

the purpose of an allogeneic hematopoietic stem cell transplant (as described in subsection (d)(5)(M)),” after “October 1, 1987);

(2) in subsection (d)—

(A) in paragraph (4)(C)(iii)—

(i) by inserting “or payments under paragraph (5)(M) (beginning with fiscal year 2021)” after “fiscal year 1991”; and

(ii) by inserting “or payments under paragraph (5)(M)” before the period at the end; and

(B) in paragraph (5), by adding at the end the following new subparagraph:

“(M)(i) For cost reporting periods beginning on or after October 1, 2020, in the case of a subsection (d) hospital that furnishes an allogeneic hematopoietic stem cell transplant to an individual during such a period, payment to such hospital for hematopoietic stem cell acquisition shall be made on a reasonable cost basis. The items included in such hematopoietic stem cell acquisition shall be specified by the Secretary through rulemaking.

“(ii) For purposes of this subparagraph, the term ‘allogeneic hematopoietic stem cell transplant’ means, with respect to an individual, the intravenous infusion of hematopoietic cells derived from bone marrow, peripheral blood stem cells, or cord blood, but not including embryonic stem cells, of a donor to an individual that are or may be used to restore hematopoietic function in such individual having an inherited or acquired deficiency or defect.”.

## Subtitle B—Medicaid Provisions

### SEC. 201. EXTENSION OF COMMUNITY MENTAL HEALTH SERVICES DEMONSTRATION PROGRAM.

Section 223(d)(3) of the Protecting Access to Medicare Act of 2014 (42 U.S.C. 1396a note) is amended by striking “December 20, 2019” and inserting “May 22, 2020”.

### SEC. 202. MEDICAID FUNDING FOR THE TERRITORIES.

(a) TREATMENT OF CAP.—Section 1108(g) of the Social Security Act (42 U.S.C. 1308(g)) is amended—

(1) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking “subject to and section 1323(a)(2) of the Patient Protection and Affordable Care Act paragraphs (3) and (5)” and inserting “subject to section 1323(a)(2) of the Patient Protection and Affordable Care Act and paragraphs (3) and (5);

(B) in subparagraph (A)—

(i) by striking “Puerto Rico shall not exceed the sum of” and inserting “Puerto Rico shall not exceed—

“(i) except as provided in clause (ii), the sum of”;

(ii) by striking “\$100,000;” and inserting “\$100,000; and”;

(iii) by adding at the end the following new clause:

“(ii) for each of fiscal years 2020 through 2021, the amount specified in paragraph (6) for each such fiscal year;”;

(C) in subparagraph (B)—

(i) by striking “the Virgin Islands shall not exceed the sum of” and inserting “the Virgin Islands shall not exceed—

“(i) except as provided in clause (ii), the sum of”;

(ii) by striking “\$10,000;” and inserting “\$10,000; and”;

(iii) by adding at the end the following new clause:

“(ii) for each of fiscal years 2020 through 2021, \$126,000,000;”;

(D) in subparagraph (C)—

(i) by striking “Guam shall not exceed the sum of” and inserting “Guam shall not exceed—

“(i) except as provided in clause (ii), the sum of”;

(ii) by striking “\$10,000;” and inserting “\$10,000; and”;

(iii) by adding at the end the following new clause:

“(ii) for each of fiscal years 2020 through 2021, \$127,000,000;”;

(E) in subparagraph (D)—

(i) by striking “the Northern Mariana Islands shall not exceed the sum of” and inserting “the Northern Mariana Islands shall not exceed—

“ (i) except as provided in clause (ii), the sum of”;

and

(ii) by adding at the end the following new clause:

“(ii) for each of fiscal years 2020 through 2021, \$60,000,000; and”;

(F) in subparagraph (E)—

(i) by striking “American Samoa shall not exceed the sum of” and inserting “American Samoa shall not exceed—

“(i) except as provided in clause (ii), the sum of”;

(ii) by striking “\$10,000.” and inserting “\$10,000; and”;

(iii) by adding at the end the following new clause:

“(ii) for each of fiscal years 2020 through 2021, \$84,000,000.”; and

(G) by adding at the end the following flush sentence:

“For each fiscal year after fiscal year 2021, the total amount certified for Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa under subsection (f) and this subsection for the fiscal year shall be determined as if the preceding subparagraphs were applied to each of fiscal years 2020 through 2021 without regard to clause (ii) of each such subparagraph.”; and

(2) by adding at the end the following new paragraphs:

“(6) APPLICATION TO PUERTO RICO FOR FISCAL YEARS 2020 THROUGH 2021.—

“(A) IN GENERAL.—Subject to subparagraph (B), the amount specified in this paragraph is—

“(i) for fiscal year 2020, \$2,623,188,000; and

“(ii) for fiscal year 2021, \$2,719,072,000.

“(B) ADDITIONAL INCREASE FOR PUERTO RICO.—

“(i) IN GENERAL.—For each of fiscal years 2020 through 2021, the amount specified in this paragraph for the fiscal year shall be equal to the amount specified for such fiscal year under subparagraph (A) increased

by \$200,000,000 if the Secretary certifies that, with respect to such fiscal year, Puerto Rico's State plan under title XIX (or a waiver of such plan) establishes a reimbursement floor, implemented through a directed payment arrangement plan, for physician services that are covered under the Medicare part B fee schedule in the Puerto Rico locality established under section 1848(b) that is not less than 70 percent of the payment that would apply to such services if they were furnished under part B of title XVIII during such fiscal year.

“(ii) APPLICATION TO MANAGED CARE.—In certifying whether Puerto Rico has established a reimbursement floor under a directed payment arrangement plan that satisfies the requirements of clause (i)—

“(I) for fiscal year 2020, the Secretary shall apply such requirements to payments for physician services under a managed care contract entered into or renewed after the date of enactment of this paragraph and disregard payments for physician services under any managed care contract that was entered into prior to such date; and

“(II) for each of fiscal years 2020 through 2021—

“(aa) the Secretary shall disregard payments made under sub-capitated arrangements for services such as primary care case management; and

“(bb) if the reimbursement floor for physician services applicable under a managed care contract satisfies the requirements of clause (i) for the fiscal year in which the contract is entered into or renewed, such reimbursement floor shall be deemed to satisfy such requirements for the subsequent fiscal year.

“(7) PUERTO RICO PROGRAM INTEGRITY REQUIREMENTS.—

“(A) IN GENERAL.—

“(i) PROGRAM INTEGRITY LEAD.—Not later than 6 months after the date of enactment of this paragraph, the agency responsible for the administration of Puerto Rico's Medicaid program under title XIX shall designate an officer (other than the director of such agency) to serve as the Program Integrity Lead for such program.

“(ii) PERM REQUIREMENT.—Not later than 18 months after the date of enactment of this paragraph, Puerto Rico shall publish a plan, developed by Puerto Rico in coordination with the Administrator of the Centers for Medicare & Medicaid Services and approved by the Administrator, for how Puerto Rico will develop measures to satisfy the payment error rate measurement (PERM) requirements under subpart Q of part 431 of title 42, Code of Federal Regulations (or any successor regulation).

“(iii) CONTRACTING REFORM.—Not later than 12 months after the date of enactment of this paragraph, Puerto Rico shall publish a contracting reform plan to combat fraudulent, wasteful, or abusive contracts

under Puerto Rico's Medicaid program under title XIX that includes—

“(I) metrics for evaluating the success of the plan; and

“(II) a schedule for publicly releasing status reports on the plan.

“(iv) MEQC.—Not later than 18 months after the date of enactment of this paragraph, Puerto Rico shall publish a plan, developed by Puerto Rico in coordination with the Administrator of the Centers for Medicare & Medicaid Services and approved by the Administrator, for how Puerto Rico will comply with the Medicaid eligibility quality control (MEQC) requirements of subpart P of part 431 of title 42, Code of Federal Regulations (or any successor regulation).

“(B) FMAP REDUCTION FOR FAILURE TO MEET ADDITIONAL REQUIREMENTS.—

“(i) IN GENERAL.—For each fiscal quarter during the period beginning on January 1, 2020, and ending on September 30, 2021:

“(I) For every clause under subparagraph (A) with respect to which Puerto Rico does not fully satisfy the requirements described in the clause (including requirements imposed under the terms of a plan described in the clause) in the fiscal quarter, the Federal medical assistance percentage applicable to Puerto Rico under section 1905(ff) shall be reduced by the number of percentage points determined for the clause and fiscal quarter under subclause (II).

“(II) The number of percentage points determined under this subclause with respect to a clause under subparagraph (A) and a fiscal quarter shall be the number of percentage points (not to exceed 2.5 percentage points) equal to—

“(aa) 0.25 percentage points; multiplied by

“(bb) the total number of consecutive fiscal quarters for which Puerto Rico has not fully satisfied the requirements described in such clause.

“(ii) EXCEPTION FOR EXTENUATING CIRCUMSTANCES OR REASONABLE PROGRESS.—For purposes of clause (i), Puerto Rico shall be deemed to have fully satisfied the requirements of a clause under subparagraph (A) (including requirements imposed under the terms of a plan described in the clause) for a fiscal quarter if—

“(I) the Secretary approves an application from Puerto Rico describing extenuating circumstances that prevented Puerto Rico from fully satisfying the requirements of the clause; or

“(II) in the case of a requirement imposed under the terms of a plan described in a clause under subparagraph (A), Puerto Rico has made objectively reasonable progress towards satisfying such terms and has submitted a timely request

for an exception to the imposition of a penalty to the Secretary.

“(8) PROGRAM INTEGRITY LEAD REQUIREMENT FOR THE VIRGIN ISLANDS, GUAM, THE NORTHERN MARIANA ISLANDS, AND AMERICAN SAMOA.—

“(A) PROGRAM INTEGRITY LEAD REQUIREMENT.—Not later than October 1, 2020, the agency responsible for the administration of the Medicaid program under title XIX of each territory specified in subparagraph (C) shall designate an officer (other than the director of such agency) to serve as the Program Integrity Lead for such program.

“(B) FMAP REDUCTION.—For each fiscal quarter during fiscal year 2021, if the territory fails to satisfy the requirement of subparagraph (A) for the fiscal quarter, the Federal medical assistance percentage applicable to the territory under section 1905(ff) for such fiscal quarter shall be reduced by the number of percentage points (not to exceed 5 percentage points) equal to—

“(i) 0.25 percentage points; multiplied by

“(ii) the total number of fiscal quarters during the fiscal year in which the territory failed to satisfy such requirement.

“(C) SCOPE.—This paragraph shall apply to the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa.”.

(b) TREATMENT OF FUNDING UNDER ENHANCED ALLOTMENT PROGRAM.—Section 1935(e) of the Social Security Act (42 U.S.C. 1396u–5(e)) is amended—

(1) in paragraph (1)(B), by striking “if the State” and inserting “subject to paragraph (4), if the State”;

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following new paragraph:

“(4) TREATMENT OF FUNDING FOR CERTAIN FISCAL YEARS.—Notwithstanding paragraph (1)(B), in the case that Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, or American Samoa establishes and submits to the Secretary a plan described in paragraph (2) with respect to any of fiscal years 2020 through 2021, the amount specified for such a year in paragraph (3) for Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, or American Samoa, as the case may be, shall be taken into account in applying, as applicable, subparagraph (A)(ii), (B)(ii), (C)(ii), (D)(ii), or (E)(ii) of section 1108(g)(2) for such year.”.

(c) INCREASED FMAP.—Subsection (ff) of section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended to read as follows:

“(ff) TEMPORARY INCREASE IN FMAP FOR TERRITORIES FOR CERTAIN FISCAL YEARS.—Notwithstanding subsection (b) or (z)(2)—

“(1) for the period beginning October 1, 2019, and ending December 20, 2019, the Federal medical assistance percentage for Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa shall be equal to 100 percent;

“(2) subject to section 1108(g)(7)(C), for the period beginning December 21, 2019, and ending September 30, 2021, the Federal medical assistance percentage for Puerto Rico shall be equal to 76 percent; and

“(3) subject to section 1108(g)(8)(B), for the period beginning December 21, 2019, and ending September 30, 2021, the Federal medical assistance percentage for the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa shall be equal to 83 percent.”.

(d) ANNUAL REPORT.—Section 1108(g) of the Social Security Act (42 U.S.C. 1308(g)), as amended by subsection (a), is further amended by adding at the end the following new paragraph:

“(9) ANNUAL REPORT.—

“(A) IN GENERAL.—Not later than the date that is 30 days after the end of each fiscal year (beginning with fiscal year 2020 and ending with fiscal year 2021), in the case that a specified territory receives a Medicaid cap increase, or an increase in the Federal medical assistance percentage for such territory under section 1905(ff), for such fiscal year, such territory shall submit to the Chair and Ranking Member of the Committee on Energy and Commerce of the House of Representatives and the Chair and Ranking Member of the Committee on Finance of the Senate a report, employing the most up-to-date information available, that describes how such territory has used such Medicaid cap increase, or such increase in the Federal medical assistance percentage, as applicable, to increase access to health care under the State Medicaid plan of such territory under title XIX (or a waiver of such plan). Such report may include—

“(i) the extent to which such territory has, with respect to such plan (or waiver)—

“(I) increased payments to health care providers;

“(II) increased covered benefits;

“(III) expanded health care provider networks;

or

“(IV) improved in any other manner the carrying out of such plan (or waiver); and

“(ii) any other information as determined necessary by such territory.

“(B) DEFINITIONS.—In this paragraph:

“(i) MEDICAID CAP INCREASE.—The term ‘Medicaid cap increase’ means, with respect to a specified territory and fiscal year, any increase in the amounts otherwise determined under this subsection for such territory for such fiscal year by reason of the amendments made by section 202 of division N of the Further Consolidated Appropriations Act, 2020.

“(ii) SPECIFIED TERRITORY.—The term ‘specified territory’ means Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa.”.

(e) APPLICATION OF CERTAIN DATA REPORTING AND PROGRAM INTEGRITY REQUIREMENTS TO NORTHERN MARIANA ISLANDS, AMERICAN SAMOA, AND GUAM.—

(1) IN GENERAL.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended by adding at the end the following new subsection:

“(qq) APPLICATION OF CERTAIN DATA REPORTING AND PROGRAM INTEGRITY REQUIREMENTS TO NORTHERN MARIANA ISLANDS, AMERICAN SAMOA, AND GUAM.—

“(1) IN GENERAL.—Not later than October 1, 2021, the Northern Mariana Islands, American Samoa, and Guam shall—

“(A) demonstrate progress in implementing methods, satisfactory to the Secretary, for the collection and reporting of reliable data to the Transformed Medicaid Statistical Information System (T-MSIS) (or a successor system); and

“(B) demonstrate progress in establishing a State medicaid fraud control unit described in section 1903(q).

“(2) DETERMINATION OF PROGRESS.—For purposes of paragraph (1), the Secretary shall deem that a territory described in such paragraph has demonstrated satisfactory progress in implementing methods for the collection and reporting of reliable data or establishing a State medicaid fraud control unit if the territory has made a good faith effort to implement such methods or establish such a unit, given the circumstances of the territory.”

(2) CONFORMING AMENDMENT.—Section 1902(j) of the Social Security Act (42 U.S.C. 1396a(j)) is amended—

(A) by striking “or the requirement” and inserting “, the requirement”; and

(B) by inserting before the period at the end the following: “, or the requirement under subsection (qq)(1) (relating to data reporting)”.

(3) REEVALUATION OF WAIVERS OF MEDICAID FRAUD CONTROL UNIT REQUIREMENT.—

(A) IN GENERAL.—Not later than the date that is 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall reevaluate any waiver approved (and in effect as of the date of enactment of this Act) for Guam, the Northern Mariana Islands, or American Samoa under subsection (a)(61) or subsection (j) of section 1902 of the Social Security Act (42 U.S.C. 1396a) with respect to the requirement to establish a State medicaid fraud control unit (as described in section 1903(q) of such Act (42 U.S.C. 1396b(q))).

(B) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed as requiring the Secretary of Health and Human Services to terminate or refuse to extend a waiver described in subparagraph (A).

(f) ADDITIONAL PROGRAM INTEGRITY REQUIREMENTS.—

(1) DEFINITIONS.—In this subsection:

(A) INSPECTOR GENERAL.—The term “Inspector General” means the Inspector General of the Department of Health and Human Services.

(B) PUERTO RICO’S MEDICAID PROGRAM.—The term “Puerto Rico’s Medicaid program” means, collectively, Puerto Rico’s State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) and any waiver of such plan.

(2) REPORT ON CONTRACTING OVERSIGHT AND APPROVAL.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall issue, and submit to the Chair and Ranking Member of the Committee on Energy and Commerce of the House of Representatives and the Chair and Ranking Member of the Committee on Finance of the Senate, a report on contracting oversight and

approval with respect to Puerto Rico's State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) (or a waiver of such plan). Such report shall—

(A) examine—

(i) the process used by Puerto Rico to evaluate bids and award contracts under such plan (or waiver);

(ii) which contracts are not subject to competitive bidding or requests for proposals under such plan (or waiver); and

(iii) oversight by the Centers for Medicare & Medicaid Services of contracts awarded under such plan (or waiver); and

(B) include any recommendations for Congress, the Secretary of Health and Human Services, or Puerto Rico relating to changes that the Comptroller General determines necessary to improve the program integrity of such plan (or waiver).

(3) AUDITS OF MANAGED CARE PAYMENTS.—Not later than the date that is 1 year after the date of enactment of this Act, the Inspector General shall develop and submit to Congress—

(A) a report identifying payments made under Puerto Rico's Medicaid program to managed care organizations that the Inspector General determines to be at high risk for waste, fraud, or abuse; and

(B) a plan for auditing and investigating such payments.

(4) SYSTEM FOR TRACKING FEDERAL FUNDING PROVIDED TO PUERTO RICO; MEDICAID AND CHIP SCORECARD REPORTING.—Section 1902 of the Social Security Act (42 U.S.C. 1396a), as amended by subsection (e), is further amended by adding at the end the following new subsection:

“(rr) PROGRAM INTEGRITY REQUIREMENTS FOR PUERTO RICO.—  
“(1) SYSTEM FOR TRACKING FEDERAL MEDICAID FUNDING PROVIDED TO PUERTO RICO.—

“(A) IN GENERAL.—Puerto Rico shall establish and maintain a system, which may include the use of a quarterly Form CMS-64, for tracking any amounts paid by the Federal Government to Puerto Rico with respect to the State plan of Puerto Rico (or a waiver of such plan). Under such system, Puerto Rico shall ensure that information is available, with respect to each quarter in a fiscal year (beginning with the first quarter beginning on or after the date that is 1 year after the date of the enactment of this subsection), on the following:

“(i) In the case of a quarter other than the first quarter of such fiscal year—

“(I) the total amount expended by Puerto Rico during any previous quarter of such fiscal year under the State plan of Puerto Rico (or a waiver of such plan); and

“(II) a description of how such amount was so expended.

“(ii) The total amount that Puerto Rico expects to expend during the quarter under the State plan of Puerto Rico (or a waiver of such plan), and a description of how Puerto Rico expects to expend such amount.



“(B) REPORT TO CMS.—For each quarter with respect to which Puerto Rico is required under subparagraph (A) to ensure that information described in such subparagraph is available, Puerto Rico shall submit to the Administrator of the Centers for Medicare & Medicaid Services a report on such information for such quarter, which may include the submission of a quarterly Form CMS–37.

“(2) SUBMISSION OF DOCUMENTATION ON CONTRACTS UPON REQUEST.—Puerto Rico shall, upon request, submit to the Administrator of the Centers for Medicare & Medicaid Services all documentation requested with respect to contracts awarded under the State plan of Puerto Rico (or a waiver of such plan).

“(3) REPORTING ON MEDICAID AND CHIP SCORECARD MEASURES.—Beginning 12 months after the date of enactment of this subsection, Puerto Rico shall begin to report to the Administrator of the Centers for Medicare & Medicaid Services on selected measures included in the Medicaid and CHIP Scorecard developed by the Centers for Medicare & Medicaid Services.”

“(5) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to the Secretary of Health and Human Services \$5,000,000 for each of fiscal years 2020 through 2021 to carry out this subsection.

**SEC. 203. DELAY OF DSH REDUCTIONS.**

Section 1923(f)(7)(A) of the Social Security Act (42 U.S.C. 1396r–4(f)(7)(A)) is amended by striking “December 21, 2019” each place it appears and inserting “May 23, 2020”.

**SEC. 204. EXTENSION OF SPOUSAL IMPOVERISHMENT PROTECTIONS.**

(a) IN GENERAL.—Section 2404 of Public Law 111–148 (42 U.S.C. 1396r–5 note) is amended by striking “December 31, 2019” and inserting “May 22, 2020”.

(b) RULE OF CONSTRUCTION.—Nothing in section 2404 of Public Law 111–148 (42 U.S.C. 1396r–5 note) or section 1902(a)(17) or 1924 of the Social Security Act (42 U.S.C. 1396a(a)(17), 1396r–5) shall be construed as prohibiting a State from—

(1) applying an income or resource disregard under a methodology authorized under section 1902(r)(2) of such Act (42 U.S.C. 1396a(r)(2))—

(A) to the income or resources of an individual described in section 1902(a)(10)(A)(ii)(VI) of such Act (42 U.S.C. 1396a(a)(10)(A)(ii)(VI)) (including a disregard of the income or resources of such individual’s spouse); or

(B) on the basis of an individual’s need for home and community-based services authorized under subsection (c), (d), (i), or (k) of section 1915 of such Act (42 U.S.C. 1396n) or under section 1115 of such Act (42 U.S.C. 1315); or

(2) disregarding an individual’s spousal income and assets under a plan amendment to provide medical assistance for home and community-based services for individuals by reason of being determined eligible under section 1902(a)(10)(C) of such Act (42 U.S.C. 1396a(a)(10)(C)) or by reason of section 1902(f) of such Act (42 U.S.C. 1396a(f)) or otherwise on the basis of a reduction of income based on costs incurred for medical or other remedial care under which the State disregarded the income and assets of the individual’s spouse in