

115TH CONGRESS  
1ST SESSION

# H. R. 4129

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

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 25, 2017

Mr. BEN RAY LUJÁN of New Mexico (for himself, Mr. BLUMENAUER, Mr. CARSON of Indiana, Ms. CLARKE of New York, Mr. COHEN, Mr. DELANEY, Mr. MICHAEL F. DOYLE of Pennsylvania, Mr. ENGEL, Ms. ESHOO, Ms. FUDGE, Mr. GALLEGRO, Ms. JAYAPAL, Mr. JEFFRIES, Mr. KIHUEN, Mr. LANGEVIN, Mrs. NAPOLITANO, Mr. O’ROURKE, Ms. ROSEN, Ms. TITUS, Mr. TONKO, Mr. WALZ, Ms. MICHELLE LUJAN GRISHAM of New Mexico, Mr. TAKANO, Mr. KRISHNAMOORTHY, and Mr. CICILLINE) 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

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## A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

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

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

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

4 (1) in subsection (a)(10)—

5 (A) in subparagraph (A)(ii)—

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

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

10 (iii) by adding at the end the fol-  
11 lowing new subclause:

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

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

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

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

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

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

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

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

19           (2) CONFORMING AMENDMENT.—Section  
20          1903(i)(26) of the Social Security Act (42 U.S.C.  
21          1396b(i)(26)) is amended by striking “individuals  
22          described in subclause (VIII) of subsection  
23          (a)(10)(A)(i)” and inserting “individuals described  
24          in subsection (a)(10)(A)(i)(VIII) or (nn) of section  
25          1902”.

1 (c) FEDERAL FINANCIAL PARTICIPATION IN BUY-IN  
2 PROGRAM.—

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

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

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

10 “(7) an amount equal to 90 percent of the  
11 sums expended during the quarter which are attrib-  
12 utable to reasonable administrative expenses related  
13 to the administration of a Medicaid buy-in program  
14 for individuals described in section  
15 1902(a)(10)(A)(ii)(XXIII); plus”.

16 (2) TREATMENT OF PREMIUM AND COST-SHAR-  
17 ING REVENUES FROM MEDICAID BUY-IN PROGRAM.—

18 (A) IN GENERAL.—For purposes of section  
19 1903(a)(1) of the Social Security Act (42  
20 U.S.C. 1396b(a)(1)), for any fiscal quarter dur-  
21 ing which a State collects premiums, cost-shar-  
22 ing, or similar charges under subsection (k) of  
23 section 1916 of such Act (42 U.S.C. 1396o) (as  
24 added by this Act), including any advance pay-  
25 ments of premium tax credits under section

1           1412 of the Patient Protection and Affordable  
2           Care Act or payments for cost-sharing reduc-  
3           tions under section 1402 of such Act that are  
4           received by the State, the total amount ex-  
5           pended during such quarter as medical assist-  
6           ance for individuals who buy into Medicaid cov-  
7           erage under subclause (XXIII) of section  
8           1902(a)(10)(A)(ii) of the Social Security Act  
9           (as added by this Act) shall be reduced by the  
10          amount of such premiums or charges.

11                   (B) TREATMENT OF EXCESS PREMIUMS.—  
12          Each State that collects premiums or similar  
13          charges under subsection (k) of section 1916 of  
14          the Social Security Act (42 U.S.C. 1396o) (as  
15          added by this Act) in a fiscal year shall pay to  
16          the Secretary of Health and Human Services,  
17          at such time and in such form and manner as  
18          the Secretary shall specify, an amount equal to  
19          50 percent of the amount, if any, by which—

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

23                   (ii) the total amount expended by the  
24                   State during such year as medical assist-  
25                   ance for individuals who buy into Medicaid

1 coverage under subclause (XXIII) of sec-  
2 tion 1902(a)(10)(A)(ii) of such Act (as  
3 added by this Act).

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

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

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

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

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

24 “(2) LIMITATIONS.—

1           “(A) PREMIUMS.—The total amount of  
2 premiums imposed for a year under this sub-  
3 section with respect to all individuals described  
4 in paragraph (1) in a family shall not exceed an  
5 amount equal to 9.5 percent of the family’s  
6 household income (as defined in section  
7 36B(d)(2) of the Internal Revenue Code of  
8 1986) for the year involved.

9           “(B) OTHER COST-SHARING.—

10           “(i) IN GENERAL.—The cost-sharing  
11 limitations described in section 1302(e) of  
12 the Patient Protection and Affordable Care  
13 Act shall apply to cost-sharing (as defined  
14 in such section) for medical assistance pro-  
15 vided under section  
16 1902(a)(10)(A)(ii)(XXIII) in the same  
17 manner as such limitations apply to cost-  
18 sharing under qualified health plans under  
19 title I of such Act.

20           “(ii) AVAILABILITY OF COST-SHARING  
21 REDUCTIONS.—Individuals provided med-  
22 ical assistance under section  
23 1902(a)(10)(A)(ii)(XXIII) and subject to  
24 cost-sharing under this subsection are eli-  
25 gible for cost-sharing reductions under sec-

1           tion 1402 of the Patient Protection and  
2           Affordable Care Act (subject to the income  
3           eligibility threshold in subsection (b)(2) of  
4           such section), and in applying such sec-  
5           tion—

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

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

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



1           “(A) shall not impose premiums and cost-  
2           sharing on the individual under this subsection;  
3           and

4           “(B) may impose premiums and cost-shar-  
5           ing on the individual to the extent allowed by  
6           another provision of this Act (other than sec-  
7           tion 1902(a)(10)(A)(ii)(XXIII)) which provides  
8           for eligibility for medical assistance, but only if  
9           the individual is described in such other provi-  
10          sion.

11          “(4) APPLICATION OF PREMIUM ASSISTANCE  
12          TAX CREDITS.—An individual who is required to pay  
13          premiums under this subsection for a year for med-  
14          ical assistance shall be eligible for a premium assist-  
15          ance credit under section 36B of the Internal Rev-  
16          enue Code to the same extent that such individual  
17          would be eligible for a premium assistance credit  
18          under such section if such individual had paid the  
19          same amount in premiums for coverage under a  
20          qualified health plan for such year.”.

21          (e) MANAGED CARE.—Section 1932(a)(1)(A)(i) of  
22          the Social Security Act (42 U.S.C. 1396u-2(a)(1)(A)(i))  
23          is amended by inserting “, including an individual who is  
24          eligible for such assistance after buying into such coverage

1 under section 1902(a)(10)(A)(ii)(XXIII),” after “the  
2 State plan under this title”.

3 (f) OFFERING BUY-IN PROGRAM ON STATE EX-  
4 CHANGE; ENROLLMENT PERIODS.—

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

14 (2) ENROLLMENT PERIODS.—A State may limit  
15 the enrollment of individuals into Medicaid coverage  
16 under section 1902(a)(10)(A)(ii)(XXIII) of the So-  
17 cial Security Act (42 U.S.C.  
18 1396a(a)(10)(A)(ii)(XXIII)) to the enrollment peri-  
19 ods provided for under section 1311(c)(6) of the Pa-  
20 tient Protection and Affordable Care Act (42 U.S.C.  
21 18031(c)(6)).

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

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

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

3 “If an applicable taxpayer resides in a rating  
4 area in which no silver plan is offered on the  
5 individual market but the taxpayer buys into  
6 Medicaid coverage under section  
7 1902(a)(10)(A)(ii)(XXIII) of the Social Secu-  
8 rity Act, such Medicaid coverage shall be  
9 deemed to be the applicable second lowest cost  
10 silver plan with respect to such taxpayer.”; and

11 (B) by adding at the end the following new  
12 subsection:

13 “(h) APPLICATION TO INDIVIDUALS PURCHASING  
14 MEDICAID COVERAGE.—In the case of any individual who  
15 buys into Medicaid coverage under section  
16 1902(a)(10)(A)(ii)(XXIII) of the Social Security Act, this  
17 section shall be applied with the following modifications:

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

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

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

2 “(A) an individual shall not be considered  
3 to be eligible for minimum essential coverage  
4 described in section 5000A(f)(1)(A)(ii) by rea-  
5 son of eligibility for medical assistance under a  
6 State Medicaid program under section  
7 1902(a)(10)(A)(ii)(XXIII); and

8 “(B) an individual who is not covered by  
9 minimum essential coverage described in section  
10 5000A(f)(1)(B) shall not be considered to be el-  
11 igible for such coverage.”.

12 (2) ADVANCED PAYMENT OF CREDIT.—

13 (A) IN GENERAL.—The Secretary of  
14 Health and Human Services, in consultation  
15 with the Secretary of the Treasury, shall estab-  
16 lish a program under which—

17 (i) upon request of a State agency ad-  
18 ministering a State Medicaid program  
19 under title XIX of the Social Security Act,  
20 advance determinations are made in a  
21 manner similar to advanced determination  
22 under section 1411 of the Patient Protec-  
23 tion and Affordable Care Act with respect  
24 to the income eligibility of individuals en-  
25 rolling in such program for the premium

1 tax credit allowable under section 36B of  
2 the Internal Revenue Code of 1986 and  
3 the cost-sharing reductions under section  
4 1402 of the Patient Protection and Afford-  
5 able Care Act;

6 (ii) the Secretary notifies—

7 (I) the State agency admin-  
8 istering the program and the Sec-  
9 retary of the Treasury of the advance  
10 determinations; and

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

22 (aa) the employer did not  
23 provide minimum essential cov-  
24 erage; or

1 (bb) the employer provided  
2 such minimum essential coverage  
3 but it was determined under sec-  
4 tion 36B(e)(2)(C) of such Code  
5 to either be unaffordable to the  
6 employee or not provide the re-  
7 quired minimum actuarial value;  
8 and

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

15 (B) DETERMINATIONS AND PAYMENTS.—

16 Rules similar to subsections (b) and (c) of sec-  
17 tion 1412 of the Patient Protection and Afford-  
18 able Care Act shall apply for purposes of this  
19 subsection.

20 (C) COORDINATION WITH CREDIT.—

21 (i) IN GENERAL.—Section 36B of the  
22 Internal Revenue Code of 1986 is amended  
23 by inserting “and under section 2(g)(2) of  
24 the State Public Option Act” after “sec-  
25 tion 1412 of the Patient Protection and

1 Affordable Care Act” each place it appears  
2 in subsections (f)(1), (f)(2), and (g)(1).

3 (ii) INFORMATION REPORTING.—Sec-  
4 tion 36B(f)(3) of such Code is amended by  
5 adding at the end the following flush sen-  
6 tence: “In the case of any coverage under  
7 the medicaid program under title XIX of  
8 the Social Security Act for which a credit  
9 under this section is allowable by reason of  
10 subsection (h), the State agency admin-  
11 istering the Medicaid program shall be  
12 treated as an Exchange for purposes of  
13 this paragraph and subparagraph (A) shall  
14 not apply.”.

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

22 (h) CONFORMING AMENDMENTS.—

23 (1) Section 1902(a)(10) of the Social Security  
24 Act (42 U.S.C. 1396a(a)(10)), as amended by sub-

1 section (a), is further amended, in the matter fol-  
2 lowing subparagraph (G)—

3 (A) by striking “and (XVII)” and inserting  
4 “, (XVII)”;

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

10 (2) Section 1903(f)(4) of the Social Security  
11 Act (42 U.S.C. 1396b(f)(4)) is amended by inserting  
12 “1902(a)(10)(A)(ii)(XXIII),” after  
13 “1902(a)(10)(A)(ii)(XXII),”.

14 (3) Section 1905(a) of the Social Security Act  
15 (42 U.S.C. 1396d(a)) is amended in the matter pre-  
16 ceding paragraph (1)—

17 (A) by striking “or” at the end of clause  
18 (xvi);

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

21 (C) by inserting after clause (xvii) the fol-  
22 lowing new clause:

23 “(xviii) individuals described in section  
24 1902(a)(10)(A)(ii)(XXIII),”.



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

4 (5) Section 1937(a)(1)(B) of the Social Secu-  
5 rity Act (42 U.S.C. 1396u–7(a)(1)(B)) is amended  
6 by inserting “, subclause (XXIII) of section  
7 1902(a)(10)(A)(ii),” after “1902(a)(10)(A)(i)”.

8 **SEC. 3. DEVELOPMENT OF STATE-LEVEL METRICS ON MED-**  
9 **ICAID BENEFICIARY ACCESS AND SATISFAC-**  
10 **TION.**

11 (a) IN GENERAL.—

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

23 (2) PROCESS.—The Director of the Agency for  
24 Healthcare Research and Quality shall develop the  
25 metrics described in paragraph (1) through a public

1 process, which shall provide opportunities for stake-  
 2 holders to participate.

3 (b) UPDATING METRICS.—The Director of the Agen-  
 4 cy for Healthcare Research and Quality, in consultation  
 5 with the Deputy Administrator for the Center for Med-  
 6 icaid and CHIP Services and State Medicaid Directors,  
 7 shall update the metrics developed under subsection (a)  
 8 not less than once every 3 years.

9 (c) STATE IMPLEMENTATION FUNDING.—The Direc-  
 10 tor of the Agency for Healthcare Research and Quality  
 11 may award funds, from the amount appropriated under  
 12 subsection (d), to States for the purpose of implementing  
 13 the metrics developed under this section.

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

20 **SEC. 4. RENEWAL OF APPLICATION OF MEDICARE PAY-**  
 21 **MENT RATE FLOOR TO PRIMARY CARE SERV-**  
 22 **ICES FURNISHED UNDER MEDICAID AND IN-**  
 23 **CLUSION OF ADDITIONAL PROVIDERS.**

24 (a) RENEWAL OF PAYMENT FLOOR; ADDITIONAL  
 25 PROVIDERS.—

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

5           “(C) payment for primary care services (as  
6       defined in subsection (jj)) at a rate that is not  
7       less than 100 percent of the payment rate that  
8       applies to such services and physician under  
9       part B of title XVIII (or, if greater, the pay-  
10      ment rate that would be applicable under such  
11      part if the conversion factor under section  
12      1848(d) for the year involved were the conver-  
13      sion factor under such section for 2009), and  
14      that is not less than the rate that would other-  
15      wise apply to such services under this title if  
16      the rate were determined without regard to this  
17      subparagraph, and that are—

18           “(i) furnished in 2013 and 2014, by a  
19      physician with a primary specialty designa-  
20      tion of family medicine, general internal  
21      medicine, or pediatric medicine; or

22           “(ii) furnished in the period that be-  
23      gins on the first day of the first month  
24      that begins after the date of enactment of  
25      the State Public Option Act—

1           “(I) by a physician with a pri-  
2           mary specialty designation of family  
3           medicine, general internal medicine,  
4           or pediatric medicine, but only if the  
5           physician self-attests that the physi-  
6           cian is Board certified in family medi-  
7           cine, general internal medicine, or pe-  
8           diatric medicine;

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

15          “(III) by an advanced practice  
16          clinician, as defined by the Secretary,  
17          that works under the supervision of—

18               “(aa) a physician that satis-  
19               fies the criteria specified in sub-  
20               clause (I) or (II); or

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

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

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

18                  (2) CONFORMING AMENDMENTS.—Section  
19                  1905(dd) of the Social Security Act (42 U.S.C.  
20                  1396d(dd)) is amended—

21                         (A) by striking “Notwithstanding” and in-  
22                         serting the following:

23                         “(1) IN GENERAL.—Notwithstanding”;

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

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

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

7 “(A) The period that begins on the first  
8 day of the first month that begins after the  
9 date of enactment of the State Public Option  
10 Act.”.

11 (b) IMPROVED TARGETING OF PRIMARY CARE.—Sec-  
12 tion 1902(jj) of the Social Security Act (42 U.S.C.  
13 1396a(jj)) is amended—

14 (1) by redesignating paragraphs (1) and (2) as  
15 subparagraphs (A) and (B), respectively and realign-  
16 ing the left margins accordingly;

17 (2) by striking “For purposes of” and inserting  
18 the following:

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

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

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

1 (c) ENSURING PAYMENT BY MANAGED CARE ENTI-  
2 TIES.—

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

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

8 (B) by realigning the left margin of clause  
9 (xiii) so as to align with the left margin of  
10 clause (xii) and by striking the period at the  
11 end of clause (xiii) and inserting “; and”; and

12 (C) by inserting after clause (xiii) the fol-  
13 lowing:

14 “(xiv) such contract provides that (I) payments  
15 to providers specified in section 1902(a)(13)(C) for  
16 primary care services defined in section 1902(jj)  
17 that are furnished during a year or period specified  
18 in section 1902(a)(13)(C) and section 1905(dd) are  
19 at least equal to the amounts set forth and required  
20 by the Secretary by regulation, (II) the entity shall,  
21 upon request, provide documentation to the State,  
22 sufficient to enable the State and the Secretary to  
23 ensure compliance with subclause (I), and (III) the  
24 Secretary shall approve payments described in sub-  
25 clause (I) that are furnished through an agreed



1 upon capitation, partial capitation, or other value-  
2 based payment arrangement if the capitation, partial  
3 capitation, or other value-based payment arrange-  
4 ment is based on a reasonable methodology and the  
5 entity provides documentation to the State sufficient  
6 to enable the State and the Secretary to ensure com-  
7 pliance with subclause (I).”.

8 (2) CONFORMING AMENDMENT.—Section  
9 1932(f) of the Social Security Act (42 U.S.C.  
10 1396u–2(f)) is amended by inserting “and clause  
11 (xiv) of section 1903(m)(2)(A)” before the period.

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

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

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

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

5           (2) A discussion of any changes the State pro-  
6 poses to make to the reimbursement of providers  
7 under the State Medicaid plan, including changes to  
8 the fee-for-service rates for providers of services  
9 under such plans or moving to population-based or  
10 episode-based payment models.

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

16 (c) USE OF FUNDS.—

17           (1) IN GENERAL.—If the Secretary determines  
18 that a State is using grant funds awarded under this  
19 section in a manner that is inconsistent with the  
20 purpose described in subsection (a) or paragraph  
21 (2), the Secretary may withhold or reduce future  
22 grant payments or recover previous grant payments  
23 to the State under this section as the Secretary  
24 deems appropriate.

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

8           (3) USE OF FUNDS TO INCREASE MEDICAID  
9 PROVIDER PAYMENT RATES.—Notwithstanding any  
10 other provision of law, a State may use grant funds  
11 awarded under this section for the purpose of fi-  
12 nancing the portion of the non-Federal share of ex-  
13 penditures under the State Medicaid plan under title  
14 XIX of the Social Security Act (42 U.S.C. 1396 et  
15 seq.) that is attributable to an increase in the pay-  
16 ment rate for providers under such plan.

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

20           (1) ensure that geographically diverse areas, in-  
21 cluding rural and underserved areas, are included;  
22 and

23           (2) award grants both to States that have elect-  
24 ed to expand Medicaid eligibility under section  
25 1902(a)(10)(A)(i)(VIII) of the Social Security Act

1 (42 U.S.C. 1396a(a)(10)(A)(i)(VIII)) and to States  
2 that have not so elected.

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

8 **SEC. 6. INCREASED FMAP FOR MEDICAL ASSISTANCE TO**  
9 **NEWLY ELIGIBLE INDIVIDUALS.**

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

12 (1) in subparagraph (A), by striking “2014,  
13 2015, and 2016” and inserting “each of the first 3  
14 consecutive 12-month periods in which the State  
15 provides medical assistance to newly eligible individ-  
16 uals”;

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

21 (3) in subparagraph (C), by striking “2018”  
22 and inserting “the fifth consecutive 12-month period  
23 in which the State provides medical assistance to  
24 newly eligible individuals”;

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

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

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

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