

112TH CONGRESS  
2D SESSION

# H. R. 4160

To amend the Social Security Act to replace the Medicaid program and the Children’s Health Insurance program with a block grant to the States, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 7, 2012

Mr. ROKITA (for himself, Mr. HUELSKAMP, Mr. BROUN of Georgia, and Mr. JORDAN) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, Education and the Workforce, the Judiciary, Natural Resources, House Administration, Rules, and Appropriations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Social Security Act to replace the Medicaid program and the Children’s Health Insurance program with a block grant to the States, and for other purposes.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “State Health Flexibility Act of 2012”.

1 (b) TABLE OF CONTENTS.—The table of contents of  
 2 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Health grants to the States for health care services to indigent individuals.

“TITLE XXII—BLOCK GRANTS TO STATES FOR HEALTH CARE  
 SERVICES TO INDIGENT INDIVIDUALS

“Sec. 2201. Purpose.

“Sec. 2202. Grants to States.

“Sec. 2203. Administrative and fiscal accountability.

“Sec. 2204. Nondiscrimination provisions.

“Sec. 2205. Emergency assistance.

“Sec. 2206. Definitions.

Sec. 3. Repeal of PPACA, HCERA, and the Federal requirements of Medicaid and CHIP.

Sec. 4. Severability.

Sec. 5. Effective date.

3 **SEC. 2. HEALTH GRANTS TO THE STATES FOR HEALTH**  
 4 **CARE SERVICES TO INDIGENT INDIVIDUALS.**

5 (a) HEALTH CARE BLOCK GRANT TO STATES.—The  
 6 Social Security Act is amended by adding at the end the  
 7 following new title:

8 **“TITLE XXII—BLOCK GRANTS TO**  
 9 **STATES FOR HEALTH CARE**  
 10 **SERVICES TO INDIGENT INDI-**  
 11 **VIDUALS**

12 **“SEC. 2201. PURPOSE.**

13 “The purpose of this title is to provide Federal finan-  
 14 cial assistance to the States, in the form of a single grant,  
 15 to allow the States maximum flexibility in providing, and  
 16 financing the provision of, health-care-related items and  
 17 services to indigent individuals.

1 **“SEC. 2202. GRANTS TO STATES.**

2       “(a) IN GENERAL.—Subject to the requirements of  
3 this title, each State is entitled to receive from the Sec-  
4 retary of the Treasury a grant for each quarter of fiscal  
5 years 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020,  
6 2021, and 2022, in an amount that is equal to 25 percent  
7 of the total amount received by a State under title XIX  
8 and title XXI for fiscal year 2012.

9       “(b) APPROPRIATION.—Out of any money in the  
10 Treasury of the United States not otherwise appropriated,  
11 there are appropriated for fiscal years 2013, 2014, 2015,  
12 2016, 2017, 2018, 2019, 2020, 2021 and 2022 such sums  
13 as are necessary for grants under this section.

14       “(c) REQUIREMENTS RELATING TO INTERGOVERN-  
15 MENTAL FINANCING.—The Secretary of the Treasury  
16 shall make the transfer of funds under grants under sub-  
17 section (a) directly to each State in accordance with the  
18 requirements of section 6503 of title 31, United States  
19 Code.

20       “(d) EXPENDITURE OF FUNDS.—

21               “(1) IN GENERAL.—Except as provided in para-  
22 graph (2), amounts received by a State under this  
23 title for any fiscal year shall be expended by the  
24 State in such fiscal year or in the succeeding fiscal  
25 year.

1           “(2) USE OF RAINY DAY FUND PERMITTED.—  
2           Of the amounts received by a State under this title,  
3           the State may set aside, in a separate account, such  
4           amounts as the State deems necessary to provide,  
5           without fiscal limitation, health-care-related items  
6           and services for indigent individuals during—

7                   “(A) periods of unexpectedly high rates of  
8                   unemployment; or

9                   “(B) periods related to circumstances that  
10                  are not described in subparagraph (A) and that  
11                  cause unexpected increases in the need for such  
12                  items and services for such individuals.

13           “(3) FUNDS REMAINING AFTER FISCAL YEAR  
14           2022.—If, after 2022, a State has funds in the ac-  
15           count under paragraph (2), the State may only ex-  
16           pend such funds if such funds are used in a manner  
17           that is permitted under subsection (e), as such sub-  
18           section is in effect on September 30, 2022.

19           “(e) USE OF FUNDS.—A State may only use the  
20           amounts received under subsection (a) as follows:

21                   “(1) GENERAL PURPOSE.—For the purpose  
22                   under section 2201, including the provision of  
23                   health-care-related items and services as required  
24                   under section 2205. Nothing in this title shall be  
25                   construed as limiting the flexibility of a State to de-

1 termine which providers of such items and services  
2 qualify to receive payment from a grant made to the  
3 State under this title.

4 “(2) FUNDING FOR RISK ADJUSTMENT MECHA-  
5 NISMS.—To fund qualified high risk pools, reinsur-  
6 ance pools, or other risk-adjustment mechanisms  
7 used for the purpose of subsidizing the purchase of  
8 private health insurance for the high-risk population.

9 “(3) AUTHORITY TO USE PORTION OF FEDERAL  
10 ASSISTANCE FOR OTHER WELFARE-RELATED PRO-  
11 GRAMS.—

12 “(A) IN GENERAL.—Subject to the limit  
13 under subparagraph (B), to carry out a State  
14 program pursuant to any or all of the following  
15 provisions of law:

16 “(i) Part A of title IV of this Act.

17 “(ii) Section 1616 of this Act.

18 “(iii) The Food and Nutrition Act of  
19 2008.

20 “(B) LIMITATION.—A State may not use  
21 more than 30 percent of the amount received  
22 under subsection (a) for a fiscal year to carry  
23 out a State program, or programs, under sub-  
24 paragraph (A).

1           “(C) REQUIREMENTS ON FUNDS.—Any  
2 amounts that are used under subparagraph  
3 (A)—

4                   “(i) shall not be subject to any of the  
5 requirements of subsection (d), subsection  
6 (f), section 2204, or section 2205; and

7                   “(ii) shall be subject to—

8                           “(I) the audit requirements  
9 under section 2203; and

10                           “(II) any requirements that  
11 apply to Federal funds provided di-  
12 rectly for such State program.

13           “(f) MAINTENANCE OF CURRENT LAW RESTRIC-  
14 TIONS ON USE OF FEDERAL FUNDS.—

15                   “(1) IN GENERAL.—

16                           “(A) NO FUNDING FOR ABORTIONS.—  
17 None of the funds appropriated in this title  
18 shall be expended for any abortion.

19                           “(B) NO FUNDS FOR COVERAGE OF ABOR-  
20 TION.—None of the funds appropriated in this  
21 title shall be expended for health benefits cov-  
22 erage that includes coverage of abortion.

23                           “(C) HEALTH BENEFITS COVERAGE DE-  
24 FINED.—For purposes of this subsection, the  
25 term ‘health benefits coverage’ means the pack-

1 age of services covered by a managed care pro-  
2 vider or organization pursuant to a contract or  
3 other arrangement.

4 “(2) EXCEPTIONS.—The limitations established  
5 in paragraph (1) shall not apply to an abortion—

6 “(A) if the pregnancy is the result of an  
7 act of rape or incest; or

8 “(B) in the case where a woman suffers  
9 from a physical disorder, physical injury, or  
10 physical illness that would, as certified by a  
11 physician, place the woman in danger of death  
12 unless an abortion is performed, including a  
13 life-endangering physical condition caused by or  
14 arising from the pregnancy itself.

15 “(3) STATE FUNDS USED IN CONJUNCTION  
16 WITH FEDERAL FUNDS.—The limitations established  
17 in paragraph (1) shall apply to any State funds used  
18 in conjunction with Federal funds appropriated  
19 under this title to provide, or finance the provision  
20 of, health-care-related items and services to indigent  
21 individuals pursuant to section 2201 or subsections  
22 (d)(2), (e)(1), or (e)(2) of section 2202.

23 “(4) OPTION TO PURCHASE SEPARATE COV-  
24 ERAGE OR PLAN.—Nothing in this subsection shall  
25 be construed as prohibiting a State from purchasing

1 separate coverage for abortions for which funding is  
2 prohibited under this subsection, or a health plan  
3 that includes such abortions, so long as such cov-  
4 erage or plan is paid for entirely using funds not  
5 provided by this title.

6 “(5) OPTION TO OFFER COVERAGE OR PLAN.—

7 Nothing in this subsection shall restrict any health  
8 insurance issuer from offering separate coverage for  
9 abortions for which funding is prohibited under this  
10 subsection, or a health plan that includes such abor-  
11 tions, so long as—

12 “(A) premiums for such separate coverage  
13 or plan are paid entirely with funds not pro-  
14 vided by this title; and

15 “(B) administrative costs and all services  
16 offered through such separate coverage or plan  
17 are paid for using only premiums collected for  
18 such coverage or plan.

19 “(6) CONSCIENCE PROTECTIONS.—

20 “(A) None of the funds appropriated in  
21 this Act may be made available to a Federal  
22 agency or program, or to a State or local gov-  
23 ernment, if such agency, program, or govern-  
24 ment subjects any institutional or individual  
25 health care entity to discrimination on the basis



1 that the health care entity does not provide, pay  
2 for, provide coverage of, or refer for abortions.

3 “(B) In this paragraph, the term ‘health  
4 care entity’ includes an individual physician or  
5 other health care professional, a hospital, a pro-  
6 vider-sponsored organization, a health mainte-  
7 nance organization, a health insurance plan, or  
8 any other kind of health care facility, organiza-  
9 tion, or plan.

10 “(g) NO FUNDING FOR ILLEGAL ALIENS.—Except as  
11 provided under this section and section 2205, no funds  
12 appropriated in this title may be used to provide health-  
13 care-related items and services to an alien who is not law-  
14 fully admitted for permanent residence or otherwise per-  
15 manently residing in the United States under color of law.

16 “(h) NONENTITLEMENT.—Nothing in this title shall  
17 be construed as providing an individual with an entitle-  
18 ment to health-care-related items and services under this  
19 title.

20 **“SEC. 2203. ADMINISTRATIVE AND FISCAL ACCOUNT-**  
21 **ABILITY.**

22 “(a) AUDITS.—

23 “(1) CONTRACT WITH APPROVED AUDITING EN-  
24 TITY.—Not later than October 1, 2013, and annu-  
25 ally thereafter, a State shall contract with an ap-

1 proved auditing entity (as defined under paragraph  
2 (3)(B)) for purposes of conducting an audit under  
3 paragraph (2) (with respect to the fiscal year ending  
4 September 30 of such year).

5 “(2) AUDIT REQUIREMENT.—Under a contract  
6 under paragraph (1), an approved auditing entity  
7 shall conduct an audit of the expenditures or trans-  
8 fers made by a State from amounts received under  
9 a grant under this title, or from State funds de-  
10 scribed in section 2202(f)(3), with respect to the fis-  
11 cal year which such audit covers, to determine the  
12 extent to which such expenditures and transfers  
13 were expended in accordance with this title.

14 “(3) ENTITY CONDUCTING AUDIT.—

15 “(A) IN GENERAL.—With respect to a  
16 State, the audit under paragraph (2) shall be  
17 conducted by an approved auditing entity in ac-  
18 cordance with generally accepted auditing prin-  
19 ciples.

20 “(B) APPROVED AUDITING ENTITY.—For  
21 purposes of this section, the term ‘approved au-  
22 diting entity’ means, with respect to a State, an  
23 entity that is—

24 “(i) approved by the Secretary of the  
25 Treasury;

1                   “(ii) approved by the chief executive  
2                   officer of the State; and

3                   “(iii) independent of any Federal,  
4                   State, or local agency.

5                   “(4) SUBMISSION OF AUDIT.—Not later than  
6                   December 31, 2013, and annually thereafter, a State  
7                   shall submit the results of the audit under para-  
8                   graph (2) (with respect to the fiscal year ending on  
9                   September 30 of such year) to the State legislature  
10                  and to the Secretary of the Treasury.

11                  “(5) ADDITIONAL ACCOUNTING REQUIRE-  
12                  MENTS.—The provisions of chapter 75 of title 31,  
13                  United States Code, shall apply to the audit require-  
14                  ments of this section.

15                  “(b) REIMBURSEMENT AND PENALTY.—

16                  “(1) IN GENERAL.—If, through an audit con-  
17                  ducted under subsection (a), an approved auditing  
18                  entity finds that any amounts paid to a State under  
19                  a grant under this title were not expended in accord-  
20                  ance with this title—

21                         “(A) the State shall pay to the Treasury of  
22                         the United States any such amount, plus 10  
23                         percent of such amount as a penalty; or

24                         “(B) the Secretary of the Treasury shall  
25                         offset such amount plus the 10 percent penalty

1           against any other amount in any other fiscal  
2           year that the State may be entitled to receive  
3           under a grant under this title.

4           “(2) MISUSE OF STATE FUNDS.—If, through an  
5           audit conducted under subsection (a), an approved  
6           auditing entity finds that a State violated the re-  
7           quirements of section 2202(f)(3), the State shall pay  
8           to the Treasury of the United States 100 percent of  
9           the amount of State funds that were used in viola-  
10          tion of section 2202(f)(3) as a penalty. Insofar as a  
11          State fails to pay any such penalty, the Secretary of  
12          the Treasury shall offset the amount not so paid  
13          against the amount of any grant otherwise payable  
14          to the State under this title.

15          “(c) ANNUAL REPORTING REQUIREMENTS.—

16                 “(1) IN GENERAL.—Not later than January 31,  
17                 2014, and annually thereafter, each State shall sub-  
18                 mit to the Secretary of the Treasury and the State  
19                 legislature a report on the activities carried out by  
20                 the State during the most recently completed fiscal  
21                 year with funds received by the State under a grant  
22                 under this title for such fiscal year.

23                 “(2) CONTENT.—A report under paragraph (1)  
24                 shall, with respect to a fiscal year—

1           “(A) contain the results of the audit con-  
2           ducted by an approved auditing entity for a  
3           State for such fiscal year, in accordance with  
4           the requirements of subsection (a) of this sec-  
5           tion;

6           “(B) specify the amount of the grant made  
7           to the State under this title that is used to  
8           carry out a program under section 2202(e)(3);  
9           and

10           “(C) be in such form and contain such  
11           other information as the State determines is  
12           necessary to provide—

13                   “(i) an accurate description of the ac-  
14                   tivities conducted by the State for the pur-  
15                   pose described under section 2201 and any  
16                   other use of funds permitted under sub-  
17                   sections (d) and (e) of section 2202; and

18                   “(ii) a complete record of the pur-  
19                   poses for which amounts were expended in  
20                   accordance with this title.

21           “(3) CONFORMITY WITH ACCOUNTING PRIN-  
22           CIPALS.—Any financial information in the report  
23           under paragraph (1) shall be prepared and reported  
24           in accordance with generally accepted accounting

1 principles, including the provisions of chapter 75 of  
2 title 31, United States Code.

3 “(4) PUBLIC AVAILABILITY.—A State shall  
4 make copies of the reports required under this sec-  
5 tion available on a public Web site and shall make  
6 copies available in other formats upon request.

7 “(d) FAILURE TO COMPLY WITH REQUIREMENTS.—  
8 The Secretary of the Treasury shall not make any pay-  
9 ment to a State under a grant authorized by section  
10 2202(a)—

11 “(1) if an audit for a State is not submitted as  
12 required under subsection (a), during the period be-  
13 tween the date such audit is due and the date on  
14 which such audit is submitted;

15 “(2) if a State fails to submit a report as re-  
16 quired under subsection (c), during the period be-  
17 tween the date such report is due and the date on  
18 which such report is submitted; or

19 “(3) if a State violates a requirement of section  
20 2202(f), during the period beginning on the date the  
21 Secretary becomes aware of such violation and the  
22 date on which such violation is corrected by the  
23 State.

24 “(e) ADMINISTRATIVE SUPERVISION AND OVER-  
25 SIGHT.—

1           “(1) LIMITED ROLE FOR SECRETARY OF TREAS-  
2           URY AND THE ATTORNEY GENERAL.—

3           “(A) TREASURY.—The authority of the  
4           Secretary of the Treasury under this title is  
5           limited to—

6                   “(i) promulgating regulations, issuing  
7                   rules, or publishing guidance documents to  
8                   the extent necessary for purposes of imple-  
9                   menting subsection (a)(3)(B), subsection  
10                  (b), and subsection (d);

11                  “(ii) making quarterly payments to  
12                  the States under grants under this title in  
13                  accordance with section 2202(a);

14                  “(iii) approving entities under sub-  
15                  section (a)(3)(B) for purposes of the audits  
16                  required under subsection (a);

17                  “(iv) withholding payment to a State  
18                  of a grant under subsection (d) or offset-  
19                  ting a payment of such a grant to a State  
20                  under subsection (b); and

21                  “(v) exercising the authority relating  
22                  to nondiscrimination that is specified in  
23                  section 2204(b).

24           “(B) ATTORNEY GENERAL.—The authority  
25           of the Attorney General to supervise the

1 amounts received by a State under this title is  
2 limited to the authority under section 2204(c).

3 “(2) FEDERAL SUPERVISION.—

4 “(A) IN GENERAL.—Except as provided  
5 under paragraph (1), an administrative officer,  
6 employee, department, or agency of the United  
7 States (including the Secretary of Health and  
8 Human Services) may not—

9 “(i) supervise—

10 “(I) the amounts received by the  
11 States under this title; or

12 “(II) the use of such amounts by  
13 the States; or

14 “(ii) promulgate regulations or issue  
15 rules in accordance with this title.

16 “(B) LIMITATION ON SECRETARY OF  
17 HEALTH AND HUMAN SERVICES.—The Sec-  
18 retary of Health and Human Services shall  
19 have no authority over any provision of this  
20 title.

21 “(f) RESERVATION OF STATE POWERS.—Nothing in  
22 this section shall be construed to limit the power of a  
23 State, including the power of a State to pursue civil and  
24 criminal penalties under State law against any individual



1 or entity that misuses, or engages in fraud or abuse re-  
2 lated to, the funds provided to a State under this title.

3 **“SEC. 2204. NONDISCRIMINATION PROVISIONS.**

4 “(a) NO DISCRIMINATION AGAINST INDIVIDUALS.—

5 No individual shall be excluded from participation in, de-  
6 nied the benefits of, or subjected to discrimination under,  
7 any program or activity funded in whole or in part with  
8 amounts paid to a State under this title on the basis of  
9 such individual’s—

10 “(1) disability under section 504 of the Reha-  
11 bilitation Act of 1973 (29 U.S.C. 794);

12 “(2) sex under title IX of the Education  
13 Amendments of 1972 (20 U.S.C. 1681 et seq.); or

14 “(3) race, color, or national origin under title  
15 VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d  
16 et seq.).

17 “(b) COMPLIANCE.—

18 “(1) If the Secretary of the Treasury deter-  
19 mines that a State or an entity that has received  
20 funds from amounts paid to a State under a grant  
21 under this title has failed to comply with a provision  
22 of law referred to in subsection (a), the Secretary of  
23 the Treasury shall notify the chief executive officer  
24 of the State of such failure to comply and shall re-

1       quest that such chief executive officer secure such  
2       compliance.

3               “(2) If, not later than 60 days after receiving  
4       notification under paragraph (1), the chief executive  
5       officer of a State fails or refuses to secure compli-  
6       ance with the provision of law referred to in such  
7       notification, the Secretary of the Treasury may—

8               “(A) refer the matter to the Attorney Gen-  
9       eral with a recommendation that an appropriate  
10       civil action be instituted; or

11              “(B) exercise the powers and functions  
12       provided under section 505 of the Rehabilita-  
13       tion Act of 1973 (29 U.S.C. 794a), title IX of  
14       the Education Amendments of 1972 (20 U.S.C.  
15       1681 et seq.), or title VI of the Civil Rights Act  
16       of 1964 (42 U.S.C. 2000d et seq.) (as applica-  
17       ble).

18       “(c) CIVIL ACTIONS.—If a matter is referred to the  
19       Attorney General under subsection (b)(2)(A), or the At-  
20       torney General has reason to believe that a State or entity  
21       has failed to comply with a provision of law referred to  
22       in subsection (a), the Attorney General may bring a civil  
23       action in an appropriate district court of the United States  
24       for such relief as may be appropriate, including injunctive  
25       relief.

1 **“SEC. 2205. EMERGENCY ASSISTANCE.**

2       “(a) IN GENERAL.—A State that receives a grant  
3 under this title for a fiscal year shall provide payment for  
4 health-care-related items and services provided to a cit-  
5 izen, legal resident, or an alien who is not lawfully admit-  
6 ted for permanent residence or otherwise permanently re-  
7 siding in the United States under color of law, consistent  
8 with the requirements of section 1867, if—

9               “(1) such health-care-related items and services  
10 are—

11                       “(A) necessary for the treatment of an  
12 emergency medical condition; and

13                       “(B) health-care-related items and services  
14 that such State would provide payment for  
15 under this title, if provided to an indigent indi-  
16 vidual;

17               “(2) the individual meets all necessary eligi-  
18 bility requirements for health-care-related items and  
19 services under the State program funded under this  
20 title, except for any requirement related to immigra-  
21 tion status; and

22               “(3) such items and services are not related to  
23 an organ transplant procedure.

24       “(b) EMERGENCY MEDICAL CONDITION.—For pur-  
25 poses of this section, the term ‘emergency medical condi-  
26 tion’ means a medical condition (including emergency

1 labor and delivery) manifesting itself by acute symptoms  
2 of sufficient severity (including severe pain) such that the  
3 absence of immediate medical attention could reasonably  
4 be expected to result in—

5           “(1) placing the patient’s health in serious jeop-  
6 ardy;

7           “(2) serious impairment to bodily functions; or

8           “(3) serious dysfunction of any bodily organ or  
9 part.

10 **“SEC. 2206. DEFINITIONS.**

11       “For purposes of this title:

12           “(1) HEALTH-CARE-RELATED ITEMS AND SERV-  
13 ICES.—The term ‘health-care-related items and serv-  
14 ices’ shall be defined by a State with respect to use  
15 of such term for purposes of the application of this  
16 title to the State.

17           “(2) HIGH-RISK POPULATION.—The term ‘high-  
18 risk population’ means individuals who are described  
19 in one of the following subparagraphs:

20           “(A) Individuals who, by reason of the ex-  
21 istence or history of a medical condition, are  
22 able to acquire health coverage only at rates  
23 which are at least 150 percent of the standard  
24 risk rates for such coverage.

1           “(B) Individuals who are provided health  
2           coverage by a qualified high risk pool.

3           “(3) INDIGENT INDIVIDUAL.—The term ‘indi-  
4           gent individual’ shall be defined by a State with re-  
5           spect to use of such term for purposes of the appli-  
6           cation of this title to the State.

7           “(4) QUALIFIED HIGH RISK POOL.—The term  
8           ‘qualified high risk pool’ has the meaning given such  
9           term in section 2745(g)(1)(A) of the Public Health  
10          Service Act.

11          “(5) RISK-ADJUSTMENT MECHANISM DE-  
12          FINED.—For purposes of this section, the term  
13          ‘risk-adjustment mechanism’ means any risk-spread-  
14          ing mechanism to subsidize the purchase of private  
15          health insurance for the high-risk population, includ-  
16          ing a qualified high risk pool.”.

17          (b) REPORT ON REDUCTION OF FEDERAL ADMINIS-  
18          TRATIVE EXPENDITURES.—Beginning not later than Oc-  
19          tober 31, 2013, and annually thereafter until October 31,  
20          2022, the Secretary of Health and Human Services, in  
21          consultation with the Secretary of the Treasury, shall sub-  
22          mit a report to the Committee on Energy and Commerce  
23          in the House of Representatives and the Finance Com-  
24          mittee in the Senate containing a description of the total  
25          reduction in Federal expenditures required to administer

1 and provide oversight for the programs to provide health-  
2 care-related items and services to indigent individuals  
3 under this Act, compared to the expenditures required to  
4 administer and provide oversight for the programs under  
5 titles XIX and XXI of the Social Security Act, as in effect  
6 on September 30, 2012.

7 (c) STATE DEFINED.—Section 1101(a)(1) of the So-  
8 cial Security Act (42 U.S.C. 1301(a)(1)) is amended—

9 (1) in the first sentence, by striking “and XXI”  
10 and inserting “XXI, and XXII”; and

11 (2) in the fourth sentence, by striking “and  
12 XXI” and inserting “, XXI, and XXII”.

13 **SEC. 3. REPEAL OF PPACA, HCERA, AND THE FEDERAL RE-**  
14 **QUIREMENTS OF MEDICAID AND CHIP.**

15 (a) PPACA.—The Patient Protection and Affordable  
16 Care Act (Public Law 111–148) is repealed, and the provi-  
17 sions of law amended or repealed by such Act are restored  
18 or revived as if such Act had not been enacted.

19 (b) HCERA.—Title I and subtitle B of title II of the  
20 Health Care and Education Reconciliation Act of 2010  
21 (Public Law 111–152) are repealed, and the provisions of  
22 law amended or repealed by such title or subtitle, respec-  
23 tively, are restored or revived as if such title and subtitle  
24 had not been enacted.

1 (c) MEDICAID AND CHIP.—Titles XIX and XXI of  
2 the Social Security Act are repealed.

3 **SEC. 4. SEVERABILITY.**

4 If any provision of this Act, or the application of such  
5 provision to any person or circumstance, is found to be  
6 unconstitutional, the remainder of this Act, or the applica-  
7 tion of that provision to other persons or circumstances,  
8 shall not be affected.

9 **SEC. 5. EFFECTIVE DATE.**

10 This Act and the amendments made by this Act shall  
11 take effect with respect to items and services furnished  
12 on or after October 1, 2012.

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