

115TH CONGRESS
1ST SESSION

H. R. 1325

To amend title XIX of the Social Security Act to provide States with flexibility with respect to providing premium assistance under the Medicaid program.

IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 2017

Mr. BUCSHON 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 provide States with flexibility with respect to providing premium assistance under the Medicaid program.

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. PROVIDING FLEXIBILITY WITH RESPECT TO**
4 **PREMIUM ASSISTANCE UNDER MEDICAID.**

5 (a) IN GENERAL.—Section 1906 of the Social Secu-
6 rity Act (42 U.S.C. 1396e) is amended—

7 (1) in subsection (c)(2), by striking “such
8 plan.” and inserting “such group health plan.”; and

9 (2) by inserting after subsection (c) the fol-
10 lowing new subsection:

1 “(d) STATE OPTION FOR NONELDERLY, NON-
2 DISABLED ADULTS.—

3 “(1) IN GENERAL.—Beginning on January 1,
4 2018, in the case of a State electing the option de-
5 scribed in paragraph (2) of subsection (a), the Sec-
6 retary may, upon the approval of a State plan
7 amendment submitted by the State, waive the re-
8 quirement of paragraph (3) of such subsection to the
9 extent such requirement provides for payment of
10 premiums and deductibles and other cost-sharing ob-
11 ligations with respect to the items and services de-
12 scribed in such paragraph furnished to individuals
13 described in paragraph (3) of this subsection.

14 “(2) COST-EFFECTIVENESS.—

15 “(A) IN GENERAL.—The Secretary may
16 approve a State plan amendment under this
17 subsection if the Secretary determines that the
18 payment of premiums and deductibles and other
19 cost-sharing obligations under the group health
20 plan or plans involved is cost-effective relative
21 to the amount of expenditures under the State
22 plan, including administrative expenditures, and
23 excluding payments for copayments or coinsur-
24 ance, that the State would have made to pro-

1 vide comparable coverage of the individuals de-
2 scribed in paragraph (3) involved.

3 “(B) DETERMINATION.—For purposes of
4 subparagraph (A), cost-effectiveness shall be de-
5 termined—

6 “(i) on an annual basis by com-
7 paring—

8 “(I) the amount of expenditures
9 per employer for coverage under the
10 group health plan or plans involved of
11 the individuals described in paragraph
12 (3) for the preceding 4 calendar quar-
13 ters; to

14 “(II) the average per capita
15 amount of expenditures that the State
16 made under the State plan to provide
17 comparable coverage of such individ-
18 uals for such calendar quarters; and

19 “(ii) in the case of individuals de-
20 scribed in paragraph (3) who are parents
21 of children—

22 “(I) if the parent is eligible for
23 enrollment in a group health plan,
24 based on the cost of purchasing family

1 coverage under the group health plan;
2 and

3 “(II) if the parent is not so eligi-
4 ble, based on the cost of individual
5 coverage for the parent and each
6 child.

7 “(C) CHILD DEFINED.—In this paragraph,
8 the term ‘child’ has the meaning given such
9 term in section 1902(e)(13)(G).

10 “(3) NONELDERLY, NONDISABLED ADULTS.—
11 The individuals described in this paragraph are indi-
12 viduals who are under 65 years of age, not pregnant,
13 not entitled to, or enrolled for, benefits under part
14 A of title XVIII, or enrolled for benefits under part
15 B of title XVIII, are not described in subclauses (I)
16 through (VII) of section 1902(a)(10)(A)(i), and oth-
17 erwise entitled to medical assistance under this
18 title.”.

19 (b) PREMIUM ASSISTANCE SUBSIDY OPTION.—Sec-
20 tion 1906A of the Social Security Act (42 U.S.C. 1396e–
21 1) is amended by adding at the end the following new sub-
22 section:

23 “(f) STATE OPTION FOR NONELDERLY, NON-
24 DISABLED ADULTS.—

1 “(1) IN GENERAL.—Beginning on January 1,
2 2018, in the case of a State electing to provide a
3 premium assistance subsidy as described in sub-
4 section (a), the Secretary may, upon the approval of
5 a State plan amendment submitted by the State,
6 waive the requirement of subsection (e) to the extent
7 such requirement provides for payment of premiums
8 and deductibles and other cost-sharing obligations
9 with respect to the items and services described in
10 such subsection furnished to individuals described in
11 paragraph (3).

12 “(2) COST-EFFECTIVENESS.—

13 “(A) IN GENERAL.—The Secretary may
14 approve a State plan amendment under this
15 subsection if the Secretary determines that the
16 payment of premiums and deductibles and other
17 cost-sharing obligations under the qualified em-
18 ployer-sponsored coverage involved is cost-effec-
19 tive relative to the amount of expenditures
20 under the State plan, including administrative
21 expenditures, and excluding payments for co-
22 payments or coinsurance, that the State would
23 have made to provide comparable coverage of
24 the individuals described in paragraph (3)(B)
25 involved.

1 “(B) DETERMINATION.—For purposes of
2 subparagraph (A), cost-effectiveness shall be de-
3 termined—

4 “(i) on an annual basis by com-
5 paring—

6 “(I) the amount of expenditures
7 per employer for coverage under the
8 qualified employer-sponsored coverage
9 involved of the individuals described in
10 paragraph (3)(B) for the preceding 4
11 calendar quarters; to

12 “(II) the average per capita
13 amount of expenditures that the State
14 made under the State plan to provide
15 comparable coverage of such individ-
16 uals for such calendar quarters; and

17 “(ii) in the case of individuals de-
18 scribed in paragraph (3) who are parents
19 of individuals under 19 years of age—

20 “(I) if the parent is eligible for
21 enrollment in qualified employer-spon-
22 sored coverage, based on the cost of
23 purchasing family coverage under
24 such qualified employer-sponsored
25 coverage; and

1 “(II) if the parent is not so eligi-
2 ble, based on the cost of individual
3 coverage for the parent and each such
4 individual under 19 years of age.

5 “(3) NONELDERLY, NONDISABLED ADULTS.—
6 The individuals described in this paragraph are indi-
7 viduals (or the parents of individuals) who are—

8 “(A) participating in a premium assistance
9 subsidy under this section for qualified em-
10 ployer-sponsored coverage; and

11 “(B) under 65 years of age, not pregnant,
12 not entitled to, or enrolled for, benefits under
13 part A of title XVIII, or enrolled for benefits
14 under part B of title XVIII, and are not de-
15 scribed in subclauses (I) through (VII) of sec-
16 tion 1902(a)(10)(A)(i).”.

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