

115TH CONGRESS
1ST SESSION

H. R. 829

To amend title XIX of the Social Security Act to clarify the treatment of lottery winnings and other lump sum income for purposes of income eligibility under the Medicaid program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 2017

Mr. UPTON 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 clarify the treatment of lottery winnings and other lump sum income for purposes of income eligibility under the Medicaid 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 “Prioritizing the Most
5 Vulnerable Over Lottery Winners Act of 2017”.

1 **SEC. 2. TREATMENT OF LOTTERY WINNINGS AND OTHER**
2 **LUMP-SUM INCOME FOR PURPOSES OF IN-**
3 **COME ELIGIBILITY UNDER MEDICAID.**

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

6 (1) in subsection (a)(17), by striking “(e)(14),
7 (e)(14)” and inserting “(e)(14), (e)(15)”; and

8 (2) in subsection (e)—

9 (A) in paragraph (14) (relating to modified
10 adjusted gross income), by adding at the end
11 the following new subparagraph:

12 “(J) TREATMENT OF CERTAIN LOTTERY
13 WINNINGS AND INCOME RECEIVED AS A LUMP
14 SUM.—

15 “(i) IN GENERAL.—In the case of an
16 individual who is the recipient of qualified
17 lottery winnings (pursuant to lotteries oc-
18 ccurring on or after January 1, 2018) or
19 qualified lump sum income (received on or
20 after such date) and whose eligibility for
21 medical assistance is determined based on
22 the application of modified adjusted gross
23 income under subparagraph (A), a State
24 shall, in determining such eligibility, in-
25 clude such winnings or income (as applica-
26 ble) as income received—

1 “(I) in the month in which such
2 winnings or income (as applicable) is
3 received if the amount of such
4 winnings or income is less than
5 \$80,000;

6 “(II) over a period of 2 months
7 if the amount of such winnings or in-
8 come (as applicable) is greater than or
9 equal to \$80,000 but less than
10 \$90,000;

11 “(III) over a period of 3 months
12 if the amount of such winnings or in-
13 come (as applicable) is greater than or
14 equal to \$90,000 but less than
15 \$100,000; and

16 “(IV) over a period of 3 months
17 plus 1 additional month for each in-
18 crement of \$10,000 of such winnings
19 or income (as applicable) received, not
20 to exceed a period of 120 months (for
21 winnings or income of \$1,260,000 or
22 more), if the amount of such winnings
23 or income is greater than or equal to
24 \$100,000.

1 “(ii) COUNTING IN EQUAL INSTALL-
2 MENTS.—For purposes of subclauses (II),
3 (III), and (IV) of clause (i), winnings or
4 income to which such subclause applies
5 shall be counted in equal monthly install-
6 ments over the period of months specified
7 under such subclause.

8 “(iii) HARDSHIP EXEMPTION.—An in-
9 dividual whose income, by application of
10 clause (i), exceeds the applicable eligibility
11 threshold established by the State, shall
12 continue to be eligible for medical assist-
13 ance to the extent that the State deter-
14 mines, under procedures established by the
15 State (in accordance with standards speci-
16 fied by the Secretary), that the denial of
17 eligibility of the individual would cause an
18 undue medical or financial hardship as de-
19 termined on the basis of criteria estab-
20 lished by the Secretary.

21 “(iv) NOTIFICATIONS AND ASSIST-
22 ANCE REQUIRED IN CASE OF LOSS OF ELI-
23 GIBILITY.—A State shall, with respect to
24 an individual who loses eligibility for med-
25 ical assistance under the State plan (or a

1 waiver of such plan) by reason of clause

2 (i)—

3 “(I) before the date on which the
4 individual loses such eligibility, inform
5 the individual—

6 “(aa) of the individual’s op-
7 portunity to enroll in a qualified
8 health plan offered through an
9 Exchange established under title
10 I of the Patient Protection and
11 Affordable Care Act during the
12 special enrollment period speci-
13 fied in section 9801(f)(3) of the
14 Internal Revenue Code of 1986
15 (relating to loss of Medicaid or
16 CHIP coverage); and

17 “(bb) of the date on which
18 the individual would no longer be
19 considered ineligible by reason of
20 clause (i) to receive medical as-
21 sistance under the State plan or
22 under any waiver of such plan
23 and be eligible to reapply to re-
24 ceive such medical assistance;
25 and

1 “(II) provide technical assistance
2 to the individual seeking to enroll in
3 such a qualified health plan.

4 “(v) QUALIFIED LOTTERY WINNINGS
5 DEFINED.—In this subparagraph, the term
6 ‘qualified lottery winnings’ means winnings
7 from a sweepstakes, lottery, or pool de-
8 scribed in paragraph (3) of section 4402 of
9 the Internal Revenue Code of 1986 or a
10 lottery operated by a multistate or multi-
11 jurisdictional lottery association, including
12 amounts awarded as a lump sum payment.

13 “(vi) QUALIFIED LUMP SUM INCOME
14 DEFINED.—In this subparagraph, the term
15 ‘qualified lump sum income’ means income
16 that is received as a lump sum from one
17 of the following sources:

18 “(I) Monetary winnings from
19 gambling (as defined by the Secretary
20 and including gambling activities de-
21 scribed in section 1955(b)(4) of title
22 18, United States Code).

23 “(II) Damages received, whether
24 by suit or agreement and whether as
25 lump sums or as periodic payments

1 (other than monthly payments), on
 2 account of causes of action other than
 3 causes of action arising from personal
 4 physical injuries or physical sickness.

5 “(III) Income received as liquid
 6 assets from the estate (as defined in
 7 section 1917(b)(4)) of a deceased in-
 8 dividual.”; and

9 (B) by striking “(14) EXCLUSION” and in-
 10 serting “(15) EXCLUSION”.

11 (b) RULES OF CONSTRUCTION.—

12 (1) INTERCEPTION OF LOTTERY WINNINGS AL-
 13 LOWED.—Nothing in the amendment made by sub-
 14 section (a)(2)(A) shall be construed as preventing a
 15 State from intercepting the State lottery winnings
 16 awarded to an individual in the State to recover
 17 amounts paid by the State under the State Medicaid
 18 plan under title XIX of the Social Security Act for
 19 medical assistance furnished to the individual.

20 (2) APPLICABILITY LIMITED TO ELIGIBILITY OF
 21 RECIPIENT OF LOTTERY WINNINGS OR LUMP SUM
 22 INCOME.—Nothing in the amendment made by sub-
 23 section (a)(2)(A) shall be construed, with respect to
 24 a determination of household income for purposes of
 25 a determination of eligibility for medical assistance

1 under the State plan under title XIX of the Social
2 Security Act (42 U.S.C. 1396 et seq.) (or a waiver
3 of such plan) made by applying modified adjusted
4 gross income under subparagraph (A) of section
5 1902(e)(14) of such Act (42 U.S.C. 1396a(e)(14)),
6 as limiting the eligibility for such medical assistance
7 of any individual that is a member of the household
8 other than the individual who received qualified lot-
9 tery winnings or qualified lump-sum income (as de-
10 fined in subparagraph (J) of such section
11 1902(e)(14), as added by subsection (a)(2)(A) of
12 this section).

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