AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 8107

Offered by M_.

Strike all after the enacting clause and insert the following:

- 1 SECTION 1. SHORT TITLE.
- 2 This Act may be cited as the "Ensuring Access to
- 3 Medicaid Buy-in Programs Act of 2024".
- 4 SEC. 2. REMOVING CERTAIN AGE RESTRICTIONS ON MED-
- 5 ICAID ELIGIBILITY FOR WORKING ADULTS
- 6 WITH DISABILITIES.
- 7 (a) IN GENERAL.—Section 1902(a)(10)(A)(ii)(XV)
- 8 of the Social Security Act (42 U.S.C.
- 9 1396a(a)(10)(A)(ii)(XV)) is amended by striking ", but
- 10 less than 65," and inserting "(and, before January 1,
- 11 2027, at the option of the State, is less than 65)".
- 12 (b) Definitions.—Section 1905(v)(1)(A) of the So-
- 13 cial Security Act (42 U.S.C. 1396d(v)(1)(A)) is amended
- 14 by striking ", but less than 65," and inserting "(and, be-
- 15 fore January 1, 2027, at the option of the State, is less
- 16 than 65)".

1	SEC. 3. MAKING CERTAIN ADJUSTMENTS TO COVERAGE OF
2	HOME OR COMMUNITY-BASED SERVICES
3	UNDER MEDICAID.
4	(a) Increasing Transparency of HCBS Cov-
5	ERAGE UNDER MEDICAID.—Section 1915(c) of the Social
6	Security Act (42 U.S.C. 1396n(c)) is amended—
7	(1) in paragraph (2)—
8	(A) in subparagraph (E)—
9	(i) by inserting ", not less frequently
10	than" before "annually"; and
11	(ii) by inserting "(including, with re-
12	spect to such information provided on or
13	after July 9, 2027, the information speci-
14	fied in paragraph (11))" before the period
15	at the end; and
16	(B) by adding at the end the following
17	flush sentence:
18	"The Secretary shall make all information provided under
19	subparagraph (E) on or after the date of the enactment
20	of this sentence publicly available on the website of the
21	Centers for Medicare & Medicaid Services."; and
22	(2) by adding at the end the following new
23	paragraph:
24	"(11) For purposes of paragraph $(2)(E)$, the
25	information specified in this paragraph is the fol-
26	lowing:

1	"(A) In the case of a State that limits the
2	number of individuals who may be provided
3	home or community-based services under a
4	waiver granted under this subsection and main-
5	tains a list of individuals who have applied to
6	receive such services under such waiver but
7	who, due to such limit, have not yet been ap-
8	proved to receive such services, a description of
9	how the State maintains such list, including—
10	"(i) information on whether the State
11	screens individuals on such list to deter-
12	mine whether such individuals are eligible
13	to receive such services under such waiver;
14	"(ii) information on whether (and, if
15	applicable, how often) the State periodi-
16	cally re-screens individuals on such list;
17	"(iii) the number of people on such
18	list; and
19	"(iv) the average amount of time that
20	individuals approved to receive such serv-
21	ices were on such list before being so ap-
22	proved.
23	"(B) With respect to homemaker services,
24	home health aide services, personal care serv-
25	ices, and habilitation services furnished under

1	waivers under this subsection, for individuals
2	who began receiving such services during the
3	most recent 12-month period, the average
4	amount of time from when such services are ini-
5	tially approved for such an individual to when
6	such individual begins receiving such services.
7	The State may report this metric using statis-
8	tically valid random sampling of individuals.".
9	(b) Demonstration Program to Expand HCBS
10	COVERAGE UNDER SECTION 1915(C) WAIVERS.—Section
11	1915(c) of the Social Security Act (42 U.S.C. 1396n(c)),
12	as amended by subsection (a), is further amended—
13	(1) in paragraph (2)(E), by inserting ", and the
14	information specified in paragraph (12)(C)(v), when
15	applicable" after "paragraph (11)"; and
16	(2) by adding at the end the following new
17	paragraph:
18	"(12)(A)(i) Not later than 18 months after the
19	date on which the planning grants under subpara-
20	graph (B) are awarded, notwithstanding paragraph
21	(1), the Secretary may approve a waiver under this
22	subsection for not more than 5 States, selected in
23	accordance with clause (ii), to include as medical as-
24	sistance under the State plan of such State, for the
25	5-year period beginning on the date of such ap-

1	proval, payment for part or all of the cost of home
2	or community-based services (other than room and
3	board (as described in such paragraph)) approved by
4	the Secretary which are provided pursuant to a writ-
5	ten plan of care to individuals other than individuals
6	described in such paragraph.
7	"(ii) In selecting States for purposes of clause
8	(i), the Secretary shall—
9	"(I) select States that received a planning
10	grant under subparagraph (B);
11	"(II) select States that meet the require-
12	ments specified in subparagraph (C) and such
13	other requirements as the Secretary may deter-
14	mine appropriate;
15	"(III) select States in a manner that en-
16	sures geographic diversity;
17	"(IV) select at least one State with a popu-
18	lation that predominantly resides in rural areas;
19	and
20	"(V) give preference to States that have
21	demonstrated more progress in rebalancing
22	long-term services and supports systems under
23	this title, as determined based on the relative
24	share of State expenditures for home or com-
25	munity-based services under this title as a per-

1	centage of total State expenditures on long-
2	term services and supports under this title (in
3	the most recent year for which such data is
4	available).
5	"(B) (i) Not later than 1 year after the
6	date of the enactment of this paragraph, the
7	Secretary shall award planning grants of not
8	more than \$5,000,000 each to not more than
9	10 States for purposes of preparing to submit
10	a request for a waiver under this subsection to
11	provide home or community-based services to
12	individuals with respect to whom a determina-
13	tion described in paragraph (1) has not been
14	made.
15	"(ii) A State that is awarded a planning
16	grant under clause (i) shall, in preparing to
17	submit a request for a waiver described in such
18	clause, consult with—
19	"(I) individuals in need of home or
20	community-based services with respect to
21	whom a determination described in para-
22	graph (1) has not been made, and the
23	caretakers of such individuals;
24	"(II) providers furnishing home or
25	community-based services; and

1	"(III) other stakeholders.
2	"(C) The requirements specified in this para-
3	graph are, with respect to a State, the following:
4	"(i) As of the date that such State re-
5	quests a waiver under this subsection to provide
6	home or community-based services to individ-
7	uals with respect to whom a determination de-
8	scribed in paragraph (1) has not been made, all
9	other waivers (if any) granted under this sub-
10	section to such State meet the requirements of
11	this subsection.
12	"(ii) The State demonstrates to the Sec-
13	retary that approval of a waiver under this sub-
14	section with respect to individuals described in
15	clause (i) will not result in a material increase
16	of the average amount of time that individuals
17	with respect to whom a determination described
18	in paragraph (1) has been made will need to
19	wait to receive home or community-based serv-
20	ices under any waiver granted under this sub-
21	section.
22	"(iii) The State establishes need-based cri-
23	teria to identify individuals described in clause
24	(i) who will be eligible for home or community-
25	based services under such a waiver, and speci-

1	fies the home or community-based services such
2	individuals so eligible will receive.
3	"(iv) The State provides to the Secretary
4	data (in such form and manner as the Sec-
5	retary may specify) regarding—
6	"(I) the number of individuals de-
7	scribed in clause (i) to whom the State will
8	make such services available under a waiv-
9	er under this subsection; and
10	"(II) a description of how the types
11	and quantities of such services furnished to
12	such individuals under a waiver under this
13	subsection may differ from the types and
14	quantities of such services furnished to in-
15	dividuals with respect to whom a deter-
16	mination described in paragraph (1) has
17	been made under a waiver under such sub-
18	section.
19	"(v) The State agrees to provide to the
20	Secretary, not less frequently than annually
21	during the 5-year period described in subpara-
22	graph (A)(i), data for purposes of paragraph
23	(2)(E) (in such form and manner as the Sec-
24	retary may specify) regarding, with respect to
25	the preceding year—

1	"(I) the number of individuals de-
2	scribed in clause (i) to whom the State has
3	made such services available under a waiv-
4	er under this subsection;
5	"(II) a description of how the types
6	and quantities of such services furnished to
7	such individuals under a waiver under this
8	subsection differ from the types and quan-
9	tities of such services furnished to individ-
10	uals with respect to whom a determination
11	described in paragraph (1) has been made
12	under a waiver under such subsection;
13	"(III) the cost of such services fur-
14	nished to individuals described in clause
15	(i), broken down by type of service;
16	"(IV) the length of time that such in-
17	dividuals have received such services; and
18	"(V) a comparison between the data
19	described in subclause (III) and any com-
20	parable data available with respect to indi-
21	viduals with respect to whom a determina-
22	tion described in paragraph (1) has been
23	made.".
24	(c) Non-application of the Paperwork Reduc-
25	TION ACT.—Chapter 35 of title 44, United States Code

- 1 (commonly referred to as the "Paperwork Reduction Act
- 2 of 1995"), shall not apply to the implementation of the
- 3 amendments made by subsections (a) and (b).
- 4 (d) CMS Guidance to States on Interim Cov-
- 5 Erage Under Waiver.—Not later than January 1,
- 6 2027, the Secretary of Health and Human Services shall
- 7 issue guidance to the States to clarify how a State may
- 8 provide, with respect to an individual who is eligible for
- 9 home and community-based services under a State plan
- 10 under title XIX of the Social Security Act (42 U.S.C.
- 11 1396 et seq.) or under a waiver of such plan, coverage
- 12 of such services prior to the finalization of a written plan
- 13 of care with respect to such individual.
- 14 (e) Implementation Funding.—There are appro-
- 15 priated, out of any monies in the Treasury not otherwise
- 16 obligated, \$58,000,000 for fiscal year 2025, to remain
- 17 available until expended, to the Secretary of Health and
- 18 Human Services for purposes of carrying out subsection
- 19 (d) and the amendments made by subsection (b).
- 20 SEC. 4. ENSURING ACCURATE PAYMENTS TO PHARMACIES
- 21 UNDER MEDICAID.
- 22 (a) IN GENERAL.—Section 1927(f) of the Social Se-
- 23 curity Act (42 U.S.C. 1396r–8(f)) is amended—
- 24 (1) in paragraph (1)(A)—

1	(A) by redesignating clause (ii) as clause
2	(iii); and
3	(B) by striking "and" after the semicolon
4	at the end of clause (i) and all that precedes it
5	through "(1)" and inserting the following:
6	"(1) Determining Pharmacy actual acqui-
7	SITION COSTS.—The Secretary shall conduct a sur-
8	vey of retail community pharmacy drug prices and
9	applicable non-retail pharmacy drug prices to deter-
10	mine national average drug acquisition cost bench-
11	marks as follows:
12	"(A) Use of vendor.—The Secretary
13	may contract services for—
14	"(i) with respect to retail community
15	pharmacies, the determination of retail
16	survey prices of the national average drug
17	acquisition cost for covered outpatient
18	drugs that represent a nationwide average
19	of consumer purchase prices for such
20	drugs, net of all discounts, rebates, and
21	other price concessions (to the extent any
22	information with respect to such discounts,
23	rebates, and other price concessions is
24	available) based on a monthly survey of
25	such pharmacies;

1	"(ii) with respect to applicable non-re-
2	tail pharmacies—
3	"(I) the determination of survey
4	prices, separate from the survey prices
5	described in clause (i), of the non-re-
6	tail national average drug acquisition
7	cost for covered outpatient drugs that
8	represent a nationwide average of con-
9	sumer purchase prices for such drugs,
10	net of all discounts, rebates, and other
11	price concessions (to the extent any
12	information with respect to such dis-
13	counts, rebates, and other price con-
14	cessions is available) based on a
15	monthly survey of such pharmacies;
16	and
17	"(II) at the discretion of the Sec-
18	retary, for each type of applicable
19	non-retail pharmacy, the determina-
20	tion of survey prices, separate from
21	the survey prices described in clause
22	(i) or subclause (I) of this clause, of
23	the national average drug acquisition
24	cost for such type of pharmacy for
25	covered outpatient drugs that rep-

1	resent a nationwide average of con-
2	sumer purchase prices for such drugs,
3	net of all discounts, rebates, and other
4	price concessions (to the extent any
5	information with respect to such dis-
6	counts, rebates, and other price con-
7	cessions is available) based on a
8	monthly survey of such pharmacies;
9	and";
10	(2) in subparagraph (B) of paragraph (1), by
11	striking "subparagraph (A)(ii)" and inserting "sub-
12	paragraph (A)(iii)";
13	(3) in subparagraph (D) of paragraph (1), by
14	striking clauses (ii) and (iii) and inserting the fol-
15	lowing:
16	"(ii) The vendor must update the Sec-
17	retary no less often than monthly on the
18	survey prices for covered outpatient drugs.
19	"(iii) The vendor must differentiate,
20	in collecting and reporting survey data, the
21	relevant pharmacy type indicator for all
22	cost information collected, including wheth-
23	er a pharmacy is an affiliate (as defined in
24	subsection $(k)(14)$) and whether a phar-
25	macy is a retail community pharmacy or

1	an applicable non-retail pharmacy, and, in
2	the case of an applicable non-retail phar-
3	macy, which type of applicable non-retail
4	pharmacy it is.";
5	(4) by adding at the end of paragraph (1) the
6	following:
7	"(F) Survey reporting.—In order to
8	meet the requirement of section 1902(a)(54), a
9	State shall require that any retail community
10	pharmacy or applicable non-retail pharmacy in
11	the State that receives any payment, reimburse-
12	ment, administrative fee, discount, rebate, or
13	other price concession related to the dispensing
14	of covered outpatient drugs to individuals re-
15	ceiving benefits under this title, regardless of
16	whether such payment, reimbursement, admin-
17	istrative fee, discount, rebate, or other price
18	concession is received from the State or a man-
19	aged care entity or other specified entity (as
20	such terms are defined in section
21	1903(m)(9)(D)) directly or from a pharmacy
22	benefit manager or another entity that has a
23	contract with the State or a managed care enti-
24	ty or other specified entity (as so defined), shall

1	respond to surveys conducted under this para-
2	graph.
3	"(G) Survey information.—Information
4	on national drug acquisition prices obtained
5	under this paragraph shall be made publicly
6	available and shall include at least the fol-
7	lowing:
8	"(i) The monthly response rate to the
9	survey including a list of pharmacies not in
10	compliance with subparagraph (F).
11	"(ii) The sampling frame and number
12	of pharmacies sampled monthly.
13	"(iii) Information on price concessions
14	to the pharmacy, including discounts, re-
15	bates, and other price concessions, to the
16	extent that such information may be pub-
17	licly released and has been collected by the
18	Secretary as part of the survey.
19	"(H) Penalties.—
20	"(i) In general.—Subject to clauses
21	(ii), (iii), and (iv), the Secretary shall en-
22	force the provisions of this paragraph with
23	respect to a pharmacy through the estab-
24	lishment of civil money penalties applicable

1	to a retail community pharmacy or an ap-
2	plicable non-retail pharmacy.
3	"(ii) Basis for penalties.—The
4	Secretary shall impose a civil money pen-
5	alty established under this subparagraph
6	on a retail community pharmacy or appli-
7	cable non-retail pharmacy if—
8	"(I) the retail pharmacy or appli-
9	cable non-retail pharmacy refuses or
10	otherwise fails to respond to a request
11	for information about prices in con-
12	nection with a survey under this sub-
13	section;
14	"(II) knowingly provides false in-
15	formation in response to such a sur-
16	vey; or
17	"(III) otherwise fails to comply
18	with the requirements established
19	under this paragraph.
20	"(iii) Parameters for pen-
21	ALTIES.—
22	"(I) In general.—A civil money
23	penalty established under this sub-
24	paragraph may be assessed with re-
25	spect to each violation, and with re-

1	spect to each non-compliant retail
2	community pharmacy (including a
3	pharmacy that is part of a chain) or
4	non-compliant applicable non-retail
5	pharmacy (including a pharmacy that
6	is part of a chain), in an amount not
7	to exceed \$100,000 for each such vio-
8	lation.
9	"(II) Considerations.—In de-
10	termining the amount of a civil money
11	penalty imposed under this subpara-
12	graph, the Secretary may consider the
13	size, business structure, and type of
14	pharmacy involved, as well as the type
15	of violation and other relevant factors,
16	as determined appropriate by the Sec-
17	retary.
18	"(iv) Rule of application.—The
19	provisions of section 1128A (other than
20	subsections (a) and (b)) shall apply to a
21	civil money penalty under this subpara-
22	graph in the same manner as such provi-
23	sions apply to a civil money penalty or pro-
24	ceeding under section 1128A(a).

1	"(I) Limitation on use of applicable
2	NON-RETAIL PHARMACY PRICING INFORMA-
3	TION.—No State shall use pricing information
4	reported by applicable non-retail pharmacies
5	under subparagraph (A)(ii) to develop or inform
6	payment methodologies for retail community
7	pharmacies.";
8	(5) in paragraph (2)—
9	(A) in subparagraph (A), by inserting ",
10	including payment rates and methodologies for
11	determining ingredient cost reimbursement
12	under managed care entities or other specified
13	entities (as such terms are defined in section
14	1903(m)(9)(D))," after "under this title"; and
15	(B) in subparagraph (B), by inserting
16	"and the basis for such dispensing fees" before
17	the semicolon;
18	(6) by redesignating paragraph (4) as para-
19	graph (5);
20	(7) by inserting after paragraph (3) the fol-
21	lowing new paragraph:
22	"(4) Oversight.—
23	"(A) IN GENERAL.—The Inspector General
24	of the Department of Health and Human Serv-
25	ices shall conduct periodic studies of the survey

1 data reported under this subsection, as appro-2 priate, including with respect to substantial 3 variations in acquisition costs or other applica-4 ble costs, as well as with respect to how internal 5 transfer prices and related party transactions 6 may influence the costs reported by pharmacies 7 that are affiliates (as defined in subsection 8 (k)(14)) or are owned by, controlled by, or re-9 lated under a common ownership structure with 10 a wholesaler, distributor, or other entity that 11 acquires covered outpatient drugs relative to 12 costs reported by pharmacies not affiliated with 13 such entities. The Inspector General shall pro-14 vide periodic updates to Congress on the results 15 of such studies, as appropriate, in a manner 16 that does not disclose trade secrets or other 17 proprietary information. 18 "(B) APPROPRIATION.—There is appro-19 priated to the Inspector General of the Depart-20 ment of Health and Human Services, out of any money in the Treasury not otherwise ap-21 22 propriated, \$5,000,000 for fiscal year 2025, to 23 remain available until expended, to carry out 24 this paragraph."; and 25 (8) in paragraph (5), as so redesignated—

1	(A) by inserting ", and \$9,000,000 for fis-
2	cal year 2025 and each fiscal year thereafter,"
3	after "2010"; and
4	(B) by inserting "Funds appropriated
5	under this paragraph for fiscal year 2025 and
6	any subsequent fiscal year shall remain avail-
7	able until expended." after the period.
8	(b) Definitions.—Section 1927(k) of the Social Se-
9	curity Act (42 U.S.C. 1396r–8(k)) is amended—
10	(1) in the matter preceding paragraph (1), by
11	striking "In the section" and inserting "In this sec-
12	tion"; and
13	(2) by adding at the end the following new
14	paragraphs:
15	"(12) Applicable non-retail pharmacy.—
16	The term 'applicable non-retail pharmacy' means a
17	pharmacy that is licensed as a pharmacy by the
18	State and that is not a retail community pharmacy,
19	including a pharmacy that dispenses prescription
20	medications to patients primarily through mail and
21	specialty pharmacies. Such term does not include
22	nursing home pharmacies, long-term care facility
23	pharmacies, hospital pharmacies, clinics, charitable
24	or not-for-profit pharmacies, government phar-

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 macies, or low dispensing pharmacies (as defined by the Secretary).

"(13) PHARMACY BENEFIT MANAGER.—The term 'pharmacy benefit manager' means any person or entity that, either directly or through an intermediary, acts as a price negotiator or group purchaser on behalf of a State, managed care entity, or other specified entity (as such terms are defined in section 1903(m)(9)(D)), and may also more broadly manage aspects of the prescription drug benefits provided by a State, managed care entity, or other specified entity (as so defined), including the processing and payment of claims for prescription drugs, the performance of drug utilization review, the processing of drug prior authorization requests, the managing of appeals or grievances related to the prescription drug benefits, contracting with pharmacies, controlling the cost of covered outpatient drugs, or the provision of services related thereto. Such term includes any person or entity that acts as a price negotiator (with regard to payment amounts to pharmacies and providers for a covered outpatient drug or the net cost of the drug) or group purchaser on behalf of a State, managed care entity, or other specified entity (as so defined), including such a per-

1 son or entity that carries out 1 or more of the other 2 activities described in the preceding sentence, irre-3 spective of whether such person or entity calls itself 4 a 'pharmacy benefit manager'. "(14) Affiliate.—The term 'affiliate' means 5 6 any entity that is owned by, controlled by, or related 7 under a common ownership structure with a phar-8 macy benefit manager or a managed care entity or 9 other specified entity (as such terms are defined in 10 section 1903(m)(9)(D).". 11 (c) Effective Date.—The amendments made by 12 this section shall take effect on the first day of the first quarter that begins on or after the date that is 18 months 13 14 after the date of enactment of this Act. 15 (d) Identification of Applicable Non-Retail 16 Pharmacies.— 17 (1) IN GENERAL.—Not later than 1 year after 18 the date of the enactment of this section, the Sec-19 retary of Health and Human Services shall, in con-20 sultation with stakeholders as appropriate, publish 21 guidance specifying pharmacies that meet the defini-22 tion of applicable non-retail pharmacies (as such 23 term is defined in subsection (k)(12) of section 1927 24 of the Social Security Act (42 U.S.C. 1396r–8), as 25 added by subsection (b)), and that will be subject to

1 the survey requirements under subsection (f)(1) of 2 such section, as amended by subsection (a). 3 (2) Inclusion of Pharmacy type indica-4 TORS.—The guidance published under paragraph (1) 5 shall include pharmacy type indicators to distinguish 6 between different types of applicable non-retail phar-7 macies, such as pharmacies that dispense prescrip-8 tions primarily through the mail and pharmacies 9 that dispense prescriptions that require special han-10 dling or distribution. Such pharmacy type indicators 11 shall include an indicator that identifies applicable 12 non-retail pharmacies that are affiliates (as defined in subsection (k)(14) of section 1927 of the Social 13 14 Security Act (42 U.S.C. 1396r-8), as added by sub-15 section (b)). An applicable non-retail pharmacy may 16 be identified through multiple pharmacy type indica-17 tors. 18 (e) Implementation.— 19 (1) In General.—Notwithstanding any other 20 provision of law, the Secretary of Health and 21 Human Services may implement the amendments 22 made by this section by program instruction or oth-23 erwise. 24 (2) Nonapplication of Apa.—Implementation 25 of the amendments made by this section shall be ex-

- 1 empt from the requirements of section 553 of title
- 2 5, United States Code.
- 3 (f) Nonapplication of Paperwork Reduction
- 4 Act.—Chapter 35 of title 44, United States Code, shall
- 5 not apply to any data collection undertaken by the Sec-
- 6 retary of Health and Human Services under section
- 7 1927(f) of the Social Security Act (42 U.S.C. 1396r–8(f)),
- 8 as amended by this section.

Amend the long title to read as follows: "To amend title XIX of the Social Security Act to remove certain age restrictions on Medicaid eligibility for working adults with disabilities, to increase transparency with respect to home and community-based services under Medicaid, and to ensure accurate payments to pharmacies under Medicaid.".

