

118TH CONGRESS  
2D SESSION

# H. R. 8115

To amend title XIX of the Social Security Act to allow for the deferral or disallowance of portions of payments for certain managed care violations under Medicaid.

---

## IN THE HOUSE OF REPRESENTATIVES

APRIL 23, 2024

Mr. SARBANES introduced the following bill; which was referred to the Committee on Energy and Commerce

---

## A BILL

To amend title XIX of the Social Security Act to allow for the deferral or disallowance of portions of payments for certain managed care violations under Medicaid.

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. ALLOWING FOR THE DEFERRAL OR DISALLOW-**  
4 **ANCE OF PORTIONS OF PAYMENTS FOR CER-**  
5 **TAIN MANAGED CARE VIOLATIONS UNDER**  
6 **MEDICAID.**

7 (a) IN GENERAL.—Section 1903(m)(2) of the Social  
8 Security Act (42 U.S.C. 1396(m)(2)) is amended—

1           (1) in subparagraph (A), by striking “and (G)”  
2           and inserting “(G), and (I)”; and

3           (2) by adding at the end the following new sub-  
4           paragraph:

5           “(I)(i) In lieu of applying the payment prohibition  
6           under subparagraph (A) for a violation of any requirement  
7           described in such subparagraph, the Secretary may defer  
8           or disallow a portion of a payment to a State described  
9           in such subparagraph (as determined appropriate by the  
10          Secretary) if the Secretary finds that such a deferral or  
11          disallowance more appropriately reflects the scope of such  
12          violation than application of such prohibition.

13          “(ii) If the Secretary determines subsequent to a de-  
14          ferral or disallowance of a portion of a payment under  
15          clause (i) for a violation by an entity of any requirement  
16          described in subparagraph (A) that such deferral or dis-  
17          allowance was insufficient to bring such entity into compli-  
18          ance with such requirement, the Secretary may apply the  
19          payment prohibition under subparagraph (A).”.

20          (b) TREATMENT OF CERTAIN STATE MANAGED  
21          CARE REQUIREMENTS.—Section 1902(a) of the Social Se-  
22          curity Act (42 U.S.C. 1396a(a)) is amended—

23                 (1) in paragraph (86), by striking “and” at the  
24                 end;

1           (2) in paragraph (87)(D), by striking the period  
2           and inserting “; and”; and

3           (3) by inserting after paragraph (87) the fol-  
4           lowing new paragraph:

5           “(88) in the case the State elects the option to  
6           use managed care under section 1932, provide for  
7           compliance with the requirements of such section.”.

○