

**AMENDMENT TO THE AMENDMENT IN THE NA-  
TURE OF A SUBSTITUTE TO COMMITTEE  
PRINT FOR SUBTITLE G RELATING TO MED-  
ICAID**

**OFFERED BY M**\_\_ . \_\_\_\_\_

Strike section 30701 and insert the following:

1 **SEC. 30701. PER CAPITA ALLOTMENT FOR MEDICAL ASSIST-**  
2 **ANCE.**

3 Title XIX of the Social Security Act is amended—

4 (1) in section 1903 (42 U.S.C. 1396b)—

5 (A) in subsection (a), in the matter before  
6 paragraph (1), by inserting “and section  
7 1903A(a)” after “except as otherwise provided  
8 in this section”; and

9 (B) in subsection (d)(1), by striking “to  
10 which” and inserting “to which, subject to sec-  
11 tion 1903A(a),”; and

12 (2) by inserting after such section 1903 the fol-  
13 lowing new section:

14 **“SEC. 1903A. PER CAPITA-BASED CAP ON PAYMENTS FOR**  
15 **MEDICAL ASSISTANCE.**

16 **“(a) APPLICATION OF PER CAPITA CAP ON PAY-**  
17 **MENTS FOR MEDICAL ASSISTANCE EXPENDITURES.—**

1           “(1) IN GENERAL.—If a State has excess ag-  
2           gregate medical assistance expenditures (as defined  
3           in paragraph (2)) for a fiscal year (beginning with  
4           fiscal year 2023), the amount of payment to the  
5           State under section 1903(a)(1) for each quarter in  
6           the following fiscal year shall be reduced by  $\frac{1}{4}$  of  
7           the excess aggregate medical assistance payments  
8           (as defined in paragraph (3)) for that previous fiscal  
9           year. In this section, the term ‘State’ means only the  
10          50 States and the District of Columbia.

11          “(2) EXCESS AGGREGATE MEDICAL ASSISTANCE  
12          EXPENDITURES.—In this subsection, the term ‘ex-  
13          cess aggregate medical assistance expenditures’  
14          means, for a State for a fiscal year, the amount (if  
15          any) by which—

16                 “(A) the amount of the adjusted total med-  
17                 ical assistance expenditures (as defined in sub-  
18                 section (b)(1)) for the State and fiscal year; ex-  
19                 ceeds

20                 “(B) the amount of the target total med-  
21                 ical assistance expenditures (as defined in sub-  
22                 section (c)) for the State and fiscal year.

23          “(3) EXCESS AGGREGATE MEDICAL ASSISTANCE  
24          PAYMENTS.—In this subsection, the term ‘excess ag-

1 aggregate medical assistance payments’ means, for a  
2 State for a fiscal year, the product of—

3 “(A) the excess aggregate medical assist-  
4 ance expenditures (as defined in paragraph (2))  
5 for the State for the fiscal year; and

6 “(B) the Federal average medical assist-  
7 ance matching percentage (as defined in para-  
8 graph (4)) for the State for the fiscal year.

9 “(4) FEDERAL AVERAGE MEDICAL ASSISTANCE  
10 MATCHING PERCENTAGE.—In this subsection, the  
11 term ‘Federal average medical assistance matching  
12 percentage’ means, for a State for a fiscal year, the  
13 ratio (expressed as a percentage) of—

14 “(A) the amount of the Federal payments  
15 that would be made to the State under section  
16 1903(a)(1) for medical assistance expenditures  
17 for calendar quarters in the fiscal year if para-  
18 graph (1) did not apply; to

19 “(B) the amount of the medical assistance  
20 expenditures for the State and fiscal year.

21 “(b) ADJUSTED TOTAL MEDICAL ASSISTANCE EX-  
22 PENDITURES.—Subject to subsection (g), the following  
23 shall apply:

1           “(1) IN GENERAL.—In this section, the term  
2           ‘adjusted total medical assistance expenditures’  
3           means, for a State—

4                   “(A) for fiscal year 2019, the product of—

5                           “(i) the amount of the medical assist-  
6                           ance expenditures (as defined in paragraph  
7                           (2)) for the State and fiscal year, reduced  
8                           by the amount of any excluded expendi-  
9                           tures (as defined in paragraph (3)) for the  
10                          State and fiscal year otherwise included in  
11                          such medical assistance expenditures; and

12                           “(ii) the 1903A FY19 population per-  
13                           centage (as defined in paragraph (4)) for  
14                           the State; or

15                          “(B) for fiscal year 2022 or a subsequent  
16                          fiscal year, the amount of the medical assist-  
17                          ance expenditures (as defined in paragraph (2))  
18                          for the State and fiscal year that is attributable  
19                          to 1903A enrollees, reduced by the amount of  
20                          any excluded expenditures (as defined in para-  
21                          graph (3)) for the State and fiscal year other-  
22                          wise included in such medical assistance ex-  
23                          penditures and includes non-DSH supplemental  
24                          payments (as defined in subsection  
25                          (d)(4)(A)(ii)) and payments described in sub-

1 section (d)(4)(A)(iii) but shall not be construed  
2 as including any expenditures attributable to  
3 the program under section 1928. In applying  
4 subparagraph (B), non-DSH supplemental pay-  
5 ments (as defined in subsection (d)(4)(A)(ii))  
6 and payments described in subsection  
7 (d)(4)(A)(iii) shall be treated as fully attrib-  
8 utable to 1903A enrollees.

9 “(2) MEDICAL ASSISTANCE EXPENDITURES.—

10 In this section, the term ‘medical assistance expendi-  
11 tures’ means, for a State and fiscal year, the med-  
12 ical assistance payments as reported by medical  
13 service category on the Form CMS-64 quarterly ex-  
14 pense report (or successor to such a report form,  
15 and including enrollment data and subsequent ad-  
16 justments to any such report, in this section referred  
17 to collectively as a ‘CMS-64 report’) for which pay-  
18 ment is (or may otherwise be) made pursuant to sec-  
19 tion 1903(a)(1).

20 “(3) EXCLUDED EXPENDITURES.—In this sec-  
21 tion, the term ‘excluded expenditures’ means, for a  
22 State and fiscal year, expenditures under the State  
23 plan (or under a waiver of such plan) that are at-  
24 tributable to any of the following:

1           “(A) DSH.—Payment adjustments made  
2           for disproportionate share hospitals under sec-  
3           tion 1923.

4           “(B) MEDICARE COST-SHARING.—Pay-  
5           ments made for medicare cost-sharing (as de-  
6           fined in section 1905(p)(3)).

7           “(C) SAFETY NET PROVIDER PAYMENT AD-  
8           JUSTMENTS IN NON-EXPANSION STATES.—Pay-  
9           ment adjustments under subsection (a) of sec-  
10          tion 1923A for which payment is permitted  
11          under subsection (c) of such section.

12          “(4) 1903A FY 16 POPULATION PERCENTAGE.—  
13          In this subsection, the term ‘1903A FY16 popu-  
14          lation percentage’ means, for a State, the Sec-  
15          retary’s calculation of the percentage of the actual  
16          medical assistance expenditures, as reported by the  
17          State on the CMS–64 reports for calendar quarters  
18          in fiscal year 2016, that are attributable to 1903A  
19          enrollees (as defined in subsection (e)(1)).

20          “(c) TARGET TOTAL MEDICAL ASSISTANCE EXPEND-  
21          ITURES.—

22          “(1) CALCULATION.—In this section, the term  
23          ‘target total medical assistance expenditures’ means,  
24          for a State for a fiscal year and subject to para-  
25          graph (4), the sum of the products, for each of the

1 1903A enrollee categories (as defined in subsection  
2 (e)(2)), of—

3 “(A) the target per capita medical assist-  
4 ance expenditures (as defined in paragraph (2))  
5 for the enrollee category, State, and fiscal year;  
6 and

7 “(B) the number of 1903A enrollees for  
8 such enrollee category, State, and fiscal year, as  
9 determined under subsection (e)(4).

10 “(2) TARGET PER CAPITA MEDICAL ASSISTANCE  
11 EXPENDITURES.—In this subsection, the term ‘tar-  
12 get per capita medical assistance expenditures’  
13 means, for a 1903A enrollee category and State—

14 “(A) for fiscal year 2023, an amount equal  
15 to—

16 “(i) the provisional FY19 target per  
17 capita amount for such enrollee category  
18 (as calculated under subsection (d)(5)) for  
19 the State; increased by

20 “(ii) the applicable annual inflation  
21 factor (as defined in paragraph (3)) for  
22 fiscal year 2023; and

23 “(B) for each succeeding fiscal year, an  
24 amount equal to—

1           “(i) the target per capita medical as-  
2           sistance expenditures (under subparagraph  
3           (A) or this subparagraph) for the 1903A  
4           enrollee category and State for the pre-  
5           ceding fiscal year, increased by

6           “(ii) the applicable annual inflation  
7           factor for that succeeding fiscal year.

8           “(3) APPLICABLE ANNUAL INFLATION FAC-  
9           TOR.—In paragraph (2), the term ‘applicable annual  
10          inflation factor’ means, for a fiscal year—

11           “(A) for each of the 1903A enrollee cat-  
12           egories described in subparagraphs (C), (D),  
13           and (E) of subsection (e)(2), the percentage in-  
14           crease in the medical care component of the  
15           consumer price index for all urban consumers  
16           (U.S. city average) from September of the pre-  
17           vious fiscal year to September of the fiscal year  
18           involved; and

19           “(B) for each of the 1903A enrollee cat-  
20           egories described in subparagraphs (A) and (B)  
21           of subsection (e)(2), the percentage increase de-  
22           scribed in subparagraph (A) plus 1 percentage  
23           point.



1           “(4) DECREASE IN TARGET EXPENDITURES  
2           FOR REQUIRED EXPENDITURES BY CERTAIN POLIT-  
3           ICAL SUBDIVISIONS.—

4           “(A) IN GENERAL.—In the case of a State  
5           that had a DSH allotment under section  
6           1923(f) for fiscal year 2016 that was more than  
7           6 times the national average of such allotments  
8           for all the States for such fiscal year and that  
9           requires political subdivisions within the State  
10          to contribute funds towards medical assistance  
11          or other expenditures under the State plan  
12          under this title (or under a waiver of such plan)  
13          for a fiscal year (beginning with fiscal year  
14          2023), the target total medical assistance ex-  
15          penditures for such State and fiscal year shall  
16          be decreased by the amount that political sub-  
17          divisions in the State are required to contribute  
18          under the plan (or waiver) without reimburse-  
19          ment from the State for such fiscal year, other  
20          than contributions described in subparagraph  
21          (B).

22          “(B) EXCEPTIONS.—The contributions de-  
23          scribed in this subparagraph are the following:

24                  “(i) Contributions required by a State  
25                  from a political subdivision that, as of the

1 first day of the calendar year in which the  
2 fiscal year involved begins—

3 “(I) has a population of more  
4 than 5,000,000, as estimated by the  
5 Bureau of the Census; and

6 “(II) imposes a local income tax  
7 upon its residents.

8 “(ii) Contributions required by a  
9 State from a political subdivision for ad-  
10 ministrative expenses if the State required  
11 such contributions from such subdivision  
12 without reimbursement from the State as  
13 of January 1, 2020.

14 “(d) CALCULATION OF FY22 PROVISIONAL TARGET  
15 AMOUNT FOR EACH 1903A ENROLLEE CATEGORY.—Sub-  
16 ject to subsection (g), the following shall apply:

17 “(1) CALCULATION OF BASE AMOUNTS FOR FIS-  
18 CAL YEAR 2019.—For each State the Secretary shall  
19 calculate (and provide notice to the State not later  
20 than April 1, 2021, of) the following:

21 “(A) The amount of the adjusted total  
22 medical assistance expenditures (as defined in  
23 subsection (b)(1)) for the State for fiscal year  
24 2019.

1           “(B) The number of 1903A enrollees for  
2           the State in fiscal year 2019 (as determined  
3           under subsection (e)(4)).

4           “(C) The average per capita medical as-  
5           sistance expenditures for the State for fiscal  
6           year 2019 equal to—

7                   “(i) the amount calculated under sub-  
8                   paragraph (A); divided by

9                           “(ii) the number calculated under sub-  
10                          paragraph (B).

11           “(2) FISCAL YEAR 2022 AVERAGE PER CAPITA  
12           AMOUNT BASED ON INFLATING THE FISCAL YEAR  
13           2019 AMOUNT TO FISCAL YEAR 2022 BY CPI-MED-  
14           ICAL.—The Secretary shall calculate a fiscal year  
15           2022 average per capita amount for each State  
16           equal to—

17                   “(A) the average per capita medical assist-  
18                   ance expenditures for the State for fiscal year  
19                   2019 (calculated under paragraph (1)(C)); in-  
20                   creased by

21                           “(B) the percentage increase in the med-  
22                          ical care component of the consumer price index  
23                          for all urban consumers (U.S. city average)  
24                          from September, 2019 to September, 2022.

1           “(3) AGGREGATE AND AVERAGE EXPENDI-  
2           TURES PER CAPITA FOR FISCAL YEAR 2022.—The  
3           Secretary shall calculate for each State the fol-  
4           lowing:

5                   “(A) The amount of the adjusted total  
6                   medical assistance expenditures (as defined in  
7                   subsection (b)(1)) for the State for fiscal year  
8                   2022.

9                   “(B) The number of 1903A enrollees for  
10                  the State in fiscal year 2022 (as determined  
11                  under subsection (e)(4)).

12           “(4) PER CAPITA EXPENDITURES FOR FISCAL  
13           YEAR 2022 FOR EACH 1903A ENROLLEE CATEGORY.—  
14           The Secretary shall calculate (and provide notice to  
15           each State not later than January 1, 2023, of) the  
16           following:

17                   “(A)(i) For each 1903A enrollee category,  
18                   the amount of the adjusted total medical assist-  
19                   ance expenditures (as defined in subsection  
20                   (b)(1)) for the State for fiscal year 2022 for in-  
21                   dividuals in the enrollee category, calculated by  
22                   excluding from medical assistance expenditures  
23                   those expenditures attributable to expenditures  
24                   described in clause (iii) or non-DSH supple-  
25                   mental expenditures (as defined in clause (ii)).

1           “(ii) In this paragraph, the term ‘non-  
2 DSH supplemental expenditure’ means a pay-  
3 ment to a provider under the State plan (or  
4 under a waiver of the plan) that—

5                   “(I) is not made under section 1923;

6                   “(II) is not made with respect to a  
7 specific item or service for an individual;

8                   “(III) is in addition to any payments  
9 made to the provider under the plan (or  
10 waiver) for any such item or service; and

11                   “(IV) complies with the limits for ad-  
12 ditional payments to providers under the  
13 plan (or waiver) imposed pursuant to sec-  
14 tion 1902(a)(30)(A), including the regula-  
15 tions specifying upper payment limits  
16 under the State plan in part 447 of title  
17 42, Code of Federal Regulations (or any  
18 successor regulations).

19           “(iii) An expenditure described in this  
20 clause is an expenditure that meets the criteria  
21 specified in subclauses (I), (II), and (III) of  
22 clause (ii) and is authorized under section 1115  
23 for the purposes of funding a delivery system  
24 reform pool, uncompensated care pool, a des-  
25 ignated state health program, or any other

1 similar expenditure (as defined by the Sec-  
2 retary).

3 “(B) For each 1903A enrollee category,  
4 the number of 1903A enrollees for the State in  
5 fiscal year 2019 in the enrollee category (as de-  
6 termined under subsection (e)(4)).

7 “(C) For fiscal year 2019, the State’s non-  
8 DSH supplemental and pool payment percent-  
9 age is equal to the ratio (expressed as a per-  
10 centage) of—

11 “(i) the total amount of non-DSH  
12 supplemental expenditures (as defined in  
13 subparagraph (A)(ii)) and payments de-  
14 scribed in subparagraph (A)(iii) for the  
15 State for fiscal year 2019; to

16 “(ii) the amount described in sub-  
17 section (b)(1)(A) for the State for fiscal  
18 year 2019.

19 “(D) For each 1903A enrollee category an  
20 average medical assistance expenditures per  
21 capita for the State for fiscal year 2022 for the  
22 enrollee category equal to—

23 “(i) the amount calculated under sub-  
24 paragraph (A) for the State, increased by  
25 the non-DSH supplemental and pool pay-

1                   ment percentage for the State (as cal-  
2                   culated under subparagraph (C)); divided  
3                   by

4                   “(ii) the number calculated under sub-  
5                   paragraph (B) for the State for the en-  
6                   rollee category.

7                   “(5) PROVISIONAL FY22 PER CAPITA TARGET  
8                   AMOUNT FOR EACH 1903A ENROLLEE CATEGORY.—  
9                   Subject to subsection (f)(2), the Secretary shall cal-  
10                  culate for each State a provisional FY22 per capita  
11                  target amount for each 1903A enrollee category  
12                  equal to the average medical assistance expenditures  
13                  per capita for the State for fiscal year 2022 (as cal-  
14                  culated under paragraph (4)(D)) for such enrollee  
15                  category multiplied by the ratio of—

16                  “(A) the product of—

17                          “(i) the fiscal year 2022 average per  
18                          capita amount for the State, as calculated  
19                          under paragraph (2); and

20                          “(ii) the number of 1903A enrollees  
21                          for the State in fiscal year 2022, as cal-  
22                          culated under paragraph (3)(B); to

23                          “(B) the amount of the adjusted total  
24                          medical assistance expenditures for the State

1 for fiscal year 2022, as calculated under para-  
2 graph (3)(A).

3 “(e) 1903A ENROLLEE; 1903A ENROLLEE CAT-  
4 EGORY.—Subject to subsection (g), for purposes of this  
5 section, the following shall apply:

6 “(1) 1903A ENROLLEE.—The term ‘1903A en-  
7 rollee’ means, with respect to a State and a month  
8 and subject to subsection (i)(1)(B), any Medicaid  
9 enrollee (as defined in paragraph (3)) for the month,  
10 other than such an enrollee who for such month is  
11 in any of the following categories of excluded indi-  
12 viduals:

13 “(A) CHIP.—An individual who is pro-  
14 vided, under this title in the manner described  
15 in section 2101(a)(2), child health assistance  
16 under title XXI.

17 “(B) IHS.—An individual who receives  
18 any medical assistance under this title for serv-  
19 ices for which payment is made under the third  
20 sentence of section 1905(b).

21 “(C) BREAST AND CERVICAL CANCER  
22 SERVICES ELIGIBLE INDIVIDUAL.—An indi-  
23 vidual who is entitled to medical assistance  
24 under this title only pursuant to section  
25 1902(a)(10)(A)(ii)(XVIII).



1           “(D) PARTIAL-BENEFIT ENROLLEES.—An  
2 individual who—

3           “(i) is an alien who is entitled to med-  
4 ical assistance under this title only pursu-  
5 ant to section 1903(v)(2);

6           “(ii) is entitled to medical assistance  
7 under this title only pursuant to subclause  
8 (XII) or (XXI) of section  
9 1902(a)(10)(A)(ii) (or pursuant to a waiv-  
10 er that provides only comparable benefits);

11           “(iii) is a dual eligible individual (as  
12 defined in section 1915(h)(2)(B)) and is  
13 entitled to medical assistance under this  
14 title (or under a waiver) only for some or  
15 all of medicare cost-sharing (as defined in  
16 section 1905(p)(3)); or

17           “(iv) is entitled to medical assistance  
18 under this title and for whom the State is  
19 providing a payment or subsidy to an em-  
20 ployer for coverage of the individual under  
21 a group health plan pursuant to section  
22 1906 or section 1906A (or pursuant to a  
23 waiver that provides only comparable bene-  
24 fits).

1           “(2) 1903A ENROLLEE CATEGORY.—The term  
2           ‘1903A enrollee category’ means each of the fol-  
3           lowing:

4                   “(A) ELDERLY.—A category of 1903A en-  
5                   rollees who are 65 years of age or older.

6                   “(B) BLIND AND DISABLED.—A category  
7                   of 1903A enrollees (not described in the pre-  
8                   vious subparagraph) who are eligible for med-  
9                   ical assistance under this title on the basis of  
10                  being blind or disabled.

11                  “(C) CHILDREN.—A category of 1903A  
12                  enrollees (not described in a previous subpara-  
13                  graph) who are children under 19 years of age.

14                  “(D) EXPANSION ENROLLEES.—A cat-  
15                  egory of 1903A enrollees (not described in a  
16                  previous subparagraph) for whom the amounts  
17                  expended for medical assistance are subject to  
18                  an increase or change in the Federal medical  
19                  assistance percentage under subsection (y) or  
20                  (z)(2), respectively, of section 1905.

21                  “(E) OTHER NONELDERLY, NONDISABLED,  
22                  NON-EXPANSION ADULTS.—A category of  
23                  1903A enrollees who are not described in any  
24                  previous subparagraph.

1           “(3) MEDICAID ENROLLEE.—The term ‘Med-  
2           icaid enrollee’ means, with respect to a State for a  
3           month, an individual who is eligible for medical as-  
4           sistance for items or services under this title and en-  
5           rolled under the State plan (or a waiver of such  
6           plan) under this title for the month.

7           “(4) DETERMINATION OF NUMBER OF 1903A  
8           ENROLLEES.—The number of 1903A enrollees for a  
9           State and fiscal year, and, if applicable, for a 1903A  
10          enrollee category, is the average monthly number of  
11          Medicaid enrollees for such State and fiscal year  
12          (and, if applicable, in such category) that are re-  
13          ported through the CMS–64 report under (and sub-  
14          ject to audit under) subsection (h).

15          “(f) SPECIAL PAYMENT RULES.—

16                 “(1) APPLICATION IN CASE OF RESEARCH AND  
17                 DEMONSTRATION PROJECTS AND OTHER WAIVERS.—  
18                 In the case of a State with a waiver of the State  
19                 plan approved under section 1115, section 1915, or  
20                 another provision of this title, this section shall  
21                 apply to medical assistance expenditures and medical  
22                 assistance payments under the waiver, in the same  
23                 manner as if such expenditures and payments had  
24                 been made under a State plan under this title and  
25                 the limitations on expenditures under this section

1 shall supersede any other payment limitations or  
2 provisions (including limitations based on a per cap-  
3 ita limitation) otherwise applicable under such a  
4 waiver.

5 “(2) TREATMENT OF STATES EXPANDING COV-  
6 ERAGE AFTER FISCAL YEAR 2019.—In the case of a  
7 State that did not provide for medical assistance for  
8 the 1903A enrollee category described in subsection  
9 (e)(2)(D) during fiscal year 2019 but which provides  
10 for such assistance for such category in a subse-  
11 quent year, the provisional FY22 per capita target  
12 amount for such enrollee category under subsection  
13 (d)(5) shall be equal to the provisional FY22 per  
14 capita target amount for the 1903A enrollee cat-  
15 egory described in subsection (e)(2)(E).

16 “(3) IN CASE OF STATE FAILURE TO REPORT  
17 NECESSARY DATA.—If a State for any quarter in a  
18 fiscal year (beginning with fiscal year 2019) fails to  
19 satisfactorily submit data on expenditures and en-  
20 rollees in accordance with subsection (h)(1), for such  
21 fiscal year and any succeeding fiscal year for which  
22 such data are not satisfactorily submitted—

23 “(A) the Secretary shall calculate and  
24 apply subsections (a) through (e) with respect  
25 to the State as if all 1903A enrollee categories

1           for which such expenditure and enrollee data  
2           were not satisfactorily submitted were a single  
3           1903A enrollee category; and

4                   “(B) the growth factor otherwise applied  
5           under subsection (c)(2)(B) shall be decreased  
6           by 1 percentage point.

7           “(g) RECALCULATION OF CERTAIN AMOUNTS FOR  
8 DATA ERRORS.—The amounts and percentage calculated  
9 under paragraphs (1) and (4)(C) of subsection (d) for a  
10 State for fiscal year 2019, and the amounts of the ad-  
11 justed total medical assistance expenditures calculated  
12 under subsection (b) and the number of Medicaid enrollees  
13 and 1903A enrollees determined under subsection (e)(4)  
14 for a State for fiscal year 2019, fiscal year 2022, and any  
15 subsequent fiscal year, may be adjusted by the Secretary  
16 based upon an appeal (filed by the State in such a form,  
17 manner, and time, and containing such information relat-  
18 ing to data errors that support such appeal, as the Sec-  
19 retary specifies) that the Secretary determines to be valid,  
20 except that any adjustment by the Secretary under this  
21 subsection for a State may not result in an increase of  
22 the target total medical assistance expenditures exceeding  
23 2 percent.

24           “(h) REQUIRED REPORTING AND AUDITING OF  
25 CMS–64 DATA; TRANSITIONAL INCREASE IN FEDERAL

1 MATCHING PERCENTAGE FOR CERTAIN ADMINISTRATIVE  
2 EXPENSES.—

3           “(1) REPORTING.—In addition to the data re-  
4           quired on form Group VIII on the CMS-64 report  
5           form as of January 1, 2020, in each CMS-64 report  
6           required to be submitted (for each quarter beginning  
7           on or after October 1, 2021), the State shall include  
8           data on medical assistance expenditures within such  
9           categories of services and categories of enrollees (in-  
10          cluding each 1903A enrollee category and each cat-  
11          egory of excluded individuals under subsection  
12          (e)(1)) and the numbers of enrollees within each of  
13          such enrollee categories, as the Secretary determines  
14          are necessary (including timely guidance published  
15          as soon as possible after the date of the enactment  
16          of this section) in order to implement this section  
17          and to enable States to comply with the requirement  
18          of this paragraph on a timely basis.

19           “(2) AUDITING.—The Secretary shall conduct  
20          for each State an audit of the number of individuals  
21          and expenditures reported through the CMS-64 re-  
22          port for fiscal year 2019, fiscal year 2022, and each  
23          subsequent fiscal year, which audit may be con-  
24          ducted on a representative sample (as determined by  
25          the Secretary).

1           “(3) TEMPORARY INCREASE IN FEDERAL  
2           MATCHING PERCENTAGE TO SUPPORT IMPROVED  
3           DATA REPORTING SYSTEMS FOR FISCAL YEARS 2021  
4           AND 2022.—For amounts expended during calendar  
5           quarters beginning on or after October 1, 2020, and  
6           before October 1, 2022—

7                   “(A) the Federal matching percentage ap-  
8                   plied under section 1903(a)(3)(A)(i) shall be in-  
9                   creased by 10 percentage points to 100 percent;

10                   “(B) the Federal matching percentage ap-  
11                   plied under section 1903(a)(3)(B) shall be in-  
12                   creased by 25 percentage points to 100 percent;  
13                   and

14                   “(C) the Federal matching percentage ap-  
15                   plied under section 1903(a)(7) shall be in-  
16                   creased by 10 percentage points to 60 percent  
17                   but only with respect to amounts expended that  
18                   are attributable to a State’s additional adminis-  
19                   trative expenditures to implement the data re-  
20                   quirements of paragraph (1).

21           “(i) FLEXIBLE BLOCK GRANT OPTION FOR  
22           STATES.—

23                   “(1) IN GENERAL.—In the case of a State that  
24                   elects the option of applying this subsection for a  
25                   10-fiscal-year period (beginning no earlier than fiscal

1 year 2023 and, at the State option, for any suc-  
2 ceeding 10-fiscal-year period) and that has a plan  
3 approved by the Secretary under paragraph (2) to  
4 carry out the option for such period—

5 “(A) the State shall receive, instead of  
6 amounts otherwise payable to the State under  
7 this title for medical assistance for block grant  
8 individuals within the applicable block grant  
9 category (as defined in paragraph (6)) for the  
10 State during the period in which the election is  
11 in effect, the amount specified in paragraph  
12 (4);

13 “(B) the previous provisions of this section  
14 shall be applied as if—

15 “(i) block grant individuals within the  
16 applicable block grant category for the  
17 State and period were not section 1903A  
18 enrollees for each 10-fiscal year period for  
19 which the State elects to apply this sub-  
20 section; and

21 “(ii) if such option is not extended at  
22 the end of a 10-fiscal-year-period, the per  
23 capita limitations under such previous pro-  
24 visions shall again apply after such period  
25 and such limitations shall be applied as if



1           the election under this subsection had  
2           never taken place;

3           “(C) the payment under this subsection  
4           may only be used consistent with the State plan  
5           under paragraph (2) for block grant health care  
6           assistance (as defined in paragraph (7)); and

7           “(D) with respect to block grant individ-  
8           uals within the applicable block grant category  
9           for the State for which block grant health care  
10          assistance is made available under this sub-  
11          section, such assistance shall be instead of med-  
12          ical assistance otherwise provided to the indi-  
13          vidual under this title.

14          “(2) STATE PLAN FOR ADMINISTERING BLOCK  
15          GRANT OPTION.—

16                 “(A) IN GENERAL.—No payment shall be  
17                 made under this subsection to a State pursuant  
18                 to an election for a 10-fiscal-year period under  
19                 paragraph (1) unless the State has a plan, ap-  
20                 proved under subparagraph (B), for such period  
21                 that specifies—

22                         “(i) the applicable block grant cat-  
23                         egory with respect to which the State will  
24                         apply the option under this subsection for  
25                         such period;

1           “(ii) the conditions for eligibility of  
2           block grant individuals within such appli-  
3           cable block grant category for block grant  
4           health care assistance under the option,  
5           which shall be instead of other conditions  
6           for eligibility under this title, except that  
7           in the case of a State that has elected the  
8           applicable block grant category described  
9           in—

10                   “(I) subparagraph (A) of para-  
11                   graph (6), the plan must provide for  
12                   eligibility for pregnant women and  
13                   children required to be provided med-  
14                   ical assistance under subsections  
15                   (a)(10)(A)(i) and (e)(4) of section  
16                   1902; or

17                   “(II) subparagraph (B) of para-  
18                   graph (6), the plan must provide for  
19                   eligibility for pregnant women re-  
20                   quired to be provided medical assist-  
21                   ance under subsection (a)(10)(A)(i);  
22                   and

23                   “(iii) the types of items and services,  
24                   the amount, duration, and scope of such  
25                   services, the cost-sharing with respect to

1           such services, and the method for delivery  
2           of block grant health care assistance under  
3           this subsection, which shall be instead of  
4           the such types, amount, duration, and  
5           scope, cost-sharing, and methods of deliv-  
6           ery for medical assistance otherwise re-  
7           quired under this title, except that the plan  
8           must provide for assistance for—

9                           “(I) hospital care;

10                           “(II) surgical care and treat-  
11                           ment;

12                           “(III) medical care and treat-  
13                           ment;

14                           “(IV) obstetrical and prenatal  
15                           care and treatment;

16                           “(V) prescribed drugs, medicines,  
17                           and prosthetic devices;

18                           “(VI) other medical supplies and  
19                           services; and

20                           “(VII) health care for children  
21                           under 18 years of age.

22                           “(B) REVIEW AND APPROVAL.—A plan de-  
23                           scribed in subparagraph (A) shall be deemed  
24                           approved by the Secretary unless the Secretary  
25                           determines, within 30 days after the date of the

1 Secretary's receipt of the plan, that the plan is  
2 incomplete or actuarially unsound and, with re-  
3 spect to such plan and its implementation  
4 under this subsection, the requirements of para-  
5 graphs (1), (10)(B), (17), and (23) of section  
6 1902(a) shall not apply.

7 “(3) AMOUNT OF BLOCK GRANT FUNDS.—

8 “(A) FOR INITIAL FISCAL YEAR.—The  
9 block grant amount under this paragraph for a  
10 State for the initial fiscal year in the first 10-  
11 fiscal-year period is equal to the sum of the  
12 products (for each applicable block grant cat-  
13 egory for such State and period) of—

14 “(i) the target per capita medical as-  
15 sistance expenditures for such State for  
16 such fiscal year (under subsection (c)(2));

17 “(ii) the number of 1903A enrollees  
18 for such category and State for fiscal year  
19 2022, as determined under subsection  
20 (e)(4); and

21 “(iii) the Federal average medical as-  
22 sistance matching percentage (as defined  
23 in subsection (a)(4)) for the State for fis-  
24 cal year 2022.

1           “(B) FOR ANY SUBSEQUENT FISCAL  
2           YEAR.—The block grant amount under this  
3           paragraph for a State for each succeeding fiscal  
4           year (in any 10-fiscal-year period) is equal to  
5           the block grant amount under subparagraph  
6           (A) (or this subparagraph) for the State for the  
7           previous fiscal year increased by the annual in-  
8           crease in the consumer price index for all urban  
9           consumers (all items; U.S. city average) for the  
10          fiscal year involved.

11          “(C) AVAILABILITY OF ROLLOVER  
12          FUNDS.—The block grant amount under this  
13          paragraph for a State for a fiscal year shall re-  
14          main available to the State for expenditures  
15          under this subsection for the succeeding fiscal  
16          year but only if an election is in effect under  
17          this subsection for the State in such succeeding  
18          fiscal year.

19          “(4) FEDERAL PAYMENT AND STATE RESPONSI-  
20          BILITY.—The Secretary shall pay to each State with  
21          an election in effect under this subsection for a fiscal  
22          year, from its block grant amount under paragraph  
23          (3) available for such fiscal year, an amount for  
24          each quarter of such fiscal year equal to the en-  
25          hanced FMAP described in the first sentence of sec-

1       tion 2105(b) of the total amount expended under the  
2       State plan under this subsection during such quar-  
3       ter, and the State is responsible for the balance of  
4       funds to carry out such plan.

5           “(5) BLOCK GRANT INDIVIDUAL DEFINED.—In  
6       this subsection, the term ‘block grant individual’  
7       means, with respect to a State for a 10-fiscal-year  
8       period, an individual who is not disabled (as defined  
9       for purposes of the State plan) and who is within an  
10      applicable block grant category for the State and  
11      such period.

12          “(6) APPLICABLE BLOCK GRANT CATEGORY DE-  
13      FINED.—In this subsection, the term ‘applicable  
14      block grant category’ means with respect to a State  
15      for a 10-fiscal-year period, either of the following as  
16      specified by the State for such period in its plan  
17      under paragraph (2)(A)(i):

18           “(A) 2 ENROLLEE CATEGORIES.—Both of  
19      the following 1903A enrollee categories:

20           “(i) CHILDREN.—The 1903A enrollee  
21      category specified in subparagraph (C) of  
22      subsection (e)(2).

23           “(ii) OTHER NONELDERLY, NON-  
24      DISABLED, NON-EXPANSION ADULTS.—The

1                   1903A enrollee category specified in sub-  
2                   paragraph (E) of such subsection.

3                   “(B) OTHER NONELDERLY, NONDISABLED,  
4                   NON-EXPANSION ADULTS.—Only the 1903A en-  
5                   rollee category specified in subparagraph (E) of  
6                   subsection (e)(2).

7                   “(7) BLOCK GRANT HEALTH CARE ASSIST-  
8                   ANCE.—In this subsection, the term ‘block grant  
9                   health care assistance’ means assistance for health-  
10                  care-related items and medical services for block  
11                  grant individuals within the applicable block grant  
12                  category for the State and 10-fiscal-year period in-  
13                  volved who are low-income individuals (as defined by  
14                  the State).

15                  “(8) AUDITING.—As a condition of receiving  
16                  funds under this subsection, a State shall contract  
17                  with an independent entity to conduct audits of its  
18                  expenditures made with respect to activities funded  
19                  under this subsection for each fiscal year for which  
20                  the State elects to apply this subsection to ensure  
21                  that such funds are used consistent with this sub-  
22                  section and shall make such audits available to the  
23                  Secretary upon the request of the Secretary.”.

