To reduce the Federal deficit through reforms in spending under Medicaid, CHIP, and the Prevention and Public Health Fund.

IN THE HOUSE OF REPRESENTATIVES

Mr. Pitts introduced the following bill; which was referred to the Committee on ________________________

A BILL

To reduce the Federal deficit through reforms in spending under Medicaid, CHIP, and the Prevention and Public Health Fund.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Common Sense Savings Act of 2016”.

(b) Table of Contents.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Treatment of lottery winnings and other lump-sum income for purposes of income eligibility under Medicaid.

Sec. 3. Eliminating PPACA enhanced Medicaid FMAP for prisoners.

Sec. 4. Extending previous Medicaid threshold applied for determining acceptable provider taxes.

Sec. 5. Sunsetting PPACA increase in enhanced FMAP under CHIP.

Sec. 6. Repeal of the Prevention and Public Health Fund.

SEC. 2. TREATMENT OF LOTTERY WINNINGS AND OTHER LUMP-SUM INCOME FOR PURPOSES OF INCOME ELIGIBILITY UNDER MEDICAID.

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

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

(2) in subsection (e)—

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

“(J) Treatment of certain lottery winnings and income received as a lump sum.—

“(i) In general.—In the case of an individual who is the recipient of qualified lottery winnings (pursuant to lotteries occurring on or after January 1, 2018) or qualified lump sum income (received on or after such date) and whose eligibility for medical assistance is determined based on the application of modified adjusted gross
income under subparagraph (A), a State shall, in determining such eligibility, include such winnings or income (as applicable) as income received—

“(I) in the month in which such winnings or income (as applicable) is received if the amount of such winnings or income is less than $60,000;

“(II) over a period of 2 months if the amount of such winnings or income (as applicable) is greater than or equal to $60,000 but less than $70,000;

“(III) over a period of 3 months if the amount of such winnings or income (as applicable) is greater than or equal to $70,000 but less than $80,000; and

“(IV) over a period of 3 months plus 1 additional month for each increment of $10,000 of such winnings or income (as applicable) received, not to exceed a period of 120 months (for winnings or income of $1,240,000 or
more), if the amount of such winnings
or income is greater than or equal to
$80,000.

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

“(iii) Q UALIFIED LOTTERY WINNINGS
DEFINED.—In this subparagraph, the term
‘qualified lottery winnings’ means winnings
from a sweepstakes, lottery, or pool de-
scribed in paragraph (3) of section 4402 of
the Internal Revenue Code of 1986 or a
lottery operated by a multistate or multi-
jurisdictional lottery association, including
amounts awarded as a lump sum payment.

“(iv) Q UALIFIED LUMP SUM INCOME
DEFINED.—In this subparagraph, the term
‘qualified lump sum income’ means income
that is received as a lump sum from one
of the following sources:
“(I) Monetary winnings from gambling (as defined by the Secretary and including gambling activities described in section 1955(b)(4) of title 18, United States Code).

“(II) Damages received, whether by suit or agreement and whether as lump sums or as periodic payments (other than monthly payments), on account of causes of action other than causes of action arising from personal physical injuries or physical sickness.

“(III) Income received as liquid assets from the estate (as defined in section 1917(b)(4)) of a deceased individual.”; and

(B) by striking ““(14) EXCLUSION’’ and inserting ““(15) EXCLUSION’’.

(b) RULE OF CONSTRUCTION.—Nothing in the amendment made by subsection (a)(2)(A) shall be construed as preventing a State from intercepting the State lottery winnings awarded to an individual in the State to recover amounts paid by the State under the State Medicaid plan under title XIX of the Social Security Act for medical assistance furnished to the individual.
SEC. 3. ELIMINATING PPACA ENHANCED MEDICAID FMAP FOR PRISONERS.

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

(1) in subsection (y)(2)(A), by adding at the end the following: “For items and services furnished on or after January 1, 2017, such term does not include an individual during the period in which the individual is an inmate in a public institution and is a patient in a medical institution.”; and

(2) in subsection (z)(2)(A), by adding at the end the following: “For calendar quarters beginning on or after January 1, 2017, the preceding sentence shall not apply with respect to medical assistance for individuals who are inmates in a public institution and patients in a medical institution.”.

SEC. 4. EXTENDING PREVIOUS MEDICAID THRESHOLD APPLIED FOR DETERMINING ACCEPTABLE PROVIDER TAXES.

Section 1903(w)(4)(C)(ii) of the Social Security Act (42 U.S.C. 1396b(w)(4)(C)(ii)) is amended by inserting after “October 1, 2011,” the following: “and for portions of fiscal years occurring on or after January 1, 2017”..
SEC. 5. SUNSETTING PPACA INCREASE IN ENHANCED FMAP UNDER CHIP.

(a) IN GENERAL.—The second sentence of section 2105(b) of the Social Security Act (42 U.S.C. 1397ee(b)) is amended by striking “September 30, 2019” and inserting “March 31, 2016”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to items and services furnished after March 31, 2016, without regard to whether this Act is enacted after such date.

SEC. 6. REPEAL OF THE PREVENTION AND PUBLIC HEALTH FUND.

(a) IN GENERAL.—Section 4002 of the Patient Protection and Affordable Care Act (42 U.S.C. 300u–11) is repealed.

(b) RESCISSION OF UNOBLIGATED FUNDS.—Of the funds made available by such section 4002, the unobligated balance is rescinded.