

Amdt #2

**Amendment to the Amendment in the Nature of a Substitute to H.R. 3398
Offered by Rep. Walorski of Indiana**

This amendment dedicates any funding above the historic level of \$85 million per year to a “pay for outcomes” financing structure.

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 3398
OFFERED BY MRS. WALORSKI OF INDIANA**

Page 30, line 7, insert before the semicolon the following: “, of which any amount in excess of \$85,000,000 may only be used for pay for outcomes initiatives (as defined in paragraph (3))”.

Page 31, after line 6, insert the following:

1 (3) PAY FOR OUTCOMES INITIATIVE.—The term
2 “pay for outcomes initiative” means a performance-
3 based grant, contract, cooperative agreement, or
4 other agreement awarded by an eligible entity in
5 which a commitment is made to pay for improved
6 outcomes that result in social benefit and direct cost
7 savings or cost avoidance to the public sector. Such
8 an initiative shall include—

9 (A) a feasibility study on the initiative de-
10 scribing how the proposed intervention is based
11 on strong or moderate evidence of effectiveness;

12 (B) a rigorous, third-party evaluation that
13 uses experimental designs employing random
14 assignment when feasible, or quasi-experimental

1 designs or other research methodologies that
2 allow for the strongest possible causal infer-
3 ences when random assignment is not feasible
4 to determine whether the initiative has met its
5 proposed outcomes

6 (C) an annual, publicly available report on
7 the progress of the initiative; and

8 (D) a requirement that all or part of the
9 payments made to the recipient of a grant, con-
10 tract, cooperative agreement, or other agree-
11 ment are conditional on achieving the agreed-
12 upon outcomes, except that the entity may
13 make payments to the third party conducting
14 the evaluation described in subparagraph (B).

