

**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
**TO H.R. \_\_\_\_\_**  
**OFFERED BY M. \_\_\_\_\_**

[Page and line numbers drafted to CHIP-EXT\_R\_07, October  
2, 2017]

Strike all after the enacting clause and insert the  
following:

**1 SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Keep Kids’ Insurance  
3 Dependable and Secure Act of 2017” or the “KIDS Act  
4 of 2017”.

**5 SEC. 2. TABLE OF CONTENTS.**

6 The table of contents of this Act is as follows:

Sec. 1. Short title.  
Sec. 2. Table of contents.

TITLE I—CHIP EXTENSION AND OTHER MEDICAID AND CHIP  
PROVISIONS

Sec. 101. Five-year funding extension of the Children’s Health Insurance Pro-  
gram.  
Sec. 102. Extension of certain programs and demonstration projects.  
Sec. 103. Extension of outreach and enrollment program.  
Sec. 104. Extension of additional Federal financial participation for CHIP.  
Sec. 105. Ensuring access to mental health services for children under the Chil-  
dren’s Health Insurance Program.  
Sec. 106. At-risk youth Medicaid protection.  
Sec. 107. Delay in Medicaid DSH reductions.  
Sec. 108. Puerto Rico and United States Virgin Island Disaster Relief Medicaid  
Funding.  
Sec. 109. Delay of Bipartisan Budget Act of 2013 third party liability provi-  
sions.

TITLE II—OFFSETS AND OTHER PROVISIONS

Sec. 201. Implementation of Office of Inspector General recommendation to delay certain Medicare plan prepayments.

Sec. 202. Medicare Improvement Fund.

Sec. 203. Medicaid Improvement Fund.

1 **TITLE I—CHIP EXTENSION AND**  
2 **OTHER MEDICAID AND CHIP**  
3 **PROVISIONS**

4 **SEC. 101. FIVE-YEAR FUNDING EXTENSION OF THE CHIL-**  
5 **DREN’S HEALTH INSURANCE PROGRAM.**

6 (a) APPROPRIATION; TOTAL ALLOTMENT.—Section  
7 2104(a) of the Social Security Act (42 U.S.C. 1397dd(a))  
8 is amended—

9 (1) in paragraph (19), by striking “and”;

10 (2) in paragraph (20), by striking the period at  
11 the end and inserting a semicolon; and

12 (3) by adding at the end the following new  
13 paragraphs:

14 “(21) for fiscal year 2018, \$21,500,000,000;

15 “(22) for fiscal year 2019, \$22,600,000,000;

16 “(23) for fiscal year 2020, \$23,700,000,000;

17 “(24) for fiscal year 2021, \$24,800,000,000;

18 and

19 “(25) for fiscal year 2022, for purposes of mak-  
20 ing 2 semi-annual allotments—

21 “(A) \$2,850,000,000 for the period begin-  
22 ning on October 1, 2021, and ending on March  
23 31, 2022; and

1           “(B) \$2,850,000,000 for the period begin-  
2           ning on April 1, 2022, and ending on Sep-  
3           tember 30, 2022.”.

4       (b) ALLOTMENTS.—

5           (1) IN GENERAL.—Section 2104(m) of the So-  
6           cial Security Act (42 U.S.C. 1397dd(m)) is amend-  
7           ed—

8           (A) in paragraph (2)—

9           (i) in the heading, by striking  
10           “THROUGH 2016” and inserting  
11           “THROUGH 2022”; and

12           (ii) in subparagraph (B)—

13           (I) in the matter preceding clause  
14           (i), by striking “(19)” and inserting  
15           “(24)”;

16           (II) in clause (ii), in the matter  
17           preceding subclause (I), by inserting  
18           “(other than fiscal year 2022)” after  
19           “even-numbered fiscal year”; and

20           (III) in clause (ii)(I), by inserting  
21           “(or, in the case of fiscal year 2018,  
22           under paragraph (4))” after “clause  
23           (i)”;

24           (B) in paragraph (5)—

1 (i) by striking “or (4)” and inserting  
2 “(4), or (10)”; and

3 (ii) by striking “or 2017” and insert-  
4 ing “, 2017, or 2022”;

5 (C) in paragraph (7)—

6 (i) in subparagraph (A), by striking  
7 “2017” and inserting “2022”;

8 (ii) in subparagraph (B), in the mat-  
9 ter preceding clause (i), by inserting “(or,  
10 in the case of fiscal year 2018, by not later  
11 than the date that is 60 days after the  
12 date of the enactment of the KIDS Act of  
13 2017)” after “before the August 31 pre-  
14 ceding the beginning of the fiscal year”;  
15 and

16 (iii) in the matter following subpara-  
17 graph (B), by striking “or fiscal year  
18 2016” and inserting “fiscal year 2016, fis-  
19 cal year 2018, fiscal year 2020, or fiscal  
20 year 2022”;

21 (D) in paragraph (9)—

22 (i) in the heading, by striking “FISCAL  
23 YEARS 2015 AND 2017” and inserting  
24 “CERTAIN FISCAL YEARS”;

1 (ii) by striking “or (4)” and inserting  
2 “, (4), or (10)”; and

3 (iii) by striking “or fiscal year 2017”  
4 and inserting “, 2017, or 2022”; and

5 (E) by adding at the end the following new  
6 paragraph:

7 “(10) FOR FISCAL YEAR 2022.—

8 “(A) FIRST HALF.—Subject to paragraphs  
9 (5) and (7), from the amount made available  
10 under subparagraph (A) of paragraph (25) of  
11 subsection (a) for the semi-annual period de-  
12 scribed in such subparagraph, increased by the  
13 amount of the appropriation for such period  
14 under section 101(b)(3) of the KIDS Act of  
15 2017, the Secretary shall compute a State allot-  
16 ment for each State (including the District of  
17 Columbia and each commonwealth and terri-  
18 tory) for such semi-annual period in an amount  
19 equal to the first half ratio (described in sub-  
20 paragraph (D)) of the amount described in sub-  
21 paragraph (C).

22 “(B) SECOND HALF.—Subject to para-  
23 graphs (5) and (7), from the amount made  
24 available under subparagraph (B) of paragraph  
25 (25) of subsection (a) for the semi-annual pe-

1           riod described in such subparagraph, the Sec-  
2           retary shall compute a State allotment for each  
3           State (including the District of Columbia and  
4           each commonwealth and territory) for such  
5           semi-annual period in an amount equal to the  
6           amount made available under such subpara-  
7           graph, multiplied by the ratio of—

8                   “(i) the amount of the allotment to  
9                   such State under subparagraph (A); to

10                   “(ii) the total of the amount of all of  
11                   the allotments made available under such  
12                   subparagraph.

13                   “(C) FULL YEAR AMOUNT BASED ON  
14                   GROWTH FACTOR UPDATED AMOUNT.—The  
15                   amount described in this subparagraph for a  
16                   State is equal to the sum of—

17                   “(i) the amount of the State allotment  
18                   for fiscal year 2021 determined under  
19                   paragraph (2)(B)(i); and

20                   “(ii) the amount of any payments  
21                   made to the State under subsection (n) for  
22                   fiscal year 2021,

23                   multiplied by the allotment increase factor  
24                   under paragraph (6) for fiscal year 2022.

1           “(D) FIRST HALF RATIO.—The first half  
2           ratio described in this subparagraph is the ratio  
3           of—

4                   “(i) the sum of—

5                           “(I) the amount made available  
6                           under subsection (a)(25)(A); and

7                           “(II) the amount of the appro-  
8                           priation for such period under section  
9                           101(b)(3) of the KIDS Act of 2017;  
10                          to

11                          “(ii) the sum of—

12                                  “(I) the amount described in  
13                                  clause (i); and

14                                  “(II) the amount made available  
15                                  under subsection (a)(25)(B).”.

16           (2) TECHNICAL AMENDMENT.—Section  
17           2104(m)(2)(A) of such Act (42 U.S.C.  
18           1397dd(m)(2)(A)) is amended by striking “the allot-  
19           ment increase factor under paragraph (5)” each  
20           place it appears and inserting “the allotment in-  
21           crease factor under paragraph (6)”.

22           (3) ONE-TIME APPROPRIATION FOR FISCAL  
23           YEAR 2022.—There is appropriated to the Secretary  
24           of Health and Human Services, out of any money in  
25           the Treasury not otherwise appropriated,

1       \$20,200,000,000 to accompany the allotment made  
2       for the period beginning on October 1, 2021, and  
3       ending on March 31, 2022, under paragraph  
4       (25)(A) of section 2104(a) of the Social Security Act  
5       (42 U.S.C. 1397dd(a)) (as added by subsection  
6       (a)(3)), to remain available until expended. Such  
7       amount shall be used to provide allotments to States  
8       under paragraph (10) of section 2104(m) of such  
9       Act (as added by subsection (b)(1)(E)) for the first  
10      6 months of fiscal year 2022 in the same manner as  
11      allotments are provided under subsection (a)(25)(A)  
12      of such section 2104 and subject to the same terms  
13      and conditions as apply to the allotments provided  
14      from such subsection (a)(25)(A).

15      (c) EXTENSION OF THE CHILD ENROLLMENT CON-  
16      TINGENCY FUND.—Section 2104(n) of the Social Security  
17      Act (42 U.S.C. 1397dd(n)) is amended—

18              (1) in paragraph (2)—

19                      (A) in subparagraph (A)(ii)—

20                              (i) by striking “2010, 2011, 2012,  
21                              2013, 2014, and 2016” and inserting  
22                              “2010 through 2014, 2016, and 2018  
23                              through 2021”; and



1 (ii) by striking “fiscal year 2015 and  
2 fiscal year 2017” and inserting “fiscal  
3 years 2015, 2017, and 2022”; and

4 (B) in subparagraph (B)—

5 (i) by striking “2010, 2011, 2012,  
6 2013, 2014, and 2016” and inserting  
7 “2010 through 2014, 2016, and 2018  
8 through 2021”; and

9 (ii) by striking “fiscal year 2015 and  
10 fiscal year 2017” and inserting “fiscal year  
11 2015, 2017, and 2022”; and

12 (2) in paragraph (3)(A), in the matter pre-  
13 ceding clause (i), by striking “or a semi-annual allot-  
14 ment period for fiscal year 2015 or 2017” and in-  
15 serting “or in any of fiscal years 2018 through 2021  
16 (or a semi-annual allotment period for fiscal year  
17 2015, 2017, or 2022)”.

18 (d) EXTENSION OF QUALIFYING STATES OPTION.—  
19 Section 2105(g)(4) of the Social Security Act (42 U.S.C.  
20 1397ee(g)(4)) is amended—

21 (1) in the heading, by striking “THROUGH  
22 2017” and inserting “THROUGH 2022”; and

23 (2) in subparagraph (A), by striking “2017”  
24 and inserting “2022”.

1 (e) EXTENSION OF EXPRESS LANE ELIGIBILITY OP-  
2 TION.—Section 1902(e)(13)(I) of the Social Security Act  
3 (42 U.S.C. 1396a(e)(13)(I)) is amended by striking  
4 “2017” and inserting “2022”.

5 (f) ASSURANCE OF AFFORDABILITY STANDARD FOR  
6 CHILDREN AND FAMILIES.—

7 (1) IN GENERAL.—Section 2105(d)(3) of the  
8 Social Security Act (42 U.S.C. 1397ee(d)(3)) is  
9 amended—

10 (A) in the paragraph heading, by striking  
11 “UNTIL OCTOBER 1, 2019” and inserting  
12 “THROUGH SEPTEMBER 30, 2022”; and

13 (B) in subparagraph (A), in the matter  
14 preceding clause (i)—

15 (i) by striking “2019” and inserting  
16 “2022”; and

17 (ii) by striking “The preceding sen-  
18 tence shall not be construed as preventing  
19 a State during such period” and inserting  
20 “During the period that begins on October  
21 1, 2019, and ends on September 30, 2022,  
22 the preceding sentence shall only apply  
23 with respect to children in families whose  
24 income does not exceed 300 percent of the  
25 poverty line (as defined in section

1           2110(c)(5)) applicable to a family of the  
2           size involved. The preceding sentences shall  
3           not be construed as preventing a State  
4           during any such periods”.

5           (2) CONFORMING AMENDMENTS.—Section  
6           1902(gg)(2) of the Social Security Act (42 U.S.C.  
7           1396a(gg)(2)) is amended—

8           (A) in the paragraph heading, by striking  
9           “UNTIL OCTOBER 1, 2019” and inserting  
10          “THROUGH SEPTEMBER 30, 2022”; and

11          (B) by striking “September 30, 2019,”  
12          and inserting “September 30, 2022 (but during  
13          the period that begins on October 1, 2019, and  
14          ends on September 30, 2022, only with respect  
15          to children in families whose income does not  
16          exceed 300 percent of the poverty line (as de-  
17          fined in section 2110(c)(5)) applicable to a fam-  
18          ily of the size involved)”.

19 **SEC. 102. EXTENSION OF CERTAIN PROGRAMS AND DEM-**  
20 **ONSTRATION PROJECTS.**

21          (a) CHILDHOOD OBESITY DEMONSTRATION  
22 PROJECT.—Section 1139A(e)(8) of the Social Security  
23 Act (42 U.S.C. 1320b–9a(e)(8)) is amended—

24          (1) by striking “and \$10,000,000” and insert-  
25          ing “, \$10,000,000”; and

1           (2) by inserting after “2017” the following: “,  
2           and \$25,000,000 for the period of fiscal years 2018  
3           through 2022”.

4           (b) PEDIATRIC QUALITY MEASURES PROGRAM.—  
5           Section 1139A(i) of the Social Security Act (42 U.S.C.  
6           1320b–9a(i)) is amended—

7           (1) by striking “Out of any” and inserting the  
8           following:

9           “(1) IN GENERAL.—Out of any”;

10           (2) by striking “there is appropriated for each”  
11           and inserting “there is appropriated—

12           “(A) for each”;

13           (3) by striking “, and there is appropriated for  
14           the period” and inserting “;

15           “(B) for the period”;

16           (4) by striking “. Funds appropriated under  
17           this subsection shall remain available until ex-  
18           pended” and inserting “; and”; and

19           (5) by adding at the end the following:

20           “(C) for the period of fiscal years 2018  
21           through 2022, \$75,000,000 for the purpose of  
22           carrying out this section (other than sub-  
23           sections (e), (f), and (g)).

1           “(2) AVAILABILITY.—Funds appropriated  
2           under this subsection shall remain available until ex-  
3           pended.”.

4 **SEC. 103. EXTENSION OF OUTREACH AND ENROLLMENT**  
5 **PROGRAM.**

6           (a) EXTENSION AND REAUTHORIZATION.—Section  
7 2113 of the Social Security Act (42 U.S.C. 1397mm) is  
8 amended—

9           (1) in subsection (a)(1), by striking “2017” and  
10          inserting “2022”; and

11          (2) in subsection (g)—

12                 (A) by striking “and \$40,000,000” and in-  
13                 serting “, \$40,000,000”; and

14                 (B) by inserting after “2017” the fol-  
15                 lowing: “, and \$100,000,000 for the period of  
16                 fiscal years 2018 through 2022”.

17          (b) MAKING PARENT MENTORS ELIGIBLE TO RE-  
18 CEIVE GRANTS.—Section 2113(f) of the Social Security  
19 Act (42 U.S.C. 1397mm(f)) is amended—

20                 (1) in paragraph (1), by adding at the end the  
21                 following new subparagraph:

22                         “(H) Parent mentors.”; and

23                 (2) by adding at the end the following new  
24                 paragraph:

1           “(5) PARENT MENTOR.—The term ‘parent  
2 mentor’ means an individual who—

3           “(A) is a parent or guardian of at least  
4 one child who is an eligible child under this title  
5 or title XIX; and

6           “(B) is trained to assist families with chil-  
7 dren who have no health insurance coverage  
8 with respect to improving the social deter-  
9 minants of the health of such children, includ-  
10 ing by providing—

11           “(i) education about health insurance  
12 coverage, including, with respect to obtain-  
13 ing such coverage, eligibility criteria and  
14 application and renewal processes;

15           “(ii) assistance with completing and  
16 submitting applications for health insur-  
17 ance coverage;

18           “(iii) a liaison between families and  
19 representatives of State plans under title  
20 XIX or State child health plans under this  
21 title;

22           “(iv) guidance on identifying medical  
23 and dental homes and community phar-  
24 macies for children; and

1                   “(v) assistance and referrals to suc-  
2                   cessfully address social determinants of  
3                   children’s health, including poverty, food  
4                   insufficiency, and housing.”.

5 **SEC. 104. EXTENSION OF ADDITIONAL FEDERAL FINANCIAL**  
6 **PARTICIPATION FOR CHIP.**

7           Section 2105(b) of the Social Security Act (42 U.S.C.  
8 1397ee(b)) is amended in the second sentence by inserting  
9 “and during the period that begins on October 1, 2019,  
10 and ends on September 30, 2020, the enhanced FMAP  
11 determined for a State for a fiscal year (or for any portion  
12 of a fiscal year occurring during such period) shall be in-  
13 creased by 11.5 percentage points” after “23 percentage  
14 points,”.

15 **SEC. 105. ENSURING ACCESS TO MENTAL HEALTH SERV-**  
16 **ICES FOR CHILDREN UNDER THE CHIL-**  
17 **DREN’S HEALTH INSURANCE PROGRAM.**

18           (a) IN GENERAL.—Section 2103(c)(1) of the Social  
19 Security Act (42 U.S.C. 1397cc(c)(1)) is amended by add-  
20 ing at the end the following new subparagraph:

21                   “(E) Mental health services and substance  
22                   use disorder services (including behavioral  
23                   health treatment).”.

24           (b) MENTAL HEALTH SERVICES.—

1           (1) IN GENERAL.—Section 2103(c) of the So-  
2           cial Security Act (42 U.S.C. 1397cc(e)) is amend-  
3           ed—

4                   (A) by redesignating paragraphs (5), (6),  
5                   (7), and (8) as paragraphs (6), (7), (8), and  
6                   (9), respectively; and

7                   (B) by inserting after paragraph (4) the  
8                   following new paragraph:

9                   “(5) MENTAL HEALTH SERVICES.—The child  
10                  health assistance provided to a targeted low-income  
11                  child or pregnant woman shall—

12                           “(A) include coverage of mental health  
13                           services necessary to prevent, diagnose, and  
14                           treat a broad range of mental health symptoms  
15                           and disorders, including substance use dis-  
16                           orders; and

17                                   “(B) be delivered in a culturally and lin-  
18                                   guistically appropriate manner.”.

19           (2) CONFORMING AMENDMENTS.—

20                   (A) Section 2103(a) of the Social Security  
21                   Act (42 U.S.C. 1397cc(a)) is amended, in the  
22                   matter before paragraph (1), by striking “para-  
23                   graphs (5), (6), and (7)” and inserting “para-  
24                   graphs (5), (6), (7), and (8)”.



1 (B) Section 2110(b)(5)(A)(i) of the Social  
2 Security Act (42 U.S.C. 1397ee(b)(5)(A)(i)) is  
3 amended by striking “subsection (c)(5)” and in-  
4 serting “subsection (c)(6)”.

5 (c) ASSURING ACCESS TO CARE.—Section  
6 2102(a)(7)(B) of the Social Security Act (42 U.S.C.  
7 1397bb(c)(2)) is amended by striking “section  
8 2103(c)(5)” and inserting “paragraphs (5) and (6) of sec-  
9 tion 2103(c)”.

10 (d) MENTAL HEALTH SERVICES PARITY.—Subpara-  
11 graph (A) of paragraph (7) of section 2103(c) of the So-  
12 cial Security Act (42 U.S.C. 1397cc(e)) (as redesignated  
13 by subsection (b)(1)) is amended to read as follows:

14 “(A) IN GENERAL.—A State child health  
15 plan shall ensure that the financial require-  
16 ments and treatment limitations applicable to  
17 mental health or substance use disorder benefits  
18 provided under such plan comply with the re-  
19 quirements of section 2705(a) of the Public  
20 Health Service Act in the same manner as such  
21 requirements or limitations apply to a group  
22 health plan under such section.”.

23 (e) EFFECTIVE DATE.—

1           (1) IN GENERAL.—Subject to paragraph (2),  
2           the amendments made by this section shall take ef-  
3           fect on October 1, 2017.

4           (2) EXCEPTION FOR STATE LEGISLATION.—In  
5           the case of a State child health plan under title XXI  
6           of the Social Security Act (or a waiver of such plan),  
7           which the Secretary of Health and Human Services  
8           determines requires State legislation in order for the  
9           respective plan (or waiver) to meet any requirement  
10          imposed by the amendments made by this section,  
11          the respective plan (or waiver) shall not be regarded  
12          as failing to comply with the requirements of such  
13          title solely on the basis of its failure to meet such  
14          an additional requirement before the first day of the  
15          first calendar quarter beginning after the close of  
16          the first regular session of the State legislature that  
17          begins after the date of enactment of this section.  
18          For purposes of the previous sentence, in the case  
19          of a State that has a 2-year legislative session, each  
20          year of the session shall be considered to be a sepa-  
21          rate regular session of the State legislature.

22 **SEC. 106. AT-RISK YOUTH MEDICAID PROTECTION.**

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

25                 (1) in subsection (a)—

1 (A) by striking “and” at the end of para-  
2 graph (82);

3 (B) by striking the period at the end of  
4 paragraph (83) and inserting “; and”; and

5 (C) by inserting after paragraph (83) the  
6 following new paragraph:

7 “(84) provide that—

8 “(A) the State shall not terminate eligi-  
9 bility for medical assistance under a State plan  
10 for an individual who is an eligible juvenile (as  
11 defined in subsection (nn)(2)) because the juve-  
12 nile is an inmate of a public institution (as de-  
13 fined in subsection (nn)(3)), but may suspend  
14 coverage during the period the juvenile is such  
15 an inmate;

16 “(B) the State shall restore coverage for  
17 such medical assistance to such an individual  
18 upon the individual’s release from any such  
19 public institution, without requiring a new ap-  
20 plication from the individual, unless (and until  
21 such date as) there is a determination that the  
22 individual no longer meets the eligibility re-  
23 quirements for such medical assistance; and

24 “(C) the State shall process any applica-  
25 tion for medical assistance submitted by, or on

1           behalf of, a juvenile who is an inmate of a pub-  
2           lic institution notwithstanding that the juvenile  
3           is such an inmate.”; and

4           (2) by adding at the end the following new sub-  
5           section:

6           “(m) JUVENILE; ELIGIBLE JUVENILE; PUBLIC IN-  
7           STITUTION.—For purposes of subsection (a)(84) and this  
8           subsection:

9                 “(1) JUVENILE.—The term ‘juvenile’ means an  
10           individual who is—

11                         “(A) under 21 years of age; or

12                         “(B) is described in subsection  
13                         (a)(10)(A)(i)(IX).

14                 “(2) ELIGIBLE JUVENILE.—The term ‘eligible  
15           juvenile’ means a juvenile who is an inmate of a  
16           public institution and was eligible for medical assist-  
17           ance under the State plan immediately before be-  
18           coming an inmate of such a public institution or who  
19           becomes eligible for such medical assistance while an  
20           inmate of a public institution.

21                 “(3) INMATE OF A PUBLIC INSTITUTION.—The  
22           term ‘inmate of a public institution’ has the meaning  
23           given such term for purposes of applying the sub-  
24           division (A) following paragraph (29) of section

1 1905(a), taking into account the exception in such  
2 subdivision for a patient of a medical institution.”.

3 (b) NO CHANGE IN EXCLUSION FROM MEDICAL AS-  
4 SISTANCE FOR INMATES OF PUBLIC INSTITUTIONS.—  
5 Nothing in this section shall be construed as changing the  
6 exclusion from medical assistance under the subdivision  
7 (A) following paragraph (29) of section 1905(a) of the So-  
8 cial Security Act (42 U.S.C. 1396d(a)), including any ap-  
9 plicable restrictions on a State submitting claims for Fed-  
10 eral financial participation under title XIX of such Act  
11 for such assistance.

12 (c) NO CHANGE IN CONTINUITY OF ELIGIBILITY BE-  
13 FORE ADJUDICATION OR SENTENCING.—Nothing in this  
14 section shall be construed to mandate, encourage, or sug-  
15 gest that a State suspend or terminate coverage for indi-  
16 viduals before they have been adjudicated or sentenced.

17 (d) EFFECTIVE DATE.—

18 (1) IN GENERAL.—Except as provided in para-  
19 graph (2), the amendments made by subsection (a)  
20 shall apply to eligibility of juveniles who become in-  
21 mates of public institutions on or after the date that  
22 is 1 year after the date of the enactment of this Act.

23 (2) RULE FOR CHANGES REQUIRING STATE  
24 LEGISLATION.—In the case of a State plan for med-  
25 ical assistance under title XIX of the Social Security

1 Act which the Secretary of Health and Human Serv-  
2 ices determines requires State legislation (other than  
3 legislation appropriating funds) in order for the plan  
4 to meet the additional requirements imposed by the  
5 amendments made by subsection (a), the State plan  
6 shall not be regarded as failing to comply with the  
7 requirements of such title solely on the basis of its  
8 failure to meet these additional requirements before  
9 the first day of the first calendar quarter beginning  
10 after the close of the first regular session of the  
11 State legislature that begins after the date of the en-  
12 actment of this Act. For purposes of the previous  
13 sentence, in the case of a State that has a 2-year  
14 legislative session, each year of such session shall be  
15 deemed to be a separate regular session of the State  
16 legislature.

17 **SEC. 107. DELAY IN MEDICAID DSH REDUCTIONS.**

18 Clause (ii) of section 1923(f)(7)(A) of the Social Se-  
19 curity Act (42 U.S.C. 1396r-4(f)(7)(A)) is amended by  
20 striking “2018”, “2019”, “2020”, “2021”, “2022”,  
21 “2023”, “2024”, and “2025” and by inserting “2020”,  
22 “2021”, “2022”, “2023”, “2024”, “2025”, “2026”, and  
23 “2027”, respectively.

1 **SEC. 108. PUERTO RICO AND UNITED STATES VIRGIN IS-**  
2 **LAND DISASTER RELIEF MEDICAID FUNDING.**

3 (a) INCREASED CAP.—Section 1108(g)(5) of the So-  
4 cial Security Act (42 U.S.C. 1308(g)(5)) is amended—

5 (1) in subparagraph (A), by striking “subpara-  
6 graph (B)” and inserting “subparagraphs (B), (C),  
7 and (D)”; and

8 (2) by adding at the end the following new sub-  
9 paragraphs:

10 “(C) For the period of fiscal years 2018  
11 and 2019, the amount of the increase otherwise  
12 provided under subparagraph (A) for Puerto  
13 Rico and the Virgin Islands shall be further in-  
14 creased by \$6,500,000,000. The Secretary shall  
15 increase such amounts in proportion to the  
16 amounts applicable to such territories under  
17 this subsection and subsection (f) on the date  
18 of enactment of this subparagraph.

19 “(D)(i) If, subject to clause (ii)—

20 “(I) the total amount certified by  
21 the Secretary under title XIX with re-  
22 spect to fiscal year 2019 or a subse-  
23 quent fiscal year for payment to a  
24 commonwealth or territory is, less  
25 than,

1                   “(II) the amount determined for  
2                   such commonwealth or territory under  
3                   this section through application of  
4                   subsection (f) (as increased in accord-  
5                   ance with the previous subparagraphs  
6                   of this paragraph and paragraphs (1),  
7                   (2), (3), and (4) of this subsection) to  
8                   such commonwealth or territory for  
9                   such fiscal year,  
10                  then for the subsequent fiscal year, the  
11                  Secretary shall increase the amounts other-  
12                  wise determined under this subsection for  
13                  such commonwealth or territory (after the  
14                  application of such subsection (f) and such  
15                  preceding subparagraphs and paragraphs)  
16                  by the amount of increase that would oth-  
17                  erwise apply to such commonwealth or ter-  
18                  ritory (after the application of such sub-  
19                  section, subparagraphs, and paragraph) for  
20                  fiscal year 2019.

21                  “(ii) An increase under clause (i) shall  
22                  only be made, with respect to a common-  
23                  wealth or territory and fiscal year, to the  
24                  extent that—



1           “(I) in the case of Puerto Rico,  
2           the application of this subsection, as  
3           of such fiscal year, has not resulted in  
4           a total amount of increases under this  
5           paragraph and paragraphs (1), (2),  
6           (3), and (4), that exceed the sum of  
7           the dollar amounts specified under  
8           subparagraphs (A), (B), and (C) for  
9           Puerto Rico;

10           “(II) in the case of the Virgin Is-  
11           lands, the application of this sub-  
12           section, as of such fiscal year, has not  
13           resulted in a total amount of increases  
14           under this paragraph and paragraphs  
15           (1), (2), (3), and (4), that exceed the  
16           sum of the dollar amounts specified  
17           under subparagraphs (A) and (C) for  
18           the Virgin Islands; and

19           “(III) in the case of any other  
20           commonwealth or territory, the appli-  
21           cation of this subsection, as of such  
22           fiscal year, has not resulted in a total  
23           amount of increases under this para-  
24           graph and paragraphs (1), (2), (3),  
25           and (4), that exceed the sum of the

1                   dollar amount specified under sub-  
2                   paragraph (A) for such commonwealth  
3                   or territory.

4                   ”.

5           (b) FMAP.—Section 1905(b) of the Social Security  
6 Act (42 U.S.C. 1396d(b)) is amended by adding at the  
7 end the following new sentence: “Notwithstanding the first  
8 sentence of this section, for the period of fiscal years 2018  
9 and 2019, the Federal medical assistance percentage for  
10 Puerto Rico and the Virgin Islands shall be 100 per cen-  
11 tum.”.

12 **SEC. 109. DELAY OF BIPARTISAN BUDGET ACT OF 2013**

13                   **THIRD PARTY LIABILITY PROVISIONS.**

14           (a) IN GENERAL.—Section 202(e) of the Bipartisan  
15 Budget Act of 2013 (Public Law 113–67; 127 Stat. 1177;  
16 42 U.S.C. 1396a note), as amended by section 211 of the  
17 Protecting Access to Medicare Act of 2014 (Public Law  
18 113–93; 128 Stat. 1047; 42 U.S.C. 1396a note) and sec-  
19 tion 220 of the Medicare Access and CHIP Reauthoriza-  
20 tion Act of 2015 (Public Law 114–10), is amended by  
21 striking “2017” and inserting “2022”.

22           (b) EFFECTIVE DATE; TREATMENT.—The amend-  
23 ment made by subparagraph (A) shall take effect on Sep-  
24 tember 30, 2017, and shall apply with respect to claims  
25 generated or filed after such date.

1 **TITLE II—OFFSETS AND OTHER**  
2 **PROVISIONS**

3 **SEC. 201. IMPLEMENTATION OF OFFICE OF INSPECTOR**  
4 **GENERAL RECOMMENDATION TO DELAY CER-**  
5 **TAIN MEDICARE PLAN PREPAYMENTS.**

6 (a) **MEDICARE ADVANTAGE PAYMENTS.**—Section  
7 1853(a)(1) of the Social Security Act (42 U.S.C. 1395w–  
8 23(a)(1)) is amended—

9 (1) in subparagraph (A), in the matter pre-  
10 ceding clause (i)—

11 (A) by striking “subsections (e), (g), (i),  
12 and (l)” and inserting “subparagraph (J), sub-  
13 sections (e), (g), (i), and (l),”; and

14 (B) by inserting “(or, for months begin-  
15 ning with January 2019, on the date specified  
16 in subparagraph (J))” after “in advance”; and

17 (2) by adding at the end the following new sub-  
18 paragraph:

19 “(J) **TIMING OF PAYMENTS.**—

20 “(i) **IN GENERAL.**—With respect to  
21 monthly payments under this section for  
22 months in a year (beginning with 2019),  
23 the date specified in this subparagraph  
24 with respect to a payment for a month is

1 the first business day occurring on or after  
2 the applicable date defined in clause (ii).

3 “(ii) APPLICABLE DATE.—For pur-  
4 poses of clause (i), with respect to a year  
5 (beginning with 2019), the term ‘applicable  
6 date’ means, with respect to a payment  
7 for—

8 “(I) January of such year, Janu-  
9 ary 2nd;

10 “(II) February of such year,  
11 February 5th;

12 “(III) March of such year, March  
13 10th;

14 “(IV) April of such year, April  
15 15th;

16 “(V) May of such year, May  
17 20th;

18 “(VI) June of such year, June  
19 25th;

20 “(VII) July and each succeeding  
21 month (other than December) of such  
22 year, the first day of the next month;  
23 and

24 “(VIII) December of such year,  
25 December 24th.”.

1 (b) CONFORMING AMENDMENT TO PART D.—Section  
2 1860D–15(d)(1) of the Social Security Act (42 U.S.C.  
3 1395w–115(d)(1)) is amended by inserting “and shall be  
4 made consistent with the timing of monthly payments to  
5 MA organizations under section 1853(a)(1)(J)” after “as  
6 the Secretary determines”.

7 **SEC. 202. MEDICARE IMPROVEMENT FUND.**

8 Section 1898(b)(1) of the Social Security Act (42  
9 U.S.C. 1395iii(b)(1)) is amended by inserting before the  
10 period at the end the following: “plus 50 percent of the  
11 amount by which the reduction in expenditures under this  
12 title resulting from the application of the amendments  
13 made by section 201 of the KIDS Act of 2017 exceeds  
14 the total amount of any increase in expenditures under  
15 titles XI, XIX, and XXI resulting from the application  
16 of the provisions of, including amendments made by, the  
17 KIDS Act of 2017 (other than section 201 of such Act)”.

18 **SEC. 203. MEDICAID IMPROVEMENT FUND.**

19 Section 1941(b)(1) of the Social Security Act (42  
20 U.S.C. 1396w–1(b)(1)) is amended by inserting before the  
21 period at the end the following: “plus 50 percent of the  
22 amount by which the reduction in expenditures under title  
23 XVIII resulting from the application of the amendments  
24 made by section 201 of the KIDS Act of 2017 exceeds  
25 the total amount of any increase in expenditures under

1 this title, titles XI, and XXI resulting from the application  
2 of the provisions of, including amendments made by, the  
3 KIDS Act of 2017 (other than section 201 of such Act)’’.

