I

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. GALLEGO, 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. KRISHNAMOORTHI, 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.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "State Public Option Act".

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

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

(1) in subsection (a)(10)—

(A) in subparagraph (A)(ii)—

(i) in subclause (XXI), by striking ''; or'' and inserting a semicolon;

(ii) in subclause (XXII), by adding ''or'' at the end; and

(iii) by adding at the end the following new subclause:

''(XXIII) beginning January 1, 2018, who are residents of the State and are not concurrently enrolled in another health insurance coverage plan, subject, in the case of individuals described in subsection (nn) and notwithstanding section 1916 (except for subsection (k) of such section), to payment of premiums or other cost-sharing charges;''; and

(B) in the matter following subparagraph (G), in clause (XV), by inserting ''or subsection (nn)'' after ''described in subparagraph (A)(i)(VIII)''; and

(2) by adding at the end the following new subsection:

''(nn) PREVIOUSLY UNDESCRIBED INDIVIDUALS.—Individuals described in this subsection are individuals who are—

''(1) described in subclause (XXIII) of subsection (a)(10)(A)(ii); and

''(2) are not described in any other subclause of such subsection or any other provision in this Act which provides for eligibility for medical assistance.''.

(b) PROVISION OF AT LEAST MINIMUM COVERAGE.—

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

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

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

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

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

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

''(7) an amount equal to 90 percent of the sums expended during the quarter which are attributable to reasonable administrative expenses related to the administration of a Medicaid buy-in program for individuals described in section 1902(a)(10)(A)(ii)(XXIII); plus''.

(2) TREATMENT OF PREMIUM AND COST-SHARING REVENUES FROM MEDICAID BUY-IN PROGRAM.—

(A) IN GENERAL.—For purposes of section 1903(a)(1) of the Social Security Act (42 U.S.C. 1396b(a)(1)), for any fiscal quarter during which a State collects premiums, cost-sharing, or similar charges under subsection (k) of section 1916 of such Act (42 U.S.C. 1396o) (as added by this Act), including any advance payments of premium tax credits under section

1412 of the Patient Protection and Affordable Care Act or payments for cost-sharing reductions under section 1402 of such Act that are received by the State, the total amount expended during such quarter as medical assistance for individuals who buy into Medicaid coverage under subclause (XXIII) of section 1902(a)(10)(A)(ii) of the Social Security Act (as added by this Act) shall be reduced by the amount of such premiums or charges.

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

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

(ii) the total amount expended by the State during such year as medical assistance for individuals who buy into Medicaid

coverage under subclause (XXIII) of section 1902(a)(10)(A)(ii) of such Act (as added by this Act).

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

''(k) PREMIUMS AND COST-SHARING FOR INDIVIDUALS PARTICIPATING IN MEDICAID BUY-IN PROGRAM.—

''(1) IN GENERAL.—Subject to paragraph (2), with respect to individuals who are eligible for medical assistance under subsection (a)(10)(A)(ii)(XXIII) of section 1902 and are described in subsection (nn) of such section, a State may—

''(A) impose premiums, deductibles, cost-sharing, or other similar charges that are actuarially fair; and

''(B) vary the premium rate imposed on an individual based only on the factors described in section 2701(a)(1)(A) of the Public Health Service Act and subject to the same limitations on the weight which may be given to such factors under such section.

''(2) LIMITATIONS.—

"(A) PREMIUMS.—The total amount of premiums imposed for a year under this subsection with respect to all individuals described in paragraph (1) in a family shall not exceed an amount equal to 9.5 percent of the family's household income (as defined in section 36B(d)(2) of the Internal Revenue Code of 1986) for the year involved.

"(B) OTHER COST-SHARING.—

"(i) IN GENERAL.—The cost-sharing limitations described in section 1302(c) of the Patient Protection and Affordable Care Act shall apply to cost-sharing (as defined in such section) for medical assistance provided under section 1902(a)(10)(A)(ii)(XXIII) in the same manner as such limitations apply to cost-sharing under qualified health plans under title I of such Act.

"(ii) AVAILABILITY OF COST-SHARING REDUCTIONS.—Individuals provided medical assistance under section 1902(a)(10)(A)(ii)(XXIII) and subject to cost-sharing under this subsection are eligible for cost-sharing reductions under sec-

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

''(I) enrollment in a State plan under section 1902(a)(10)(A)(ii)(XXIII) shall be treated as coverage under a qualified health plan in the silver level of coverage in the individual market offered through an Exchange established for or by the State under title I of the Patient Protection and Affordable Care Act; and

''(II) the State agency administering such plan shall be treated as the issuer of such plan.

''(3) PREMIUMS AND COST-SHARING FOR CERTAIN OTHER INDIVIDUALS.—If an individual is eligible for medical assistance under subsection (a)(10)(A)(ii)(XXIII) of section 1902 and is not described in subsection (nn) of such section, a State—

''(A) shall not impose premiums and cost-sharing on the individual under this subsection; and

''(B) may impose premiums and cost-sharing on the individual to the extent allowed by another provision of this Act (other than section 1902(a)(10)(A)(ii)(XXIII)) which provides for eligibility for medical assistance, but only if the individual is described in such other provision.

''(4) APPLICATION OF PREMIUM ASSISTANCE TAX CREDITS.—An individual who is required to pay premiums under this subsection for a year for medical assistance shall be eligible for a premium assistance credit under section 36B of the Internal Revenue Code to the same extent that such individual would be eligible for a premium assistance credit under such section if such individual had paid the same amount in premiums for coverage under a qualified health plan for such year.''.

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

under section 1902(a)(10)(A)(ii)(XXIII),'' after ''the State plan under this title''.

(f) OFFERING BUY-IN PROGRAM ON STATE EXCHANGE; ENROLLMENT PERIODS.—

(1) IN GENERAL.—A State that has elected to allow individuals to buy into Medicaid coverage under section 1902(a)(10)(A)(ii)(XXIII) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)(XXIII)) shall allow individuals to enroll in such coverage through the Federal, Federally-facilitated, or State Exchange established pursuant to title I of the Patient Protection and Affordable Care Act.

(2) ENROLLMENT PERIODS.—A State may limit the enrollment of individuals into Medicaid coverage under section 1902(a)(10)(A)(ii)(XXIII) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)(XXIII)) to the enrollment periods provided for under section 1311(c)(6) of the Patient Protection and Affordable Care Act (42 U.S.C. 18031(c)(6)).

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

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

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

''If an applicable taxpayer resides in a rating area in which no silver plan is offered on the individual market but the taxpayer buys into Medicaid coverage under section 1902(a)(10)(A)(ii)(XXIII) of the Social Security Act, such Medicaid coverage shall be deemed to be the applicable second lowest cost silver plan with respect to such taxpayer.''; and

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

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

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

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

''(3) In applying subsection (c)(2)(B)—

''(A) an individual shall not be considered to be eligible for minimum essential coverage described in section 5000A(f)(1)(A)(ii) by reason of eligibility for medical assistance under a State Medicaid program under section 1902(a)(10)(A)(ii)(XXIII); and

''(B) an individual who is not covered by minimum essential coverage described in section 5000A(f)(1)(B) shall not be considered to be eligible for such coverage.''.

(2) ADVANCED PAYMENT OF CREDIT.—

(A) IN GENERAL.—The Secretary of Health and Human Services, in consultation with the Secretary of the Treasury, shall establish a program under which—

(i) upon request of a State agency administering a State Medicaid program under title XIX of the Social Security Act, advance determinations are made in a manner similar to advanced determination under section 1411 of the Patient Protection and Affordable Care Act with respect to the income eligibility of individuals enrolling in such program for the premium

tax credit allowable under section 36B of the Internal Revenue Code of 1986 and the cost-sharing reductions under section 1402 of the Patient Protection and Affordable Care Act;

(ii) the Secretary notifies—

(I) the State agency administering the program and the Secretary of the Treasury of the advance determinations; and

(II) the Secretary of the Treasury of the name and employer identification number of each employer with respect to whom 1 or more employee of the employer were determined to be eligible for the premium tax credit under section 36B of the Internal Revenue Code of 1986 and the cost-sharing reductions under section 1402 of the Patient Protection and Affordable Care Act because—

(aa) the employer did not provide minimum essential coverage; or

(bb) the employer provided such minimum essential coverage but it was determined under section 36B(c)(2)(C) of such Code to either be unaffordable to the employee or not provide the required minimum actuarial value; and

(iii) the Secretary of the Treasury makes advance payments of such credit or reductions to the State agency administering the program in order to reduce the premiums payable by individuals eligible for such credit.

(B) DETERMINATIONS AND PAYMENTS.—Rules similar to subsections (b) and (c) of section 1412 of the Patient Protection and Affordable Care Act shall apply for purposes of this subsection.

(C) COORDINATION WITH CREDIT.—

(i) IN GENERAL.—Section 36B of the Internal Revenue Code of 1986 is amended by inserting ''and under section 2(g)(2) of the State Public Option Act'' after ''section 1412 of the Patient Protection and

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

(ii) INFORMATION REPORTING.—Section 36B(f)(3) of such Code is amended by adding at the end the following flush sentence: ''In the case of any coverage under the medicaid program under title XIX of the Social Security Act for which a credit under this section is allowable by reason of subsection (h), the State agency administering the Medicaid program shall be treated as an Exchange for purposes of this paragraph and subparagraph (A) shall not apply.''.

(3) CONFORMING AMENDMENT RELATING TO EMPLOYER RESPONSIBILITY.—Paragraph (6) of section 4980H(c) of the Internal Revenue Code of 1986 is amended by inserting '', except that for purposes of subsections (a)(2) and (b)(2), the term 'qualified health plan' shall include any plan described in section 36B(h)'' after ''such Act''.

(h) CONFORMING AMENDMENTS.—

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

section (a), is further amended, in the matter following subparagraph (G)—

(A) by striking ''and (XVII)'' and inserting '', (XVII)''; and

(B) by inserting '', and (XVIII) the medical assistance made available to an individual described in subparagraph (A)(ii)(XXIII) shall be limited to medical assistance described in subsection (k)(1)'' before the semicolon.

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

(3) Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended in the matter preceding paragraph (1)—

(A) by striking ''or'' at the end of clause (xvi);

(B) by inserting ''or'' at the end of clause (xvii); and

(C) by inserting after clause (xvii) the following new clause:

''(xviii) individuals described in section 1902(a)(10)(A)(ii)(XXIII),''.

(4) Section 1916A(a)(1) of the Social Security Act (42 U.S.C. 1396o–1(a)(1)) is amended by striking ''or (j)'' and inserting ''(j), or (k)''.

(5) Section 1937(a)(1)(B) of the Social Security Act (42 U.S.C. 1396u–7(a)(1)(B)) is amended by inserting '', subclause (XXIII) of section 1902(a)(10)(A)(ii),'' after ''1902(a)(10)(A)(i)''.

**SEC. 3. DEVELOPMENT OF STATE-LEVEL METRICS ON MEDICAID BENEFICIARY ACCESS AND SATISFACTION.**

(a) IN GENERAL.—

(1) DEVELOPMENT OF METRICS.—Not later than 1 year after the date of enactment of this Act, the Director of the Agency for Healthcare Research and Quality, in consultation with the Deputy Administrator for the Center for Medicaid and CHIP Services and State Medicaid Directors, shall develop standardized, State-level metrics of access to, and satisfaction with, providers, including primary care and specialist providers, with respect to individuals who are enrolled in State Medicaid plans under title XIX of the Social Security Act.

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

process, which shall provide opportunities for stakeholders to participate.

(b) UPDATING METRICS.—The Director of the Agency for Healthcare Research and Quality, in consultation with the Deputy Administrator for the Center for Medicaid and CHIP Services and State Medicaid Directors, shall update the metrics developed under subsection (a) not less than once every 3 years.

(c) STATE IMPLEMENTATION FUNDING.—The Director of the Agency for Healthcare Research and Quality may award funds, from the amount appropriated under subsection (d), to States for the purpose of implementing the metrics developed under this section.

(d) APPROPRIATION.—There is appropriated to the Director of the Agency for Healthcare Research and Quality out of any funds in the Treasury not otherwise appropriated, $200,000,000 for fiscal year 2019, to remain available until expended, for the purpose of carrying out this section.

**SEC. 4. RENEWAL OF APPLICATION OF MEDICARE PAYMENT RATE FLOOR TO PRIMARY CARE SERVICES FURNISHED UNDER MEDICAID AND INCLUSION OF ADDITIONAL PROVIDERS.**

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

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

"(C) payment for primary care services (as defined in subsection (jj)) at a rate that is not less than 100 percent of the payment rate that applies to such services and physician under part B of title XVIII (or, if greater, the payment rate that would be applicable under such part if the conversion factor under section 1848(d) for the year involved were the conversion factor under such section for 2009), and that is not less than the rate that would otherwise apply to such services under this title if the rate were determined without regard to this subparagraph, and that are—

"(i) furnished in 2013 and 2014, by a physician with a primary specialty designation of family medicine, general internal medicine, or pediatric medicine; or

"(ii) furnished in the period that begins on the first day of the first month that begins after the date of enactment of the State Public Option Act—

''(I) by a physician with a primary specialty designation of family medicine, general internal medicine, or pediatric medicine, but only if the physician self-attests that the physician is Board certified in family medicine, general internal medicine, or pediatric medicine;

''(II) by a physician with a primary specialty designation of obstetrics and gynecology, but only if the physician self-attests that the physician is Board certified in obstetrics and gynecology;

''(III) by an advanced practice clinician, as defined by the Secretary, that works under the supervision of—

''(aa) a physician that satisfies the criteria specified in subclause (I) or (II); or

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

a certified nurse-midwife (as defined in section 1861(gg)) who is working in accordance with State law;

''(IV) by a rural health clinic, Federally-qualified health center, or other health clinic that receives reimbursement on a fee schedule applicable to a physician, a nurse practitioner or a physician assistant (as such terms are defined in section 1861(aa)(5)(A)) who is working in accordance with State law, or a certified nurse-midwife (as defined in section 1861(gg)) who is working in accordance with State law, for services furnished by a physician, nurse practitioner, physician assistant, or certified nurse-midwife, or services furnished by an advanced practice clinician supervised by a physician described in subclause (I)(aa) or (II)(aa), another advanced practice clinician, or a certified nurse-midwife; or

''(V) by a nurse practitioner or a physician assistant (as such terms are defined in section 1861(aa)(5)(A)) who is working in accordance with State law, or a certified nurse-midwife (as defined in section 1861(gg)) who is working in accordance with State law, in accordance with procedures that ensure that the portion of the payment for such services that the nurse practitioner, physician assistant, or certified nurse-midwife is paid is not less than the amount that the nurse practitioner, physician assistant, or certified nurse-midwife would be paid if the services were provided under part B of title XVIII;''.

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

(A) by striking ''Notwithstanding'' and inserting the following:

''(1) IN GENERAL.—Notwithstanding'';

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

(C) by adding at the end the following:

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

''(A) The period that begins on the first day of the first month that begins after the date of enactment of the State Public Option Act.''.

(b) IMPROVED TARGETING OF PRIMARY CARE.—Section 1902(jj) of the Social Security Act (42 U.S.C. 1396a(jj)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively and realigning the left margins accordingly;

(2) by striking ''For purposes of'' and inserting the following:

''(1) IN GENERAL.—For purposes of''; and

(3) by adding at the end the following:

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

(c) ENSURING PAYMENT BY MANAGED CARE ENTITIES.—

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

(A) in clause (xii), by striking ''and'' after the semicolon;

(B) by realigning the left margin of clause (xiii) so as to align with the left margin of clause (xii) and by striking the period at the end of clause (xiii) and inserting ''; and''; and

(C) by inserting after clause (xiii) the following:

''(xiv) such contract provides that (I) payments to providers specified in section 1902(a)(13)(C) for primary care services defined in section 1902(jj) that are furnished during a year or period specified in section 1902(a)(13)(C) and section 1905(dd) are at least equal to the amounts set forth and required by the Secretary by regulation, (II) the entity shall, upon request, provide documentation to the State, sufficient to enable the State and the Secretary to ensure compliance with subclause (I), and (III) the Secretary shall approve payments described in subclause (I) that are furnished through an agreed

upon capitation, partial capitation, or other value-based payment arrangement if the capitation, partial capitation, or other value-based payment arrangement is based on a reasonable methodology and the entity provides documentation to the State sufficient to enable the State and the Secretary to ensure compliance with subclause (I).''.

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

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

(a) IN GENERAL.—Beginning in fiscal year 2019, the Secretary of Health and Human Services (referred to in this section as the ''Secretary'') shall award grants to States that submit an application meeting the requirements of subsection (b) for the purpose of improving access to services for individuals enrolled in State Medicaid plans under title XIX of the Social Security Act.

(b) APPLICATION REQUIREMENTS.—To be eligible for a grant under this section, a State shall submit to the Secretary, at such time and in such manner as the Secretary shall require, an application that contains the following:

(1) A description of gaps in access to providers for individuals enrolled in the State Medicaid plan that the State has identified, and how the State proposes to fix such gaps.

(2) A discussion of any changes the State proposes to make to the reimbursement of providers under the State Medicaid plan, including changes to the fee-for-service rates for providers of services under such plans or moving to population-based or episode-based payment models.

(3) A justification establishing that the changes proposed by the State will increase access to providers for individuals enrolled in the State Medicaid plan, and a plan for measuring changes to such access over the grant period.

(c) USE OF FUNDS.—

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

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

(3) USE OF FUNDS TO INCREASE MEDICAID PROVIDER PAYMENT RATES.—Notwithstanding any other provision of law, a State may use grant funds awarded under this section for the purpose of financing the portion of the non-Federal share of expenditures under the State Medicaid plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) that is attributable to an increase in the payment rate for providers under such plan.

(d) SELECTION OF STATES AND MAXIMUM GRANT AMOUNT.—In awarding grants to States under this section, the Secretary shall—

(1) ensure that geographically diverse areas, including rural and underserved areas, are included; and

(2) award grants both to States that have elected to expand Medicaid eligibility under section 1902(a)(10)(A)(i)(VIII) of the Social Security Act

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

(e) APPROPRIATION.—There is appropriated to the Secretary, out of any funds in the Treasury not otherwise appropriated, $100,000,000,000 for fiscal year 2018, to remain available until September 30, 2021, for the purpose of making grants under this section.

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

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

(1) in subparagraph (A), by striking ''2014, 2015, and 2016'' and inserting ''each of the first 3 consecutive 12-month periods in which the State provides medical assistance to newly eligible individuals'';

(2) in subparagraph (B), by striking ''2017'' and inserting ''the fourth consecutive 12-month period in which the State provides medical assistance to newly eligible individuals'';

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

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

(5) in subparagraph (E), by striking ''2020 and each year thereafter'' and inserting ''the seventh consecutive 12-month period in which the State provides medical assistance to newly eligible individuals and each such period thereafter''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the enactment of Public Law 111–148.

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