

# Union Calendar No. 263

115TH CONGRESS  
1ST SESSION

# H. R. 3921

**[Report No. 115–358, Part I]**

To extend funding for the Children’s Health Insurance Program, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 3, 2017

Mr. BURGESS introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, 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

OCTOBER 19, 2017

Reported from the Committee on Energy and Commerce with an amendment  
[Strike out all after the enacting clause and insert the part printed in *italic*]

OCTOBER 19, 2017

Referral to the Committee on Ways and Means extended for a period ending not later than October 23, 2017

OCTOBER 23, 2017

The Committee on Ways and Means discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on October 3, 2017]

# **A BILL**

To extend funding for the Children's Health Insurance Program, 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.**

4        *This Act may be cited as the “Helping Ensure Access*  
 5 *for Little Ones, Toddlers, and Hopeful Youth by Keeping*  
 6 *Insurance Delivery Stable Act of 2017” or the “HEALTHY*  
 7 *KIDS Act”.*

8 **SEC. 2. TABLE OF CONTENTS.**

9        *The table of contents for this Act is as follows:*

*Sec. 1. Short title.*

*Sec. 2. Table of contents.*

**TITLE I—CHIP EXTENSION AND OTHER MEDICAID AND CHIP  
 PROVISIONS**

*Sec. 101. Five-year funding extension of the Children’s Health Insurance Pro-*  
*gram.*

*Sec. 102. Extension of certain programs and demonstration projects.*

*Sec. 103. Extension of outreach and enrollment program.*

*Sec. 104. Extension and reduction of additional Federal financial participation*  
*for CHIP.*

*Sec. 105. Modifying reduction in Medicaid DSH allotments.*

*Sec. 106. Puerto Rico and the Virgin Islands Medicaid payments.*

**TITLE II—OFFSETS**

*Sec. 201. Medicaid third party liability provisions.*

*Sec. 202. Treatment of lottery winnings and other lump-sum income for purposes*  
*of income eligibility under Medicaid.*

*Sec. 203. Adjustments to Medicare part B and part D premium subsidies for*  
*higher income individuals.*

1 **TITLE I—CHIP EXTENSION AND**  
2 **OTHER MEDICAID AND CHIP**  
3 **PROVISIONS**

4 **SEC. 101. FIVE-YEAR FUNDING EXTENSION OF THE CHIL-**  
5 **DREN’S HEALTH INSURANCE PROGRAM.**

6 (a) *APPROPRIATION; TOTAL ALLOTMENT.*—Section  
7 2104(a) of the Social Security Act (42 U.S.C. 1397dd(a))  
8 is amended—

9 (1) in paragraph (19), by striking “and”;

10 (2) in paragraph (20), by striking the period at  
11 the end and inserting a semicolon; and

12 (3) by adding at the end the following new para-  
13 graphs:

14 “(21) for fiscal year 2018, \$21,500,000,000;

15 “(22) for fiscal year 2019, \$22,600,000,000;

16 “(23) for fiscal year 2020, \$23,700,000,000;

17 “(24) for fiscal year 2021, \$24,800,000,000; and

18 “(25) for fiscal year 2022, for purposes of mak-  
19 ing 2 semi-annual allotments—

20 “(A) \$2,850,000,000 for the period begin-  
21 ning on October 1, 2021, and ending on March  
22 31, 2022; and

23 “(B) \$2,850,000,000 for the period begin-  
24 ning on April 1, 2022, and ending on September  
25 30, 2022.”.

1       (b) ALLOTMENTS.—

2               (1) IN GENERAL.—Section 2104(m) of the Social  
3       Security Act (42 U.S.C. 1397dd(m)) is amended—

4               (A) in paragraph (2)—

5                       (i) in the heading, by striking  
6               “THROUGH 2016” and inserting “THROUGH  
7               2022”; and

8                       (ii) in subparagraph (B)—

9                               (I) in the matter preceding clause  
10                       (i), by striking “(19)” and inserting  
11                       “(24)”; and

12                               (II) in clause (ii), in the matter  
13                       preceding subclause (I), by inserting  
14                       “(other than fiscal year 2022)” after  
15                       “even-numbered fiscal year”; and

16                               (III) in clause (ii)(I), by inserting  
17                       “(or, in the case of fiscal year 2018,  
18                       under paragraph (4))” after “clause  
19                       (i)”; and

20               (B) in paragraph (5)—

21                       (i) by striking “or (4)” and inserting  
22                       “(4), or (10)”; and

23                       (ii) by striking “or 2017” and insert-  
24                       ing “, 2017, or 2022”;

25               (C) in paragraph (7)—

1           (i) in subparagraph (A), by striking  
2           “2017” and inserting “2022”;

3           (ii) in subparagraph (B), in the mat-  
4           ter preceding clause (i), by inserting “(or,  
5           in the case of fiscal year 2018, by not later  
6           than the date that is 60 days after the date  
7           of the enactment of the *HEALTHY KIDS*  
8           *Act of 2017*)” after “before the August 31  
9           preceding the beginning of the fiscal year”;  
10          and

11          (iii) in the matter following subpara-  
12          graph (B), by striking “or fiscal year 2016”  
13          and inserting “fiscal year 2016, fiscal year  
14          2018, fiscal year 2020, or fiscal year 2022”;  
15          (D) in paragraph (9)—

16               (i) in the heading, by striking “*FISCAL*  
17               *YEARS 2015 AND 2017*” and inserting “*CER-*  
18               *TAIN FISCAL YEARS*”;

19               (ii) by striking “or (4)” and inserting  
20               “; (4), or (10)”;

21               (iii) by striking “or fiscal year 2017”  
22               and inserting “; 2017, or 2022”;

23          (E) by adding at the end the following new  
24          paragraph:

25          “(10) *FOR FISCAL YEAR 2022.*—

1           “(A) *FIRST HALF*.—Subject to paragraphs  
2           (5) and (7), from the amount made available  
3           under subparagraph (A) of paragraph (25) of  
4           subsection (a) for the semi-annual period de-  
5           scribed in such subparagraph, increased by the  
6           amount of the appropriation for such period  
7           under section 101(b)(3) of the *HEALTHY KIDS*  
8           Act, the Secretary shall compute a State allot-  
9           ment for each State (including the District of  
10          Columbia and each commonwealth and territory)  
11          for such semi-annual period in an amount equal  
12          to the first half ratio (described in subparagraph  
13          (D)) of the amount described in subparagraph  
14          (C).

15          “(B) *SECOND HALF*.—Subject to para-  
16          graphs (5) and (7), from the amount made  
17          available under subparagraph (B) of paragraph  
18          (25) of subsection (a) for the semi-annual period  
19          described in such subparagraph, the Secretary  
20          shall compute a State allotment for each State  
21          (including the District of Columbia and each  
22          commonwealth and territory) for such semi-an-  
23          nual period in an amount equal to the amount  
24          made available under such subparagraph, multi-  
25          plied by the ratio of—

1           “(i) the amount of the allotment to  
2           such State under subparagraph (A); to

3           “(ii) the total of the amount of all of  
4           the allotments made available under such  
5           subparagraph.

6           “(C) *FULL YEAR AMOUNT BASED ON*  
7           *GROWTH FACTOR UPDATED AMOUNT.*—The  
8           amount described in this subparagraph for a  
9           State is equal to the sum of—

10           “(i) the amount of the State allotment  
11           for fiscal year 2021 determined under para-  
12           graph (2)(B)(i); and

13           “(ii) the amount of any payments  
14           made to the State under subsection (n) for  
15           fiscal year 2021,  
16           multiplied by the allotment increase factor under  
17           paragraph (6) for fiscal year 2022.

18           “(D) *FIRST HALF RATIO.*—The first half  
19           ratio described in this subparagraph is the ratio  
20           of—

21           “(i) the sum of—

22           “(I) the amount made available  
23           under subsection (a)(25)(A); and

24           “(II) the amount of the appro-  
25           priation for such period under section



1                   101(b)(3) of the *HEALTHY KIDS Act*;  
2                   to  
3                   “(ii) the sum of—  
4                   “(I) the amount described in  
5                   clause (i); and  
6                   “(II) the amount made available  
7                   under subsection (a)(25)(B).”.

8                   (2)       *TECHNICAL AMENDMENT.*—Section  
9                   2104(m)(2)(A) of such Act (42 U.S.C.  
10                  1397dd(m)(2)(A)) is amended by striking “the allot-  
11                  ment increase factor under paragraph (5)” each place  
12                  it appears and inserting “the allotment increase fac-  
13                  tor under paragraph (6)”.

14                  (3) *ONE-TIME APPROPRIATION FOR FISCAL YEAR*  
15                  2022.—There is appropriated to the Secretary of  
16                  Health and Human Services, out of any money in the  
17                  Treasury not otherwise appropriated, \$20,200,000,000  
18                  to accompany the allotment made for the period be-  
19                  ginning on October 1, 2021, and ending on March 31,  
20                  2022, under paragraph (25)(A) of section 2104(a) of  
21                  the Social Security Act (42 U.S.C. 1397dd(a)) (as  
22                  added by subsection (a)(3)), to remain available until  
23                  expended. Such amount shall be used to provide allot-  
24                  ments to States under paragraph (10) of section  
25                  2104(m) of such Act (as added by subsection

1       **(b)(1)(E))** for the first 6 months of fiscal year 2022  
2       in the same manner as allotments are provided under  
3       subsection (a)(25)(A) of such section 2104 and subject  
4       to the same terms and conditions as apply to the al-  
5       lotments provided from such subsection (a)(25)(A).

6       **(c) EXTENSION OF THE CHILD ENROLLMENT CONTIN-**  
7       **GENCY FUND.**—Section 2104(n) of the Social Security Act  
8       (42 U.S.C. 1397dd(n)) is amended—

9               (1) in paragraph (2)—

10                       (A) in subparagraph (A)(ii)—

11                               (i) by striking “2010, 2011, 2012,  
12                               2013, 2014, and 2016” and inserting “2010  
13                               through 2014, 2016, and 2018 through  
14                               2021”; and

15                               (ii) by striking “fiscal year 2015 and  
16                               fiscal year 2017” and inserting “fiscal  
17                               years 2015, 2017, and 2022”; and

18                       (B) in subparagraph (B)—

19                               (i) by striking “2010, 2011, 2012,  
20                               2013, 2014, and 2016” and inserting “2010  
21                               through 2014, 2016, and 2018 through  
22                               2021”; and

23                               (ii) by striking “fiscal year 2015 and  
24                               fiscal year 2017” and inserting “fiscal  
25                               years 2015, 2017, and 2022”; and

1           (2) *in paragraph (3)(A), in the matter preceding*  
2           *clause (i), by striking “or a semi-annual allotment*  
3           *period for fiscal year 2015 or 2017” and inserting*  
4           *“or in any of fiscal years 2018 through 2021 (or a*  
5           *semi-annual allotment period for fiscal year 2015,*  
6           *2017, or 2022)”.*

7           (d) *EXTENSION OF QUALIFYING STATES OPTION.—*  
8           *Section 2105(g)(4) of the Social Security Act (42 U.S.C.*  
9           *1397ee(g)(4)) is amended—*

10           (1) *in the heading, by striking “THROUGH 2017”*  
11           *and inserting “THROUGH 2022”; and*

12           (2) *in subparagraph (A), by striking “2017” and*  
13           *inserting “2022”.*

14           (e) *EXTENSION OF EXPRESS LANE ELIGIBILITY OP-*  
15           *TION.—Section 1902(e)(13)(I) of the Social Security Act*  
16           *(42 U.S.C. 1396a(e)(13)(I)) is amended by striking “2017”*  
17           *and inserting “2022”.*

18           (f) *ASSURANCE OF AFFORDABILITY STANDARD FOR*  
19           *CHILDREN AND FAMILIES.—*

20           (1) *IN GENERAL.—Section 2105(d)(3) of the So-*  
21           *cial Security Act (42 U.S.C. 1397ee(d)(3)) is amend-*  
22           *ed—*

23           (A) *in the paragraph heading, by striking*  
24           *“UNTIL OCTOBER 1, 2019” and inserting*  
25           *“THROUGH SEPTEMBER 30, 2022”; and*

1           (B) in subparagraph (A), in the matter pre-  
2       ceding clause (i)—

3           (i) by striking “2019” and inserting  
4       “2022”; and

5           (ii) by striking “The preceding sen-  
6       tence shall not be construed as preventing a  
7       State during such period” and inserting  
8       “During the period that begins on October  
9       1, 2019, and ends on September 30, 2022,  
10      the preceding sentence shall only apply with  
11      respect to children in families whose income  
12      does not exceed 300 percent of the poverty  
13      line (as defined in section 2110(c)(5)) ap-  
14      plicable to a family of the size involved. The  
15      preceding sentences shall not be construed as  
16      preventing a State during any such peri-  
17      ods”.

18           (2)    CONFORMING    AMENDMENTS.—Section  
19       1902(gg)(2) of the Social Security Act (42 U.S.C.  
20       1396a(gg)(2)) is amended—

21           (A) in the paragraph heading, by striking  
22       “UNTIL OCTOBER 1, 2019” and inserting  
23       “THROUGH SEPTEMBER 30, 2022”; and

24           (B) by striking “September 30, 2019,” and  
25       inserting “September 30, 2022 (but during the

1           *period that begins on October 1, 2019, and ends*  
2           *on September 30, 2022, only with respect to chil-*  
3           *dren in families whose income does not exceed*  
4           *300 percent of the poverty line (as defined in sec-*  
5           *tion 2110(c)(5)) applicable to a family of the*  
6           *size involved)”.*

7           *(g) CHIP LOOK-ALIKE PLANS.—*

8                   *(1) BLENDING RISK POOLS.—Section 2107 of the*  
9           *Social Security Act (42 U.S.C. 1397gg) is amended*  
10          *by adding at the end the following:*

11          *“(g) USE OF BLENDED RISK POOLS.—*

12                   *“(1) IN GENERAL.—Nothing in this title (or any*  
13          *other provision of Federal law) shall be construed as*  
14          *preventing a State from considering children enrolled*  
15          *in a qualified CHIP look-alike program and children*  
16          *enrolled in a State child health plan under this title*  
17          *(or a waiver of such plan) as members of a single risk*  
18          *pool.*

19                   *“(2) QUALIFIED CHIP LOOK-ALIKE PROGRAM.—*  
20          *In this subsection, the term ‘qualified CHIP look-alike*  
21          *program’ means a State program—*

22                    *“(A) under which children who are under*  
23                    *the age of 19 and are not eligible to receive med-*  
24                    *ical assistance under title XIX or child health*  
25                    *assistance under this title may purchase coverage*

1 through the State that provides benefits that are  
 2 at least identical to the benefits provided under  
 3 the State child health plan under this title (or a  
 4 waiver of such plan); and

5 “(B) that is funded exclusively through non-  
 6 Federal funds, including funds received by the  
 7 State in the form of premiums for the purchase  
 8 of such coverage.”.

9 (2) *COVERAGE RULE.*—

10 (A) *IN GENERAL.*—Section 5000A(f)(1) of  
 11 the Internal Revenue Code of 1986 is amended in  
 12 subparagraph (A)(iii), by inserting “or under a  
 13 qualified CHIP look-alike program (as defined  
 14 in section 2107(g) of the Social Security Act)”  
 15 before the comma at the end.

16 (B) *EFFECTIVE DATE.*—The amendment  
 17 made by subparagraph (A) shall apply with re-  
 18 spect to taxable years beginning after December  
 19 31, 2017.

20 **SEC. 102. EXTENSION OF CERTAIN PROGRAMS AND DEM-**  
 21 **ONSTRATION PROJECTS.**

22 (a) *CHILDHOOD OBESITY DEMONSTRATION*  
 23 *PROJECT.*—Section 1139A(e)(8) of the Social Security Act  
 24 (42 U.S.C. 1320b–9a(e)(8)) is amended—

1           (1) by striking “and \$10,000,000” and inserting  
2           “; \$10,000,000”; and

3           (2) by inserting after “2017” the following: “,  
4           and \$25,000,000 for the period of fiscal years 2018  
5           through 2022”.

6           (b) *PEDIATRIC QUALITY MEASURES PROGRAM*.—Sec-  
7           tion 1139A(i) of the Social Security Act (42 U.S.C. 1320b-  
8           9a(i)) is amended—

9           (1) by striking “Out of any” and inserting the  
10           following:

11           “(1) *IN GENERAL*.—Out of any”;

12           (2) by striking “there is appropriated for each”  
13           and inserting “there is appropriated—

14           “(A) for each”;

15           (3) by striking “, and there is appropriated for  
16           the period” and inserting “;

17           “(B) for the period”;

18           (4) by striking “. Funds appropriated under this  
19           subsection shall remain available until expended.”  
20           and inserting “; and”; and

21           (5) by adding at the end the following:

22           “(C) for the period of fiscal years 2018  
23           through 2022, \$75,000,000 for the purpose of  
24           carrying out this section (other than subsections  
25           (e), (f), and (g)).

1           “(2) *AVAILABILITY.*—*Funds appropriated under*  
 2           *this subsection shall remain available until ex-*  
 3           *pended.*”.

4   **SEC. 103. EXTENSION OF OUTREACH AND ENROLLMENT**  
 5           **PROGRAM.**

6           (a) *IN GENERAL.*—*Section 2113 of the Social Security*  
 7           *Act (42 U.S.C. 1397mm) is amended—*

8                   (1) *in subsection (a)(1), by striking “2017” and*  
 9                   *inserting “2022”; and*

10                   (2) *in subsection (g)—*

11                           (A) *by striking “and \$40,000,000” and in-*  
 12                           *serting “, \$40,000,000”; and*

13                           (B) *by inserting after “2017” the following:*  
 14                           *“, and \$100,000,000 for the period of fiscal years*  
 15                           *2018 through 2022”.*

16           (b) *MAKING PARENT MENTORS ELIGIBLE TO RECEIVE*  
 17           *GRANTS.*—*Section 2113(f) of the Social Security Act (42*  
 18           *U.S.C. 1397mm(f)) is amended—*

19                   (1) *in paragraph (1), by adding at the end the*  
 20                   *following new subparagraph:*

21                           “(H) *Parent mentors.*”; and

22                   (2) *by adding at the end the following new para-*  
 23                   *graph:*

24                           “(5) *PARENT MENTOR.*—*The term ‘parent men-*  
 25                           *tor’ means an individual who—*



1           “(A) is a parent or guardian of at least one  
2 child who is an eligible child under this title or  
3 title XIX; and

4           “(B) is trained to assist families with chil-  
5 dren who have no health insurance coverage with  
6 respect to improving the social determinants of  
7 the health of such children, including by pro-  
8 viding—

9           “(i) education about health insurance  
10 coverage, including, with respect to obtain-  
11 ing such coverage, eligibility criteria and  
12 application and renewal processes;

13           “(ii) assistance with completing and  
14 submitting applications for health insur-  
15 ance coverage;

16           “(iii) a liaison between families and  
17 representatives of State plans under title  
18 XIX or State child health plans under this  
19 title;

20           “(iv) guidance on identifying medical  
21 and dental homes and community phar-  
22 macies for children; and

23           “(v) assistance and referrals to success-  
24 fully address social determinants of chil-

1                   dren’s health, including poverty, food insuf-  
2                   ficiency, and housing.”.

3 **SEC. 104. EXTENSION AND REDUCTION OF ADDITIONAL**  
4                   **FEDERAL FINANCIAL PARTICIPATION FOR**  
5                   **CHIP.**

6           Section 2105(b) of the Social Security Act (42 U.S.C.  
7 1397ee(b)) is amended in the second sentence by inserting  
8 “and during the period that begins on October 1, 2019, and  
9 ends on September 30, 2020, the enhanced FMAP deter-  
10 mined for a State for a fiscal year (or for any portion of  
11 a fiscal year occurring during such period) shall be in-  
12 creased by 11.5 percentage points” after “23 percentage  
13 points,”.

14 **SEC. 105. MODIFYING REDUCTION IN MEDICAID DSH AL-**  
15                   **LOTMENTS.**

16           Section 1923(f)(7)(A)(ii) of the Social Security Act (42  
17 U.S.C. 1396r-4(f)(7)(A)(ii)) is amended—

18                   (1) by striking subclause (I) and redesignating  
19                   subclauses (II) through (VIII) as subclauses (I)  
20                   through (VII), respectively;

21                   (2) in subclause (VI), as redesignated by para-  
22                   graph (1), by striking at the end “and”;

23                   (3) in subclause (VII), as redesignated by para-  
24                   graph (1), by striking at the end the period and in-  
25                   serting a semicolon; and

1           (4) by adding at the end the following new sub-  
2       *clauses:*

3                               “(VIII) \$8,000,000,000 for fiscal  
4                               year 2026; and

5                               “(IX) \$8,000,000,000 for fiscal  
6                               year 2027.”.

7       **SEC. 106. PUERTO RICO AND THE VIRGIN ISLANDS MED-**  
8                               **ICAID PAYMENTS.**

9           (a) *INCREASED CAP.*—Section 1108(g) of the Social  
10       *Security Act (42 U.S.C. 1308(g)) is amended—*

11               (1) *in paragraph (2)—*

12                       (A) *in subparagraph (A), by inserting “(or,*  
13                       *with respect to fiscal years 2018 and 2019, in-*  
14                       *creased by such percentage increase plus one per-*  
15                       *centage point)” after “beginning of the fiscal*  
16                       *year”; and*

17                       (B) *in subparagraph (B), by inserting “(or,*  
18                       *with respect to fiscal years 2018 and 2019, in-*  
19                       *creased by such percentage increase plus one per-*  
20                       *centage point)” after “percentage increase re-*  
21                       *ferred to in subparagraph (A)”;*

22               (2) *in paragraph (5)—*

23                       (A) *in subparagraph (A), by striking “sub-*  
24                       *paragraph (B)” and inserting “subparagraphs*  
25                       *(B), (C), (D), (E), and (F)”;* and

1           (B) by adding at the end the following new  
2           subparagraphs:

3           “(C) The amount of the increase otherwise pro-  
4           vided under subparagraph (A) for Puerto Rico shall  
5           be further increased by \$880,000,000.

6           “(D)(i) For the period beginning October 1,  
7           2017, and ending December 31, 2019, the amount of  
8           the increase otherwise provided under subparagraph  
9           (A) for Puerto Rico shall be further increased by  
10          \$120,000,000 if the Financial Oversight and Manage-  
11          ment Board for Puerto Rico established under section  
12          101 of the Puerto Rico Oversight, Management, and  
13          Economic Stability Act (48 U.S.C. 2121) certifies by  
14          a majority vote that Puerto Rico has taken reasonable  
15          and appropriate steps during such period to—

16                 “(I) reduce fraud, waste, and abuse under  
17                 the program under title XIX;

18                 “(II) implement strategies to reduce unnec-  
19                 essary, inefficient, or excessive spending under  
20                 title XIX;

21                 “(III) improve the use and availability of  
22                 Medicaid data for program operation and over-  
23                 sight; and

1           “(IV) improve the quality of care and pa-  
2           tient experience for individuals enrolled under  
3           the program under title XIX.

4           “(ii) As a condition of any additional increase  
5           pursuant to clause (i), not later than October 1, 2018,  
6           Puerto Rico shall submit to the Financial Oversight  
7           and Management Board for Puerto Rico a report re-  
8           garding steps taken to achieve each of the goals de-  
9           scribed in subclauses (I) through (IV) of clause (i).

10           “(E) Payments under section 1903(a)(8) for a  
11           quarter of a fiscal year shall not be taken into ac-  
12           count in applying subsection (f) (as increased in ac-  
13           cordance with this paragraph and paragraphs (1),  
14           (2), (3), and (4)) to Puerto Rico or the Virgin Islands  
15           for such fiscal year.

16           “(F)(i) For the period beginning October 1,  
17           2017, and ending December 31, 2019, the amount of  
18           the increase otherwise provided under subparagraph  
19           (A) for the Virgin Islands shall be further increased  
20           by an amount equal to the per capita equivalent of  
21           the total amount of the increase provided for Puerto  
22           Rico under subparagraphs (C) and (D) for such pe-  
23           riod.

24           “(ii) For purposes of clause (i), the term ‘per  
25           capita equivalent’ means the ratio of—

1           “(I) the population of the Virgin Islands, as  
2           determined by the most recent census estimate re-  
3           leased by the Bureau of the Census before Sep-  
4           tember 4, 2017; to

5           “(II) the population of Puerto Rico, as so  
6           determined.”.

7           (b) *FEDERAL MATCH FOR MEDICAL PERSONNEL AND*  
8 *FRAUD REDUCTION.*—Section 1903(a) of the Social Secu-  
9 rity Act (42 U.S.C. 1396b(a)) is amended—

10           (1) in paragraph (2)(A), by inserting “subject to  
11           paragraph (8),” before “an amount”;

12           (2) in paragraph (6)—

13           (A) in subparagraph (B), by inserting “sub-  
14           ject to paragraph (8),” before “75 per centum”;  
15           and

16           (B) by striking at the end “plus”;

17           (3) in paragraph (7), by striking at the end the  
18           period and inserting “; plus” ; and

19           (4) by adding at the end the following new para-  
20           graph:

21           “(8) for quarters during the period beginning  
22           January 1, 2018, and ending December 31, 2019,  
23           paragraphs (2)(A) and (6) shall apply with respect to  
24           Puerto Rico and the Virgin Islands as if—

1           “(A) the reference to ‘75 per centum’ in  
2 paragraph (2)(A) were a reference to ‘90 per cen-  
3 tum’; and

4           “(B) the reference to ‘75 per centum’ in  
5 paragraph (6)(B) were a reference to ‘90 per  
6 centum’.”.

## 7           **TITLE II—OFFSETS**

### 8   **SEC. 201. MEDICAID THIRD PARTY LIABILITY PROVISIONS.**

#### 9       (a) MEDICAID THIRD PARTY LIABILITY.—

##### 10           (1) DELAY OF BIPARTISAN BUDGET ACT OF 2013 11       THIRD PARTY LIABILITY PROVISIONS.—

12           (A) IN GENERAL.—Section 202(c) of the Bi-  
13 partisan Budget Act of 2013 (Public Law 113-  
14 67; 127 Stat. 1177; 42 U.S.C. 1396a note), as  
15 amended by section 211 of the Protecting Access  
16 to Medicare Act of 2014 (Public Law 113-93;  
17 128 Stat. 1047; 42 U.S.C. 1396a note) and sec-  
18 tion 220 of the Medicare Access and CHIP Reau-  
19 thorization Act of 2015 (Public Law 114-10), is  
20 amended by striking “2017” and inserting  
21 “2019”.

22           (B) EFFECTIVE DATE; TREATMENT.—The  
23 amendment made by subparagraph (A) shall  
24 take effect on September 30, 2017, and shall

1           *apply with respect to claims generated or filed*  
2           *after such date.*

3           (2) *CLARIFICATION OF DEFINITIONS APPLICABLE*  
4           *TO THIRD PARTY LIABILITY.—*

5                   (A) *IN GENERAL.—Section 1902 of the So-*  
6                   *cial Security Act (42 U.S.C. 1396a) is amended*  
7                   *by adding at the end the following new sub-*  
8                   *section:*

9           “(m) *RESPONSIBLE THIRD PARTY AND HEALTH IN-*  
10           *SURER DEFINITIONS.—For purposes of subsection (a)(25)*  
11           *and section 1903(d)(2)(B):*

12                   “(1) *RESPONSIBLE THIRD PARTY.—The term ‘re-*  
13                   *sponsible third party’ means a health insurer, an ac-*  
14                   *countable care organization, or any other party that*  
15                   *is, by statute, contract, or agreement, legally respon-*  
16                   *sible for payment of a claim for a health care item*  
17                   *or service. Such term does not include a party if pay-*  
18                   *ment by such party has been made or can reasonably*  
19                   *be expected to be made under a workmen’s compensa-*  
20                   *tion law or plan of the United States or a State, or*  
21                   *under an automobile or liability insurance policy or*  
22                   *plan (including a self-insured plan), or under no*  
23                   *fault insurance.*

24                   “(2) *HEALTH INSURER.—The term ‘health in-*  
25                   *surer’ means a group health plan, as defined in sec-*



1        *tion 607(1) of the Employee Retirement Income Secu-*  
2        *urity Act of 1974, a self-insured plan, a fully-insured*  
3        *plan, a service benefit plan, a medicaid managed care*  
4        *plan under section 1903(m) or 1932, a pharmacy*  
5        *benefit manager, and any other health plan deter-*  
6        *mined appropriate by the Secretary.”.*

7                    (B) *CONFORMING AMENDMENTS.—Section*  
8                    *1902(a)(25) of the Social Security Act (42*  
9                    *U.S.C. 1396a(a)(25)) is amended—*

10                    (i) *in subparagraph (A), in the matter*  
11                    *preceding clause (i), by striking “third par-*  
12                    *ties” and all that follows through “item or*  
13                    *service)” and inserting “responsible third*  
14                    *parties”;*

15                    (ii) *in subparagraph (G), by striking*  
16                    *“health insurer” and all that follows*  
17                    *through “item or service)” and inserting*  
18                    *“responsible third party”;*

19                    (iii) *in subparagraph (I), in the mat-*  
20                    *ter preceding clause (i), by striking “health*  
21                    *insurers” and all that follows through “item*  
22                    *or service” and inserting “responsible third*  
23                    *parties”; and*

1                   (iv) by inserting “responsible” before  
2                   “third” each place it appears in subpara-  
3                   graphs (A)(i), (A)(ii), (C), (D), and (H).

4                   (3) *REMOVAL OF SPECIAL TREATMENT OF CER-*  
5                   *TAIN TYPES OF CARE AND PAYMENTS UNDER MED-*  
6                   *ICAID THIRD PARTY LIABILITY RULES.*—Section  
7                   1902(a)(25) of the Social Security Act (42 U.S.C.  
8                   1396a(a)(25)), as amended by section 202(c) of the  
9                   Bipartisan Budget Act of 2013 (after application of  
10                  paragraph (1)), is amended by striking subpara-  
11                  graphs (E) and (F).

12                  (4) *CLARIFICATION OF ROLE OF HEALTH INSUR-*  
13                  *ERS WITH RESPECT TO THIRD PARTY LIABILITY.*—

14                  (A) *IN GENERAL.*—Section 1902(a)(25) of  
15                  the Social Security Act (42 U.S.C.  
16                  1396a(a)(25)), as amended by paragraph (3), is  
17                  further amended by inserting after subparagraph  
18                  (D) the following new subparagraphs:

19                  “(E) that, in the case of a State that pro-  
20                  vides medical assistance under this title through  
21                  a contract with a health insurer, such contract  
22                  shall specify whether the State is—

23                  “(i) delegating to such insurer all or  
24                  some of its right of recovery from a respon-  
25                  sible third party for an item or service for

1           *which payment has been made under the*  
2           *State plan (or under a waiver of the plan);*  
3           *and*

4           “(i) transferring to such insurer all or  
5           some of the assignment to the State of any  
6           right of an individual or other entity to  
7           payment from a responsible third party for  
8           an item or service for which payment has  
9           been made under the State plan (or under  
10          a waiver of the plan);

11          “(F) that, in the case of a State that elects  
12          an option described in clause (i) or (ii) of sub-  
13          paragraph (E) with respect to a health insurer,  
14          the State shall provide assurances to the Sec-  
15          retary that the State laws referred to in subpara-  
16          graph (I) confer to the health insurer the author-  
17          ity of the State with respect to the requirements  
18          specified in clauses (i) through (iv) of such sub-  
19          paragraph;”.

20                (B)       TREATMENT       OF       COLLECTED  
21          AMOUNTS.—Section 1903(d)(2)(B) of the Social  
22          Security Act (42 U.S.C. 1396b(d)(2)(B)) is  
23          amended by adding at the end the following:  
24          “For purposes of this subparagraph, reimburse-  
25          ments made by a responsible third party to

1           *health insurers pursuant to section*  
2           *1902(a)(25)(E) shall be treated in the same*  
3           *manner as reimbursements made to a State*  
4           *under the previous sentence.”.*

5           (5) *INCREASING STATE FLEXIBILITY WITH RE-*  
6           *SPECT TO THIRD PARTY LIABILITY.—Section*  
7           *1902(a)(25)(I) of the Social Security Act (42 U.S.C.*  
8           *1396a(a)(25)(I)) is amended—*

9                     (A) *in clause (i), by striking “medical as-*  
10                    *sistance under the State plan” and inserting*  
11                    *“medical assistance under a State plan (or*  
12                    *under a waiver of the plan)”;*

13                    (B) *by striking clause (ii) and inserting the*  
14                    *following new clause:*

15                             *“(ii) accept—*

16                                     *“(I) any State’s right of recovery*  
17                                     *and the assignment to any State of*  
18                                     *any right of an individual or other en-*  
19                                     *tity to payment from the party for an*  
20                                     *item or service for which payment has*  
21                                     *been made under the respective State’s*  
22                                     *plan (or under a waiver of the plan);*  
23                                     *and*

24                                     *“(II) as a valid authorization of*  
25                                     *the responsible third party for the fur-*

1                    *nishing of an item or service to an in-*  
 2                    *dividual eligible to receive medical as-*  
 3                    *sistance under this title, an authoriza-*  
 4                    *tion made on behalf of such individual*  
 5                    *under the State plan (or under a waiv-*  
 6                    *er of such plan) for the furnishing of*  
 7                    *such item or service to such indi-*  
 8                    *vidual;”;*

9                    *(C) in clause (iii)—*

10                    *(i) by striking “respond to” and in-*  
 11                    *serting “not later than 60 days after receiv-*  
 12                    *ing”; and*

13                    *(ii) by striking “; and” at the end and*  
 14                    *inserting “, respond to such inquiry; and”;*  
 15                    *and*

16                    *(D) in clause (iv), by inserting “a failure to*  
 17                    *obtain a prior authorization,” after “claim*  
 18                    *form,”.*

19                    *(6) STATE INCENTIVE TO PURSUE THIRD PARTY*  
 20                    *LIABILITY FOR NEWLY ELIGIBLES.—Section*  
 21                    *1903(d)(2)(B) of the Social Security Act (42 U.S.C.*  
 22                    *1396b(d)(2)(B)), as amended by paragraph (4)(B), is*  
 23                    *further amended by adding at the end the following:*  
 24                    *“In the case of expenditures for medical assistance*  
 25                    *provided during 2017 and subsequent years for indi-*

1        *viduals described in subclause (VIII) of section*  
2        *1902(a)(10)(A)(i), in determining the amount, if any,*  
3        *of overpayment under this subparagraph with respect*  
4        *to such medical assistance, the Secretary shall apply*  
5        *the Federal medical assistance percentage for the*  
6        *State under section 1905(b), notwithstanding the ap-*  
7        *plication of section 1905(y).”.*

8        *(b) COMPLIANCE WITH THIRD PARTY INSURANCE RE-*  
9        *PORTING.—Section 1903 of the Social Security Act (42*  
10       *U.S.C. 1396b) is amended by inserting after subsection (m)*  
11       *the following new subsection:*

12        *“(n)(1) For any year beginning after 2020 (or a sooner*  
13        *year as provided in paragraph (2)), if a State fails to com-*  
14        *ply with the requirements of section 1902(a)(25) with re-*  
15        *spect to each calendar quarter in such year, the Secretary*  
16        *may reduce the Federal medical assistance percentage by*  
17        *0.1 percentage point for calendar quarters in each subse-*  
18        *quent year in which the State fails to so comply (and cumu-*  
19        *latively for a failure to so comply for a period of consecutive*  
20        *years).*

21        *“(2) The Secretary may apply paragraph (1)—*

22                *“(A) for any year beginning after 2018, if a*  
23        *State fails to comply with the requirements of section*  
24        *1902(a)(25) with respect to payment for items and*  
25        *services furnished to individuals described in sub-*

1 *clause (VIII) of section 1902(a)(10)(A)(i) or non-ex-*  
2 *pansion individuals; and*

3 *“(B) for any year beginning after 2019, if a*  
4 *State fails to comply with the requirements of section*  
5 *1902(a)(25) with respect to payment for items and*  
6 *services furnished to individuals described in subdivi-*  
7 *sion (i), (iii), or (iv) of section 1905(a).*

8 *“(3) For purposes of this subsection, the term ‘non-*  
9 *expansion individual’ means, with respect to a State for*  
10 *a month, an individual who is—*

11 *“(A) eligible for medical assistance for items or*  
12 *services under this title and enrolled under the State*  
13 *plan (or a waiver of such plan) under this title for*  
14 *the month;*

15 *“(B) not under 19 years of age;*

16 *“(C) not 65 years of age or older; and*

17 *“(D) not eligible for medical assistance under*  
18 *this title on the basis of being blind or disabled.”.*

19 *(c) APPLICATION TO CHIP.—*

20 *(1) IN GENERAL.—Section 2107(e)(1) of the So-*  
21 *cial Security Act (42 U.S.C. 1397gg(e)(1)) is amend-*  
22 *ed—*

23 *(A) by redesignating subparagraphs (B)*  
24 *through (R) as subparagraphs (C) through (S),*  
25 *respectively; and*

1                   (B) by inserting after subparagraph (A) the  
2 following new subparagraph:

3                   “(B) Section 1902(a)(25) (relating to third  
4 party liability).”.

5                   (2)       MANDATORY       REPORTING.—Section  
6 1902(a)(25)(I)(i) of the Social Security Act (42  
7 U.S.C. 1396a(a)(25)(I)(i)), as amended by subsection  
8 (a)(5), is further amended—

9                   (A) by striking “(and, at State option,  
10 child” and inserting “and child”; and

11                   (B) by striking “title XXI” and inserting  
12 “title XXI”.

13                   (d) TRAINING ON THIRD PARTY LIABILITY.—Section  
14 1936 of the Social Security Act (42 U.S.C. 1396u–6) is  
15 amended—

16                   (1) in subsection (b)(4), by striking “and quality  
17 of care” and inserting “, quality of care, and the li-  
18 ability of responsible third parties (as defined in sec-  
19 tion 1902(nn))”; and

20                   (2) by adding at the end the following new sub-  
21 section:

22                   “(f) THIRD PARTY LIABILITY TRAINING.—With re-  
23 spect to education or training activities carried out pursu-  
24 ant to subsection (b)(4) with respect to the liability of re-  
25 sponsible third parties (as defined in section 1902(nn) for



1 *payment for items and services furnished under State plans*  
2 *(or under waivers of such plans)) under this title, the Sec-*  
3 *retary shall—*

4           “(1) *publish (and update on an annual basis) on*  
5 *the public Internet website of the Centers for Medicare*  
6 *& Medicaid Services a dedicated Internet page con-*  
7 *taining best practices to be used in assessing such li-*  
8 *ability;*

9           “(2) *monitor efforts to assess such liability and*  
10 *analyze the challenges posed by that assessment;*

11           “(3) *distribute to State agencies administering*  
12 *the State plan under this title information related to*  
13 *such efforts and challenges; and*

14           “(4) *provide guidance to such State agencies*  
15 *with respect to State oversight of efforts under a med-*  
16 *icaid managed care plan under section 1903(m) or*  
17 *1932 to assess such liability.”.*

18       *(e) DEVELOPMENT OF MODEL UNIFORM FIELDS FOR*  
19 *STATES TO REPORT THIRD PARTY INFORMATION.—Not*  
20 *later than January 1, 2019, the Secretary of Health and*  
21 *Human Services shall, in consultation with the States, de-*  
22 *velop and make available to the States a model uniform*  
23 *reporting field that States may use for purposes of reporting*  
24 *to the Secretary through the Transformed Medicaid Statis-*  
25 *tical Information System (T-MSIS) (or a successor sys-*

1 *tem), or within CMS Form 64 (or any successor form), in-*  
2 *formation identifying responsible third parties (as defined*  
3 *in subsection (nn) of section 1902 of the Social Security*  
4 *Act (42 U.S.C. 1396a), as added by subsection (a)(2)(A))*  
5 *and other relevant information for ascertaining the legal*  
6 *responsibility of such third parties to pay for care and serv-*  
7 *ices available under the State plan (or under a waiver of*  
8 *the plan) under title XIX of the Social Security Act (42*  
9 *U.S.C. 1396 et seq.).*

10 *(f) EFFECTIVE DATE.—*

11 *(1) IN GENERAL.—Except as provided in para-*  
12 *graph (2), this section and the amendments made by*  
13 *this section (other than as specified in the preceding*  
14 *provisions of this section) shall take effect on October*  
15 *1, 2019, and shall apply to medical assistance or*  
16 *child health assistance provided on or after such date.*

17 *(2) EXCEPTION IF STATE LEGISLATION RE-*  
18 *QUIRED.—In the case of a State plan for medical as-*  
19 *sistance under title XIX of the Social Security Act*  
20 *(42 U.S.C. 1396 et seq.), or a State child health plan*  
21 *for child health assistance under title XXI of such Act*  
22 *(42 U.S.C. 1397aa et seq.), that the Secretary of*  
23 *Health and Human Services determines requires*  
24 *State legislation (other than legislation appropriating*  
25 *funds) in order for the plan to meet the additional re-*

1        *quirement imposed by the amendments made under*  
2        *this section, such plan shall not be regarded as failing*  
3        *to comply with the requirements of such title solely on*  
4        *the basis of its failure to meet this additional require-*  
5        *ment before the first day of the first calendar quarter*  
6        *beginning after the close of the first regular session of*  
7        *the State legislature that begins after the date of the*  
8        *enactment of this Act. For purposes of the previous*  
9        *sentence, in the case of a State that has a 2-year leg-*  
10       *islative session, each year of such session shall be*  
11       *deemed to be a separate regular session of the State*  
12       *legislature.*

13    **SEC. 202. TREATMENT OF LOTTERY WINNINGS AND OTHER**  
14                    **LUMP-SUM INCOME FOR PURPOSES OF IN-**  
15                    **COME ELIGIBILITY UNDER MEDICAID.**

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

18                *(1) in subsection (a)(17), by striking “(e)(14),*  
19                *(e)(14)” and inserting “(e)(14), (e)(15)”;* and

20                *(2) in subsection (e)—*

21                        *(A) in paragraph (14) (relating to modified*  
22                        *adjusted gross income), by adding at the end the*  
23                        *following new subparagraph:*

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

4                   “(i) *IN GENERAL.—In the case of an*  
5                   *individual who is the recipient of qualified*  
6                   *lottery winnings (pursuant to lotteries oc-*  
7                   *curring on or after January 1, 2018) or*  
8                   *qualified lump sum income (received on or*  
9                   *after such date) and whose eligibility for*  
10                   *medical assistance is determined based on*  
11                   *the application of modified adjusted gross*  
12                   *income under subparagraph (A), a State*  
13                   *shall, in determining such eligibility, in-*  
14                   *clude such winnings or income (as applica-*  
15                   *ble) as income received—*

16                   “(I) *in the month in which such*  
17                   *winnings or income (as applicable) is*  
18                   *received if the amount of such*  
19                   *winnings or income is less than*  
20                   *\$80,000;*

21                   “(II) *over a period of 2 months if*  
22                   *the amount of such winnings or income*  
23                   *(as applicable) is greater than or equal*  
24                   *to \$80,000 but less than \$90,000;*

1           “(III) over a period of 3 months  
2           if the amount of such winnings or in-  
3           come (as applicable) is greater than or  
4           equal to \$90,000 but less than  
5           \$100,000; and

6           “(IV) over a period of 3 months  
7           plus 1 additional month for each incre-  
8           ment of \$10,000 of such winnings or  
9           income (as applicable) received, not to  
10          exceed a period of 120 months (for  
11          winnings or income of \$1,260,000 or  
12          more), if the amount of such winnings  
13          or income is greater than or equal to  
14          \$100,000.

15          “(ii) COUNTING IN EQUAL INSTALL-  
16          MENTS.—For purposes of subclauses (II),  
17          (III), and (IV) of clause (i), winnings or  
18          income to which such subclause applies  
19          shall be counted in equal monthly install-  
20          ments over the period of months specified  
21          under such subclause.

22          “(iii) HARDSHIP EXEMPTION.—An in-  
23          dividual whose income, by application of  
24          clause (i), exceeds the applicable eligibility  
25          threshold established by the State, shall con-

1 *tinue to be eligible for medical assistance to*  
2 *the extent that the State determines, under*  
3 *procedures established by the State (in ac-*  
4 *cordance with standards specified by the*  
5 *Secretary), that the denial of eligibility of*  
6 *the individual would cause an undue med-*  
7 *ical or financial hardship as determined on*  
8 *the basis of criteria established by the Sec-*  
9 *retary.*

10 *“(iv) NOTIFICATIONS AND ASSISTANCE*  
11 *REQUIRED IN CASE OF LOSS OF ELIGI-*  
12 *BILITY.—A State shall, with respect to an*  
13 *individual who loses eligibility for medical*  
14 *assistance under the State plan (or a wai-*  
15 *ver of such plan) by reason of clause (i)—*

16 *“(I) before the date on which the*  
17 *individual loses such eligibility, inform*  
18 *the individual—*

19 *“(aa) of the individual’s op-*  
20 *portunity to enroll in a qualified*  
21 *health plan offered through an*  
22 *Exchange established under title I*  
23 *of the Patient Protection and Af-*  
24 *fordable Care Act during the spe-*  
25 *cial enrollment period specified in*

1            *section 9801(f)(3) of the Internal*  
2            *Revenue Code of 1986 (relating to*  
3            *loss of Medicaid or CHIP cov-*  
4            *erage); and*

5            *“(bb) of the date on which*  
6            *the individual would no longer be*  
7            *considered ineligible by reason of*  
8            *clause (i) to receive medical as-*  
9            *sistance under the State plan or*  
10           *under any waiver of such plan*  
11           *and be eligible to reapply to re-*  
12           *ceive such medical assistance; and*

13           *“(II) provide technical assistance*  
14           *to the individual seeking to enroll in*  
15           *such a qualified health plan.*

16           *“(v) QUALIFIED LOTTERY WINNINGS*  
17           *DEFINED.—In this subparagraph, the term*  
18           *‘qualified lottery winnings’ means winnings*  
19           *from a sweepstakes, lottery, or pool de-*  
20           *scribed in paragraph (3) of section 4402 of*  
21           *the Internal Revenue Code of 1986 or a lot-*  
22           *tery operated by a multistate or multijuris-*  
23           *dictional lottery association, including*  
24           *amounts awarded as a lump sum payment.*

1           “(vi) *QUALIFIED LUMP SUM INCOME*  
2           *DEFINED.*—*In this subparagraph, the term*  
3           *‘qualified lump sum income’ means income*  
4           *that is received as a lump sum from one of*  
5           *the following sources:*

6                     “(I) *Monetary winnings from*  
7                     *gambling (as defined by the Secretary*  
8                     *and including gambling activities de-*  
9                     *scribed in section 1955(b)(4) of title*  
10                    *18, United States Code).*

11                   “(II) *Damages received, whether*  
12                    *by suit or agreement and whether as*  
13                    *lump sums or as periodic payments*  
14                    *(other than monthly payments), on ac-*  
15                    *count of causes of action other than*  
16                    *causes of action arising from personal*  
17                    *physical injuries or physical sickness.*

18                   “(III) *Income received as liquid*  
19                    *assets from the estate (as defined in*  
20                    *section 1917(b)(4)) of a deceased indi-*  
21                    *vidual.’; and*

22                    (B) *by striking “(14) EXCLUSION” and in-*  
23                    *serting “(15) EXCLUSION”.*

24           (b) *RULES OF CONSTRUCTION.*—



1           (1) *INTERCEPTION OF LOTTERY WINNINGS AL-*  
2 *LOWED.—Nothing in the amendment made by sub-*  
3 *section (a)(2)(A) shall be construed as preventing a*  
4 *State from intercepting the State lottery winnings*  
5 *awarded to an individual in the State to recover*  
6 *amounts paid by the State under the State Medicaid*  
7 *plan under title XIX of the Social Security Act for*  
8 *medical assistance furnished to the individual.*

9           (2) *APPLICABILITY LIMITED TO ELIGIBILITY OF*  
10 *RECIPIENT OF LOTTERY WINNINGS OR LUMP SUM IN-*  
11 *COME.—Nothing in the amendment made by sub-*  
12 *section (a)(2)(A) shall be construed, with respect to a*  
13 *determination of household income for purposes of a*  
14 *determination of eligibility for medical assistance*  
15 *under the State plan under title XIX of the Social Se-*  
16 *curity Act (42 U.S.C. 1396 et seq.) (or a waiver of*  
17 *such plan) made by applying modified adjusted gross*  
18 *income under subparagraph (A) of section*  
19 *1902(e)(14) of such Act (42 U.S.C. 1396a(e)(14)), as*  
20 *limiting the eligibility for such medical assistance of*  
21 *any individual that is a member of the household*  
22 *other than the individual who received qualified lot-*  
23 *tery winnings or qualified lump-sum income (as de-*  
24 *finied in subparagraph (J) of such section 1902(e)(14),*  
25 *as added by subsection (a)(2)(A) of this section).*

1 **SEC. 203. ADJUSTMENTS TO MEDICARE PART B AND PART D**  
 2 **PREMIUM SUBSIDIES FOR HIGHER INCOME**  
 3 **INDIVIDUALS.**

4 (a) *IN GENERAL.*—Section 1839(i)(3)(C)(i)(II) of the  
 5 Social Security Act (42 U.S.C. 1395r(i)(3)(C)(i)(II)) is  
 6 amended, in the table, by striking the last row and inserting  
 7 the following new rows:

“More than \$160,000 but less than \$500,000 .....	80 percent
At least \$500,000 .....	100 percent.”.

8 (b) *JOINT RETURNS.*—Section 1839(i)(3)(C)(ii) of the  
 9 Social Security Act (42 U.S.C. 1395r(i)(3)(C)(ii)) is  
 10 amended by inserting before the period the following: “ex-  
 11 cept, with respect to the dollar amounts applied in the last  
 12 row of the table under subclause (II) of such clause (and  
 13 the second dollar amount specified in the second to last row  
 14 of such table), clause (i) shall be applied by substituting  
 15 dollar amounts which are 175 percent of such dollar  
 16 amounts for the calendar year”.

17 (c) *INFLATION ADJUSTMENT.*—Section 1839(i) of the  
 18 Social Security Act (42 U.S.C. 1395r(i)) is amended—

19 (1) in paragraph (5)—

20 (A) in subparagraph (A), by striking “In  
 21 the case” and inserting “Subject to subpara-  
 22 graph (C), in the case”;

1           (B) in subparagraph (B), by striking “sub-  
2           paragraph (A)” and inserting “subparagraph  
3           (A) or (C)”; and

4           (C) by adding at the end the following new  
5           subparagraph:

6           “(C) *TREATMENT OF ADJUSTMENTS FOR*  
7           *CERTAIN HIGHER INCOME INDIVIDUALS.—*

8           “(i) *IN GENERAL.—*Subparagraph (A)  
9           *shall not apply with respect to each dollar*  
10           *amount in paragraph (3) of \$500,000.*

11           “(ii) *ADJUSTMENT BEGINNING 2027.—*  
12           *In the case of any calendar year beginning*  
13           *after 2026, each dollar amount in para-*  
14           *graph (3) of \$500,000 shall be increased by*  
15           *an amount equal to—*

16           “(I) *such dollar amount, multi-*  
17           *plied by*

18           “(II) *the percentage (if any) by*  
19           *which the average of the Consumer*  
20           *Price Index for all urban consumers*  
21           *(United States city average) for the 12-*  
22           *month period ending with August of*  
23           *the preceding calendar year exceeds*  
24           *such average for the 12-month period*  
25           *ending with August 2025.”; and*

- 1           (2) *in paragraph (6)(B), by inserting “(other*
- 2           *than \$500,000)” after “the dollar amounts”.*



Union Calendar No. 263

115<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**H. R. 3921**

[Report No. 115-358, Part I]

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## **A BILL**

To extend funding for the Children's Health Insurance Program, and for other purposes.

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OCTOBER 23, 2017

The Committee on Ways and Means discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed