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(Original Signature of Member)

118TH CONGRESS
2D SESSION

H. R.

To amend title XIX of the Social Security Act to allow for the deferral or disallowance of portions of payments for certain managed care violations under Medicaid.

IN THE HOUSE OF REPRESENTATIVES

M____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend title XIX of the Social Security Act to allow for the deferral or disallowance of portions of payments for certain managed care violations under Medicaid.

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. ALLOWING FOR THE DEFERRAL OR DISALLOW-**
4 **ANCE OF PORTIONS OF PAYMENTS FOR CER-**
5 **TAIN MANAGED CARE VIOLATIONS UNDER**
6 **MEDICAID.**

7 (a) IN GENERAL.—Section 1903(m)(2) of the Social
8 Security Act (42 U.S.C. 1396(m)(2)) is amended—

1 (1) in subparagraph (A), by striking “and (G)”
2 and inserting “(G), and (I)”; and

3 (2) by adding at the end the following new sub-
4 paragraph:

5 “(I)(i) In lieu of applying the payment prohibition
6 under subparagraph (A) for a violation of any requirement
7 described in such subparagraph, the Secretary may defer
8 or disallow a portion of a payment to a State described
9 in such subparagraph (as determined appropriate by the
10 Secretary) if the Secretary finds that such a deferral or
11 disallowance more appropriately reflects the scope of such
12 violation than application of such prohibition.

13 “(ii) If the Secretary determines subsequent to a de-
14 ferral or disallowance of a portion of a payment under
15 clause (i) for a violation by an entity of any requirement
16 described in subparagraph (A) that such deferral or dis-
17 allowance was insufficient to bring such entity into compli-
18 ance with such requirement, the Secretary may apply the
19 payment prohibition under subparagraph (A).”.

20 (b) TREATMENT OF CERTAIN STATE MANAGED
21 CARE REQUIREMENTS.—Section 1902(a) of the Social Se-
22 curity Act (42 U.S.C. 1396a(a)) is amended—

23 (1) in paragraph (86), by striking “and” at the
24 end;

1 (2) in paragraph (87)(D), by striking the period
2 and inserting “; and”; and

3 (3) by inserting after paragraph (87) the fol-
4 lowing new paragraph:

5 “(88) in the case the State elects the option to
6 use managed care under section 1932, provide for
7 compliance with the requirements of such section.”.