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(Original Signature of Member)

115TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To amend title XIX of the Social Security Act to redistribute Federal funds that would otherwise be made available to States that do not provide for the Medicaid expansion in accordance with the Affordable Care Act to those States electing to provide those Medicaid benefits, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. CONNOLLY introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend title XIX of the Social Security Act to redistribute Federal funds that would otherwise be made available to States that do not provide for the Medicaid expansion in accordance with the Affordable Care Act to those States electing to provide those Medicaid benefits, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Medicaid Expansion  
3 Incentive Act of 2017”.

4 **SEC. 2. REDISTRIBUTION OF FEDERAL MEDICAID FUNDS**  
5 **TO STATES ELECTING TO MEET ACA MED-**  
6 **ICAID EXPANSION REQUIREMENTS FROM**  
7 **STATES NOT SO ELECTING.**

8 (a) IN GENERAL.—Section 1903 of the Social Secu-  
9 rity Act (42 U.S.C. 1396b) is amended by adding at the  
10 end the following new subsection:

11 “(aa) BONUS FOR STATES ELECTING TO MEET ACA  
12 MEDICAID EXPANSION REQUIREMENTS FROM FUNDS  
13 MADE AVAILABLE BY OTHER STATES NOT ELECTING TO  
14 MEET THOSE REQUIREMENTS.—

15 “(1) IN GENERAL.—In the case of a partici-  
16 pating State for a fiscal year as determined under  
17 paragraph (2), in accordance with regulations of the  
18 Secretary, the State shall be entitled to an increase  
19 in payments under its State plan under this title in  
20 an amount determined under paragraph (3) of the  
21 Secretary’s estimate of the net reduction in Federal  
22 expenditures for nonparticipating States (including  
23 the amount of the additional Federal financial par-  
24 ticipation under this title that otherwise would have  
25 been paid to such States if they were participating  
26 States) during the fiscal year as a result of such

1 States not applying the ACA Medicaid expansion re-  
2 quirements.

3 “(2) NOTICE REGARDING PARTICIPATION.—

4 “(A) IN GENERAL.—Before the beginning  
5 of each fiscal year (beginning with fiscal year  
6 2018) each of the 50 States and the District of  
7 Columbia is requested to inform the Secretary,  
8 in a form and manner specified by the Sec-  
9 retary and accompanied by such assurances re-  
10 garding State plan amendments as the Sec-  
11 retary may specify, if the State will be applying  
12 its State plan under this title for such fiscal  
13 year in accordance with the requirements speci-  
14 fied in the amendments made by paragraphs  
15 (1) and (2) of section 2001(a) of the Patient  
16 Protection and Affordable Care Act (in this  
17 subsection referred to as the ‘ACA Medicaid ex-  
18 pansion requirements’), which include require-  
19 ments described in—

20 “(i) section 1902(a)(10)(A)(I)(VIII);

21 and

22 “(ii) section 1902(k).

23 The Secretary shall not accept information sub-  
24 mitted under this subparagraph for a fiscal

1 year after the beginning of the fiscal year in-  
2 volved.

3 “(B) DETERMINATION OF PARTICIPATING  
4 AND NONPARTICIPATING STATES.—Taking into  
5 account the information submitted under sub-  
6 paragraph (A) for a fiscal year, the Secretary  
7 shall determine for the fiscal year which of the  
8 50 States and the District of Columbia will be  
9 applying the ACA Medicaid expansion require-  
10 ments for the fiscal year and which will not.  
11 For purposes of this subsection—

12 “(i) each State or District determined  
13 to be applying such requirements for a fis-  
14 cal year is referred to as a ‘participating  
15 State’ for such fiscal year; and

16 “(ii) each State or District determined  
17 not to be applying such requirements for a  
18 fiscal year is referred to as a ‘nonpartici-  
19 pating State’ for such fiscal year.

20 “(3) AMOUNT OF INCREASE.—The Secretary  
21 shall compute the increase in payments under this  
22 subsection for a participating State for a fiscal year,  
23 to the extent of available funds, in accordance with  
24 a formula specified by the Secretary. Within the

1 amount of available funds, such formula may take  
2 into account elements such as—

3 “(A) increasing to 100 percent the FMAP  
4 for newly eligible mandatory individuals;

5 “(B) increasing the matching percentage  
6 for administrative costs attributable to applica-  
7 tion of ACA Medicaid expansion requirements;  
8 and

9 “(C) an increase in DSH allotments.

10 “(4) PUBLICATION OF INFORMATION ON ESTI-  
11 MATED IMPACT OF NONPARTICIPATION.—The Sec-  
12 retary shall publish for each nonparticipating State  
13 for each fiscal year—

14 “(A) the amount of the additional Federal  
15 funds under this title for the fiscal year that  
16 the Secretary estimates the State has forgone  
17 as a result of its not being a participating State  
18 for such fiscal year; and

19 “(B) the number of additional beneficiaries  
20 that would have been covered under the State  
21 plan under this title in the fiscal year if the  
22 State had been a participating State for the fis-  
23 cal year.”.