

AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 670
OFFERED BY M. _____

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Special Needs Trust Fairness and Medicaid Improve-
4 ment Act”.

5 (b) **TABLE OF CONTENTS.**—The table of contents of
6 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Fairness in Medicaid supplemental needs trusts.

Sec. 3. Medicaid coverage of tobacco cessation services for mothers of newborns.

Sec. 4. Eliminating Federal financial participation with respect to expenditures under Medicaid for agents used for cosmetic purposes or hair growth.

Sec. 5. Medicaid Improvement Fund.

7 SEC. 2. FAIRNESS IN MEDICAID SUPPLEMENTAL NEEDS
8 TRUSTS.

9 (a) **IN GENERAL.**—Section 1917(d)(4)(A) of the So-
10 cial Security Act (42 U.S.C. 1396p(d)(4)(A)) is amended
11 by inserting “the individual,” after “for the benefit of such
12 individual by”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply to trusts established on or after
3 the date of the enactment of this Act.

4 **SEC. 3. MEDICAID COVERAGE OF TOBACCO CESSATION**
5 **SERVICES FOR MOTHERS OF NEWBORNS.**

6 (a) IN GENERAL.—Section 1905(bb) of the Social Se-
7 curity Act (42 U.S.C. 1396d(bb)) is amended by adding
8 at the end the following new paragraph:

9 “(4) A woman shall continue to be treated as de-
10 scribed in this subsection as a pregnant woman through
11 the end of the 1-year period beginning on the date of the
12 birth of a child of the woman.”.

13 (b) CONFORMING AMENDMENTS.—

14 (1) Subsections (a)(2)(B) and (b)(2)(B) of sec-
15 tion 1916 of the Social Security Act (42 U.S.C.
16 1396o) are each amended by inserting “(and women
17 described in section 1905(bb) as pregnant women
18 pursuant to paragraph (4) of such section)” after
19 “tobacco cessation by pregnant women”.

20 (2) Section 1927(d)(2)(F) of the Social Secu-
21 rity Act (42 U.S.C. 1396r–8(d)(2)(F)) is amended
22 by inserting “(and women described in section
23 1905(bb) as pregnant women pursuant to paragraph
24 (4) of such section)” after “pregnant women”.

25 (c) EFFECTIVE DATE.—

1 (1) IN GENERAL.—Subject to paragraph (2),
2 the amendments made by this section shall apply
3 with respect to items and services furnished on or
4 after the date that is two years after the date of the
5 enactment of this Act.

6 (2) EXCEPTION FOR STATE LEGISLATION.—In
7 the case of a State plan under title XIX of the So-
8 cial Security Act, which the Secretary of Health and
9 Human Services determines requires State legisla-
10 tion in order for the plan to meet any requirement
11 imposed by amendments made by this section, the
12 plan shall not be regarded as failing to comply with
13 the requirements of such title solely on the basis of
14 its failure to meet such an additional requirement
15 before the first day of the first calendar quarter be-
16 ginning after the close of the first regular session of
17 the State legislature that begins after the effective
18 date specified in paragraph (1). For purposes of the
19 previous sentence, in the case of a State that has a
20 2-year legislative session, each year of the session
21 shall be considered to be a separate regular session
22 of the State legislature.

23 (d) REPORT.—Not later than two years after the date
24 of the enactment of this Act, the Inspector General of the
25 Department of Health and Human Services shall submit

1 to Congress a report that assesses the use of the tobacco
2 cessation service benefit under the Medicaid program.

3 Such report shall include an assessment of—

4 (1) the extent that States are encouraging the
5 use of such benefit, such as through promotion of
6 beneficiary and provider awareness of such benefit;
7 and

8 (2) gaps in the delivery of such benefit.

9 **SEC. 4. ELIMINATING FEDERAL FINANCIAL PARTICIPATION**
10 **WITH RESPECT TO EXPENDITURES UNDER**
11 **MEDICAID FOR AGENTS USED FOR COSMETIC**
12 **PURPOSES OR HAIR GROWTH.**

13 (a) **IN GENERAL.**—Section 1903(i)(21) of the Social
14 Security Act (42 U.S.C. 1396b(i)(21)) is amended by in-
15 serting “section 1927(d)(2)(C) (relating to drugs when
16 used for cosmetic purposes or hair growth), except where
17 medically necessary, and” after “drugs described in”.

18 (b) **EFFECTIVE DATE.**—The amendment made by
19 subsection (a) shall apply with respect to calendar quar-
20 ters beginning on or after the date of the enactment of
21 this Act.

22 **SEC. 5. MEDICAID IMPROVEMENT FUND.**

23 Section 1941(b) of the Social Security Act (42 U.S.C.
24 1396w–1(b)) is amended—

25 (1) in paragraph (2)—

1 (A) by striking “under paragraph (1)” and
2 inserting “under this subsection”; and

3 (B) by redesignating such paragraph as
4 paragraph (3); and

5 (2) by inserting after paragraph (1) the fol-
6 lowing new paragraph:

7 “(2) ADDITIONAL FUNDING.—In addition to
8 any funds otherwise made available to the Fund,
9 there shall be available to the Fund, for expendi-
10 tures from the Fund—

11 “(A) for fiscal year 2021, \$10,000,000, to
12 remain available until expended; and

13 “(B) for fiscal year 2022, \$14,000,000, to
14 remain available until expended.”.

