21 *tion to the same extent and in the same manner as*
22 *such provisions apply to allotments made under sec-*
23 *tion 502(e):*

1 “(A) Section 504(b)(6) (relating to prohibi-
2 tion on payments to excluded individuals and
3 entities).

4 “(B) Section 504(c) (relating to the use of
5 funds for the purchase of technical assistance).

6 “(C) Section 504(d) (relating to a limita-
7 tion on administrative expenditures).

8 “(D) Section 506 (relating to reports and
9 audits), but only to the extent determined by the
10 Secretary to be appropriate for grants made
11 under this section.

12 “(E) Section 507 (relating to penalties for
13 false statements).

14 “(F) Section 508 (relating to non-
15 discrimination).

16 “(G) Section 509(a) (relating to the admin-
17 istration of the grant program).

18 “(j) APPROPRIATIONS.—

19 “(1) IN GENERAL.—Out of any funds in the
20 Treasury not otherwise appropriated, there are ap-
21 propriated to the Secretary to carry out this section—

22 “(A) \$100,000,000 for fiscal year 2010;

23 “(B) \$250,000,000 for fiscal year 2011;

24 “(C) \$350,000,000 for fiscal year 2012;

25 “(D) \$400,000,000 for fiscal year 2013; and

1 “(E) \$400,000,000 for fiscal year 2014.

2 “(2) RESERVATIONS.—Of the amount appro-
3 priated under this subsection for a fiscal year, the
4 Secretary shall reserve—

5 “(A) 3 percent of such amount for purposes
6 of making grants to eligible entities that are In-
7 dian Tribes (or a consortium of Indian Tribes),
8 Tribal Organizations, or Urban Indian Organi-
9 zations; and

10 “(B) 3 percent of such amount for purposes
11 of carrying out subsections (d)(1)(B)(iii), (g),
12 and (h)(3).

13 “(3) AVAILABILITY.—Funds made available to
14 an eligible entity under this section for a fiscal year
15 shall remain available for expenditure by the eligible
16 entity through the end of the second succeeding fiscal
17 year after award. Any funds that are not expended by
18 the eligible entity during the period in which the
19 funds are available under the preceding sentence may
20 be used for grants to nonprofit organizations under
21 subsection (h)(2)(B).

22 “(k) DEFINITIONS.—In this section:

23 “(1) ELIGIBLE ENTITY.—

24 “(A) IN GENERAL.—The term ‘eligible enti-
25 ty’ means a State, an Indian Tribe, Tribal Or-

1 *ganization, or Urban Indian Organization,*
2 *Puerto Rico, Guam, the Virgin Islands, the*
3 *Northern Mariana Islands, and American*
4 *Samoa.*

5 “(B) *NONPROFIT ORGANIZATIONS.*—*Only*
6 *for purposes of awarding grants under subsection*
7 *(h)(2)(B), such term shall include a nonprofit*
8 *organization with an established record of pro-*
9 *viding early childhood home visitation programs*
10 *or initiatives in a State or several States.*

11 “(2) *ELIGIBLE FAMILY.*—*The term ‘eligible fam-*
12 *ily’ means—*

13 “(A) *a woman who is pregnant, and the fa-*
14 *ther of the child if the father is available; or*

15 “(B) *a parent or primary caregiver of a*
16 *child, including grandparents or other relatives*
17 *of the child, and foster parents, who are serving*
18 *as the child’s primary caregiver from birth to*
19 *kindergarten entry, and including a noncusto-*
20 *dial parent who has an ongoing relationship*
21 *with, and at times provides physical care for, the*
22 *child.*

23 “(3) *INDIAN TRIBE; TRIBAL ORGANIZATION.*—*The*
24 *terms ‘Indian Tribe’ and ‘Tribal Organization’, and*
25 *‘Urban Indian Organization’ have the meanings*

1 *given such terms in section 4 of the Indian Health*
2 *Care Improvement Act.”.*

3 **SEC. 2952. SUPPORT, EDUCATION, AND RESEARCH FOR**
4 **POSTPARTUM DEPRESSION.**

5 *(a) RESEARCH ON POSTPARTUM CONDITIONS.—*

6 *(1) EXPANSION AND INTENSIFICATION OF ACTIVI-*
7 *TIES.—The Secretary of Health and Human Services*
8 *(in this subsection and subsection (c) referred to as*
9 *the “Secretary”) is encouraged to continue activities*
10 *on postpartum depression or postpartum psychosis*
11 *(in this subsection and subsection (c) referred to as*
12 *“postpartum conditions”), including research to ex-*
13 *pand the understanding of the causes of, and treat-*
14 *ments for, postpartum conditions. Activities under*
15 *this paragraph shall include conducting and sup-*
16 *porting the following:*

17 *(A) Basic research concerning the etiology*
18 *and causes of the conditions.*

19 *(B) Epidemiological studies to address the*
20 *frequency and natural history of the conditions*
21 *and the differences among racial and ethnic*
22 *groups with respect to the conditions.*

23 *(C) The development of improved screening*
24 *and diagnostic techniques.*

1 (D) *Clinical research for the development*
2 *and evaluation of new treatments.*

3 (E) *Information and education programs*
4 *for health care professionals and the public,*
5 *which may include a coordinated national cam-*
6 *pany to increase the awareness and knowledge*
7 *of postpartum conditions. Activities under such*
8 *a national campaign may—*

9 (i) *include public service announce-*
10 *ments through television, radio, and other*
11 *means; and*

12 (ii) *focus on—*

13 (I) *raising awareness about*
14 *screening;*

15 (II) *educating new mothers and*
16 *their families about postpartum condi-*
17 *tions to promote earlier diagnosis and*
18 *treatment; and*

19 (III) *ensuring that such education*
20 *includes complete information con-*
21 *cerning postpartum conditions, includ-*
22 *ing its symptoms, methods of coping*
23 *with the illness, and treatment re-*
24 *sources.*

1 (2) *SENSE OF CONGRESS REGARDING LONGITU-*
2 *DINAL STUDY OF RELATIVE MENTAL HEALTH CON-*
3 *SEQUENCES FOR WOMEN OF RESOLVING A PREG-*
4 *NANCY.—*

5 (A) *SENSE OF CONGRESS.—It is the sense of*
6 *Congress that the Director of the National Insti-*
7 *tute of Mental Health may conduct a nationally*
8 *representative longitudinal study (during the pe-*
9 *riod of fiscal years 2010 through 2019) of the rel-*
10 *ative mental health consequences for women of*
11 *resolving a pregnancy (intended and unin-*
12 *tended) in various ways, including carrying the*
13 *pregnancy to term and parenting the child, car-*
14 *rying the pregnancy to term and placing the*
15 *child for adoption, miscarriage, and having an*
16 *abortion. This study may assess the incidence,*
17 *timing, magnitude, and duration of the imme-*
18 *diata and long-term mental health consequences*
19 *(positive or negative) of these pregnancy out-*
20 *comes.*

21 (B) *REPORT.—Subject to the completion of*
22 *the study under subsection (a), beginning not*
23 *later than 5 years after the date of the enactment*
24 *of this Act, and periodically thereafter for the*
25 *duration of the study, such Director may pre-*

1 *case management and comprehensive treatment serv-*
2 *ices.*

3 “(2) *Delivering or enhancing inpatient care*
4 *management services that ensure the well-being of the*
5 *mother and family and the future development of the*
6 *infant.*

7 “(3) *Improving the quality, availability, and or-*
8 *ganization of health care and support services (in-*
9 *cluding transportation services, attendant care, home-*
10 *maker services, day or respite care, and providing*
11 *counseling on financial assistance and insurance).*

12 “(4) *Providing education about postpartum con-*
13 *ditions to promote earlier diagnosis and treatment.*
14 *Such education may include—*

15 “(A) *providing complete information on*
16 *postpartum conditions, symptoms, methods of*
17 *coping with the illness, and treatment resources;*
18 *and*

19 “(B) *in the case of a grantee that is a State,*
20 *hospital, or birthing facility—*

21 “(i) *providing education to new moth-*
22 *ers and fathers, and other family members*
23 *as appropriate, concerning postpartum con-*
24 *ditions before new mothers leave the health*
25 *facility; and*

1 “(ii) ensuring that training programs
2 regarding such education are carried out at
3 the health facility.

4 “(c) *INTEGRATION WITH OTHER PROGRAMS.*—To the
5 extent practicable and appropriate, the Secretary may inte-
6 grate the grant program under this section with other grant
7 programs carried out by the Secretary, including the pro-
8 gram under section 330 of the Public Health Service Act.

9 “(d) *REQUIREMENTS.*—The Secretary shall establish
10 requirements for grants made under this section that in-
11 clude a limit on the amount of grants funds that may be
12 used for administration, accounting, reporting, or program
13 oversight functions and a requirement for each eligible enti-
14 ty that receives a grant to submit, for each grant period,
15 a report to the Secretary that describes how grant funds
16 were used during such period.

17 “(e) *TECHNICAL ASSISTANCE.*—The Secretary may
18 provide technical assistance to entities seeking a grant
19 under this section in order to assist such entities in com-
20 plying with the requirements of this section.

21 “(f) *APPLICATION OF OTHER PROVISIONS OF TITLE.*—

22 “(1) *IN GENERAL.*—Except as provided in para-
23 graph (2), the other provisions of this title shall not
24 apply to a grant made under this section.

1 “(2) *EXCEPTIONS.*—*The following provisions of*
2 *this title shall apply to a grant made under this sec-*
3 *tion to the same extent and in the same manner as*
4 *such provisions apply to allotments made under sec-*
5 *tion 502(c):*

6 “(A) *Section 504(b)(6) (relating to prohibi-*
7 *tion on payments to excluded individuals and*
8 *entities).*

9 “(B) *Section 504(c) (relating to the use of*
10 *funds for the purchase of technical assistance).*

11 “(C) *Section 504(d) (relating to a limita-*
12 *tion on administrative expenditures).*

13 “(D) *Section 506 (relating to reports and*
14 *audits), but only to the extent determined by the*
15 *Secretary to be appropriate for grants made*
16 *under this section.*

17 “(E) *Section 507 (relating to penalties for*
18 *false statements).*

19 “(F) *Section 508 (relating to non-*
20 *discrimination).*

21 “(G) *Section 509(a) (relating to the admin-*
22 *istration of the grant program).*

23 “(g) *DEFINITIONS.*—*In this section:*

24 “(1) *The term ‘eligible entity’—*

1 “(A) means a public or nonprofit private
2 entity; and

3 “(B) includes a State or local government,
4 public-private partnership, recipient of a grant
5 under section 330H of the Public Health Service
6 Act (relating to the Healthy Start Initiative),
7 public or nonprofit private hospital, community-
8 based organization, hospice, ambulatory care fa-
9 cility, community health center, migrant health
10 center, public housing primary care center, or
11 homeless health center.

12 “(2) The term ‘postpartum condition’ means
13 postpartum depression or postpartum psychosis.”.

14 (c) GENERAL PROVISIONS.—

15 (1) AUTHORIZATION OF APPROPRIATIONS.—To
16 carry out this section and the amendment made by
17 subsection (b), there are authorized to be appro-
18 priated, in addition to such other sums as may be
19 available for such purpose—

20 (A) \$3,000,000 for fiscal year 2010; and

21 (B) such sums as may be necessary for fis-
22 cal years 2011 and 2012.

23 (2) REPORT BY THE SECRETARY.—

1 (A) *STUDY.*—*The Secretary shall conduct a*
2 *study on the benefits of screening for postpartum*
3 *conditions.*

4 (B) *REPORT.*—*Not later than 2 years after*
5 *the date of the enactment of this Act, the Sec-*
6 *retary shall complete the study required by sub-*
7 *paragraph (A) and submit a report to the Con-*
8 *gress on the results of such study.*

9 **SEC. 2953. PERSONAL RESPONSIBILITY EDUCATION.**

10 *Title V of the Social Security Act (42 U.S.C. 701 et*
11 *seq.), as amended by sections 2951 and 2952(c), is amended*
12 *by adding at the end the following:*

13 **“SEC. 513. PERSONAL RESPONSIBILITY EDUCATION.**

14 **“(a) ALLOTMENTS TO STATES.—**

15 **“(1) AMOUNT.—**

16 **“(A) IN GENERAL.—***For the purpose de-*
17 *scribed in subsection (b), subject to the suc-*
18 *ceeding provisions of this section, for each of fis-*
19 *cal years 2010 through 2014, the Secretary shall*
20 *allot to each State an amount equal to the prod-*
21 *uct of—*

22 **“(i)** *the amount appropriated under*
23 *subsection (f) for the fiscal year and avail-*
24 *able for allotments to States after the appli-*
25 *cation of subsection (c); and*

1 “(i) *the State youth population per-*
2 *centage determined under paragraph (2).*

3 “(B) *MINIMUM ALLOTMENT.—*

4 “(i) *IN GENERAL.—Each State allot-*
5 *ment under this paragraph for a fiscal year*
6 *shall be at least \$250,000.*

7 “(i) *PRO RATA ADJUSTMENTS.—The*
8 *Secretary shall adjust on a pro rata basis*
9 *the amount of the State allotments deter-*
10 *mined under this paragraph for a fiscal*
11 *year to the extent necessary to comply with*
12 *clause (i).*

13 “(C) *APPLICATION REQUIRED TO ACCESS*
14 *ALLOTMENTS.—*

15 “(i) *IN GENERAL.—A State shall not*
16 *be paid from its allotment for a fiscal year*
17 *unless the State submits an application to*
18 *the Secretary for the fiscal year and the*
19 *Secretary approves the application (or re-*
20 *quires changes to the application that the*
21 *State satisfies) and meets such additional*
22 *requirements as the Secretary may specify.*

23 “(ii) *REQUIREMENTS.—The State ap-*
24 *plication shall contain an assurance that*
25 *the State has complied with the require-*

1 *ments of this section in preparing and sub-*
2 *mitting the application and shall include*
3 *the following as well as such additional in-*
4 *formation as the Secretary may require:*

5 *“(I) Based on data from the Cen-*
6 *ters for Disease Control and Prevention*
7 *National Center for Health Statistics,*
8 *the most recent pregnancy rates for the*
9 *State for youth ages 10 to 14 and*
10 *youth ages 15 to 19 for which data are*
11 *available, the most recent birth rates*
12 *for such youth populations in the State*
13 *for which data are available, and*
14 *trends in those rates for the most re-*
15 *cently preceding 5-year period for*
16 *which such data are available.*

17 *“(II) State-established goals for*
18 *reducing the pregnancy rates and birth*
19 *rates for such youth populations.*

20 *“(III) A description of the State’s*
21 *plan for using the State allotments*
22 *provided under this section to achieve*
23 *such goals, especially among youth*
24 *populations that are the most high-risk*
25 *or vulnerable for pregnancies or other-*

1 *wise have special circumstances, in-*
2 *cluding youth in foster care, homeless*
3 *youth, youth with HIV/AIDS, preg-*
4 *nant youth who are under 21 years of*
5 *age, mothers who are under 21 years of*
6 *age, and youth residing in areas with*
7 *high birth rates for youth.*

8 “(2) *STATE YOUTH POPULATION PERCENTAGE.*—

9 “(A) *IN GENERAL.*—*For purposes of para-*
10 *graph (1)(A)(ii), the State youth population per-*
11 *centage is, with respect to a State, the proportion*
12 *(expressed as a percentage) of—*

13 “(i) *the number of individuals who*
14 *have attained age 10 but not attained age*
15 *20 in the State; to*

16 “(ii) *the number of such individuals in*
17 *all States.*

18 “(B) *DETERMINATION OF NUMBER OF*
19 *YOUTH.*—*The number of individuals described in*
20 *clauses (i) and (ii) of subparagraph (A) in a*
21 *State shall be determined on the basis of the most*
22 *recent Bureau of the Census data.*

23 “(3) *AVAILABILITY OF STATE ALLOTMENTS.*—
24 *Subject to paragraph (4)(A), amounts allotted to a*
25 *State pursuant to this subsection for a fiscal year*

1 *shall remain available for expenditure by the State*
2 *through the end of the second succeeding fiscal year.*

3 *“(4) AUTHORITY TO AWARD GRANTS FROM STATE*
4 *ALLOTMENTS TO LOCAL ORGANIZATIONS AND ENTI-*
5 *TIES IN NONPARTICIPATING STATES.—*

6 *“(A) GRANTS FROM UNEXPENDED ALLOT-*
7 *MENTS.—If a State does not submit an applica-*
8 *tion under this section for fiscal year 2010 or*
9 *2011, the State shall no longer be eligible to sub-*
10 *mit an application to receive funds from the*
11 *amounts allotted for the State for each of fiscal*
12 *years 2010 through 2014 and such amounts shall*
13 *be used by the Secretary to award grants under*
14 *this paragraph for each of fiscal years 2012*
15 *through 2014. The Secretary also shall use any*
16 *amounts from the allotments of States that sub-*
17 *mit applications under this section for a fiscal*
18 *year that remain unexpended as of the end of the*
19 *period in which the allotments are available for*
20 *expenditure under paragraph (3) for awarding*
21 *grants under this paragraph.*

22 *“(B) 3-YEAR GRANTS.—*

23 *“(i) IN GENERAL.—The Secretary shall*
24 *solicit applications to award 3-year grants*
25 *in each of fiscal years 2012, 2013, and 2014*

1 *to local organizations and entities to con-*
2 *duct, consistent with subsection (b), pro-*
3 *grams and activities in States that do not*
4 *submit an application for an allotment*
5 *under this section for fiscal year 2010 or*
6 *2011.*

7 “(i) *FAITH-BASED ORGANIZATIONS OR*
8 *CONSORTIA.—The Secretary may solicit and*
9 *award grants under this paragraph to*
10 *faith-based organizations or consortia.*

11 “(C) *EVALUATION.—An organization or en-*
12 *tity awarded a grant under this paragraph shall*
13 *agree to participate in a rigorous Federal eval-*
14 *uation.*

15 “(5) *MAINTENANCE OF EFFORT.—No payment*
16 *shall be made to a State from the allotment deter-*
17 *mined for the State under this subsection or to a local*
18 *organization or entity awarded a grant under para-*
19 *graph (4), if the expenditure of non-federal funds by*
20 *the State, organization, or entity for activities, pro-*
21 *grams, or initiatives for which amounts from allot-*
22 *ments and grants under this subsection may be ex-*
23 *pende d is less than the amount expended by the State,*
24 *organization, or entity for such programs or initia-*
25 *tives for fiscal year 2009.*

1 “(6) *DATA COLLECTION AND REPORTING.*—A
2 *State or local organization or entity receiving funds*
3 *under this section shall cooperate with such require-*
4 *ments relating to the collection of data and informa-*
5 *tion and reporting on outcomes regarding the pro-*
6 *grams and activities carried out with such funds, as*
7 *the Secretary shall specify.*

8 “(b) *PURPOSE.*—

9 “(1) *IN GENERAL.*—*The purpose of an allotment*
10 *under subsection (a)(1) to a State is to enable the*
11 *State (or, in the case of grants made under subsection*
12 *(a)(4)(B), to enable a local organization or entity) to*
13 *carry out personal responsibility education programs*
14 *consistent with this subsection.*

15 “(2) *PERSONAL RESPONSIBILITY EDUCATION*
16 *PROGRAMS.*—

17 “(A) *IN GENERAL.*—*In this section, the*
18 *term ‘personal responsibility education program’*
19 *means a program that is designed to educate*
20 *adolescents on—*

21 “(i) *both abstinence and contraception*
22 *for the prevention of pregnancy and sexu-*
23 *ally transmitted infections, including HIV/*
24 *AIDS, consistent with the requirements of*
25 *subparagraph (B); and*

1 “(ii) at least 3 of the adulthood prepa-
2 ration subjects described in subparagraph
3 (C).

4 “(B) REQUIREMENTS.—The requirements of
5 this subparagraph are the following:

6 “(i) The program replicates evidence-
7 based effective programs or substantially in-
8 corporates elements of effective programs
9 that have been proven on the basis of rig-
10 orous scientific research to change behavior,
11 which means delaying sexual activity, in-
12 creasing condom or contraceptive use for
13 sexually active youth, or reducing preg-
14 nancy among youth.

15 “(ii) The program is medically-accu-
16 rate and complete.

17 “(iii) The program includes activities
18 to educate youth who are sexually active re-
19 garding responsible sexual behavior with re-
20 spect to both abstinence and the use of con-
21 traception.

22 “(iv) The program places substantial
23 emphasis on both abstinence and contracep-
24 tion for the prevention of pregnancy among
25 youth and sexually transmitted infections.

1 “(v) *The program provides age-appro-*
2 *priate information and activities.*

3 “(vi) *The information and activities*
4 *carried out under the program are provided*
5 *in the cultural context that is most appro-*
6 *priate for individuals in the particular*
7 *population group to which they are di-*
8 *rected.*

9 “(C) *ADULTHOOD PREPARATION SUB-*
10 *JECTS.—The adulthood preparation subjects de-*
11 *scribed in this subparagraph are the following:*

12 “(i) *Healthy relationships, such as*
13 *positive self-esteem and relationship dynam-*
14 *ics, friendships, dating, romantic involve-*
15 *ment, marriage, and family interactions.*

16 “(ii) *Adolescent development, such as*
17 *the development of healthy attitudes and*
18 *values about adolescent growth and develop-*
19 *ment, body image, racial and ethnic diver-*
20 *sity, and other related subjects.*

21 “(iii) *Financial literacy.*

22 “(iv) *Parent-child communication.*

23 “(v) *Educational and career success,*
24 *such as developing skills for employment*
25 *preparation, job seeking, independent liv-*

1 *ing, financial self-sufficiency, and work-*
2 *place productivity.*

3 “(vi) *Healthy life skills, such as goal-*
4 *setting, decision making, negotiation, com-*
5 *munication and interpersonal skills, and*
6 *stress management.*

7 “(c) *RESERVATIONS OF FUNDS.—*

8 “(1) *GRANTS TO IMPLEMENT INNOVATIVE STRAT-*
9 *EGIES.—From the amount appropriated under sub-*
10 *section (f) for the fiscal year, the Secretary shall re-*
11 *serve \$10,000,000 of such amount for purposes of*
12 *awarding grants to entities to implement innovative*
13 *youth pregnancy prevention strategies and target*
14 *services to high-risk, vulnerable, and culturally under-*
15 *represented youth populations, including youth in fos-*
16 *ter care, homeless youth, youth with HIV/AIDS, preg-*
17 *nant women who are under 21 years of age and their*
18 *partners, mothers who are under 21 years of age and*
19 *their partners, and youth residing in areas with high*
20 *birth rates for youth. An entity awarded a grant*
21 *under this paragraph shall agree to participate in a*
22 *rigorous Federal evaluation of the activities carried*
23 *out with grant funds.*

24 “(2) *OTHER RESERVATIONS.—From the amount*
25 *appropriated under subsection (f) for the fiscal year*

1 *that remains after the application of paragraph (1),*
2 *the Secretary shall reserve the following amounts:*

3 “(A) *GRANTS FOR INDIAN TRIBES OR TRIB-*
4 *AL ORGANIZATIONS.—The Secretary shall reserve*
5 *5 percent of such remainder for purposes of*
6 *awarding grants to Indian tribes and tribal or-*
7 *ganizations in such manner, and subject to such*
8 *requirements, as the Secretary, in consultation*
9 *with Indian tribes and tribal organizations, de-*
10 *termines appropriate.*

11 “(B) *SECRETARIAL RESPONSIBILITIES.—*

12 “(i) *RESERVATION OF FUNDS.—The*
13 *Secretary shall reserve 10 percent of such*
14 *remainder for expenditures by the Secretary*
15 *for the activities described in clauses (ii)*
16 *and (iii).*

17 “(ii) *PROGRAM SUPPORT.—The Sec-*
18 *retary shall provide, directly or through a*
19 *competitive grant process, research, training*
20 *and technical assistance, including dissemi-*
21 *nation of research and information regard-*
22 *ing effective and promising practices, pro-*
23 *viding consultation and resources on a*
24 *broad array of teen pregnancy prevention*
25 *strategies, including abstinence and contra-*

1 *ception, and developing resources and mate-*
2 *rials to support the activities of recipients*
3 *of grants and other State, tribal, and com-*
4 *munity organizations working to reduce*
5 *teen pregnancy. In carrying out such func-*
6 *tions, the Secretary shall collaborate with a*
7 *variety of entities that have expertise in the*
8 *prevention of teen pregnancy, HIV and sex-*
9 *ually transmitted infections, healthy rela-*
10 *tionships, financial literacy, and other top-*
11 *ics addressed through the personal responsi-*
12 *bility education programs.*

13 “(iii) *EVALUATION.*—*The Secretary*
14 *shall evaluate the programs and activities*
15 *carried out with funds made available*
16 *through allotments or grants under this sec-*
17 *tion.*

18 “(d) *ADMINISTRATION.*—

19 “(1) *IN GENERAL.*—*The Secretary shall admin-*
20 *ister this section through the Assistant Secretary for*
21 *the Administration for Children and Families within*
22 *the Department of Health and Human Services.*

23 “(2) *APPLICATION OF OTHER PROVISIONS OF*
24 *TITLE.*—

1 “(A) *IN GENERAL.*—*Except as provided in*
2 *subparagraph (B), the other provisions of this*
3 *title shall not apply to allotments or grants*
4 *made under this section.*

5 “(B) *EXCEPTIONS.*—*The following provi-*
6 *sions of this title shall apply to allotments and*
7 *grants made under this section to the same ex-*
8 *tent and in the same manner as such provisions*
9 *apply to allotments made under section 502(c):*

10 “(i) *Section 504(b)(6) (relating to pro-*
11 *hibition on payments to excluded individ-*
12 *uals and entities).*

13 “(ii) *Section 504(c) (relating to the use*
14 *of funds for the purchase of technical assist-*
15 *ance).*

16 “(iii) *Section 504(d) (relating to a*
17 *limitation on administrative expenditures).*

18 “(iv) *Section 506 (relating to reports*
19 *and audits), but only to the extent deter-*
20 *mined by the Secretary to be appropriate*
21 *for grants made under this section.*

22 “(v) *Section 507 (relating to penalties*
23 *for false statements).*

24 “(vi) *Section 508 (relating to non-*
25 *discrimination).*

1 “(e) *DEFINITIONS.*—*In this section:*

2 “(1) *AGE-APPROPRIATE.*—*The term ‘age-appro-*
3 *priate’, with respect to the information in pregnancy*
4 *prevention, means topics, messages, and teaching*
5 *methods suitable to particular ages or age groups of*
6 *children and adolescents, based on developing cog-*
7 *nitive, emotional, and behavioral capacity typical for*
8 *the age or age group.*

9 “(2) *MEDICALLY ACCURATE AND COMPLETE.*—
10 *The term ‘medically accurate and complete’ means*
11 *verified or supported by the weight of research con-*
12 *ducted in compliance with accepted scientific methods*
13 *and—*

14 “(A) *published in peer-reviewed journals,*
15 *where applicable; or*

16 “(B) *comprising information that leading*
17 *professional organizations and agencies with rel-*
18 *evant expertise in the field recognize as accurate,*
19 *objective, and complete.*

20 “(3) *INDIAN TRIBES; TRIBAL ORGANIZATIONS.*—
21 *The terms ‘Indian tribe’ and ‘Tribal organization’*
22 *have the meanings given such terms in section 4 of*
23 *the Indian Health Care Improvement Act (25 U.S.C.*
24 *1603)).*

1 “(4) *YOUTH.*—*The term ‘youth’ means an indi-*
2 *vidual who has attained age 10 but has not attained*
3 *age 20.*”

4 “(f) *APPROPRIATION.*—*For the purpose of carrying out*
5 *this section, there is appropriated, out of any money in the*
6 *Treasury not otherwise appropriated, \$75,000,000 for each*
7 *of fiscal years 2010 through 2014. Amounts appropriated*
8 *under this subsection shall remain available until ex-*
9 *pended.*”.

10 **SEC. 2954. RESTORATION OF FUNDING FOR ABSTINENCE**
11 **EDUCATION.**

12 *Section 510 of the Social Security Act (42 U.S.C. 710)*
13 *is amended—*

14 (1) *in subsection (a), by striking “fiscal year*
15 *1998 and each subsequent fiscal year” and inserting*
16 *“each of fiscal years 2010 through 2014”; and*

17 (2) *in subsection (d)—*

18 (A) *in the first sentence, by striking “1998*
19 *through 2003” and inserting “2010 through*
20 *2014”; and*

21 (B) *in the second sentence, by inserting*
22 *“(except that such appropriation shall be made*
23 *on the date of enactment of the Patient Protec-*
24 *tion and Affordable Care Act in the case of fiscal*
25 *year 2010)” before the period.*

1 **SEC. 2955. INCLUSION OF INFORMATION ABOUT THE IM-**
2 **PORTANCE OF HAVING A HEALTH CARE**
3 **POWER OF ATTORNEY IN TRANSITION PLAN-**
4 **NING FOR CHILDREN AGING OUT OF FOSTER**
5 **CARE AND INDEPENDENT LIVING PROGRAMS.**

6 (a) *TRANSITION PLANNING.*—Section 475(5)(H) of the
7 *Social Security Act (42 U.S.C. 675(5)(H))* is amended by
8 inserting “includes information about the importance of
9 designating another individual to make health care treat-
10 ment decisions on behalf of the child if the child becomes
11 unable to participate in such decisions and the child does
12 not have, or does not want, a relative who would otherwise
13 be authorized under State law to make such decisions, and
14 provides the child with the option to execute a health care
15 power of attorney, health care proxy, or other similar docu-
16 ment recognized under State law,” after “employment serv-
17 ices,”.

18 (b) *INDEPENDENT LIVING EDUCATION.*—Section
19 *477(b)(3) of such Act (42 U.S.C. 677(b)(3))* is amended by
20 adding at the end the following:

21 “(K) A certification by the chief executive
22 officer of the State that the State will ensure that
23 an adolescent participating in the program
24 under this section are provided with education
25 about the importance of designating another in-
26 dividual to make health care treatment decisions

1 *on behalf of the adolescent if the adolescent be-*
2 *comes unable to participate in such decisions*
3 *and the adolescent does not have, or does not*
4 *want, a relative who would otherwise be author-*
5 *ized under State law to make such decisions,*
6 *whether a health care power of attorney, health*
7 *care proxy, or other similar document is recog-*
8 *nized under State law, and how to execute such*
9 *a document if the adolescent wants to do so.”.*

10 *(c) HEALTH OVERSIGHT AND COORDINATION PLAN.—*

11 *Section 422(b)(15)(A) of such Act (42 U.S.C.*
12 *622(b)(15)(A)) is amended—*

13 *(1) in clause (v), by striking “and” at the end;*

14 *and*

15 *(2) by adding at the end the following:*

16 *“(vii) steps to ensure that the compo-*
17 *nents of the transition plan development*
18 *process required under section 475(5)(H)*
19 *that relate to the health care needs of chil-*
20 *dren aging out of foster care, including the*
21 *requirements to include options for health*
22 *insurance, information about a health care*
23 *power of attorney, health care proxy, or*
24 *other similar document recognized under*
25 *State law, and to provide the child with the*

1 option to execute such a document, are met;
2 and”.

3 (d) *EFFECTIVE DATE.*—The amendments made by this
4 section take effect on October 1, 2010.

5 **TITLE III—IMPROVING THE**
6 **QUALITY AND EFFICIENCY OF**
7 **HEALTH CARE**

8 **Subtitle A—Transforming the**
9 **Health Care Delivery System**

10 **PART I—LINKING PAYMENT TO QUALITY**

11 **OUTCOMES UNDER THE MEDICARE PROGRAM**

12 **SEC. 3001. HOSPITAL VALUE-BASED PURCHASING PRO-**
13 **GRAM.**

14 (a) *PROGRAM.*—

15 (1) *IN GENERAL.*—Section 1886 of the Social Se-
16 curity Act (42 U.S.C. 1395ww), as amended by sec-
17 tion 4102(a) of the HITECH Act (Public Law 111-
18 5), is amended by adding at the end the following
19 new subsection:

20 “(o) *HOSPITAL VALUE-BASED PURCHASING PRO-*
21 *GRAM.*—

22 “(1) *ESTABLISHMENT.*—

23 “(A) *IN GENERAL.*—Subject to the suc-
24 ceeding provisions of this subsection, the Sec-
25 retary shall establish a hospital value-based pur-