

119TH CONGRESS
1ST SESSION

S. _____

To establish a State public option through Medicaid to provide Americans with the choice of a high-quality, low-cost health insurance plan.

IN THE SENATE OF THE UNITED STATES

Mr. SCHATZ (for himself, Mr. LUJÁN, Mr. MERKLEY, Mrs. SHAHEEN, Mr. BLUMENTHAL, Mr. WHITEHOUSE, Ms. KLOBUCHAR, Mr. WELCH, Ms. ROSEN, Ms. SMITH, Mr. MURPHY, Mr. BOOKER, and Mr. DURBIN) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To establish a State public option through Medicaid to provide Americans with the choice of a high-quality, low-cost health insurance plan.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “State Public Option
5 Act”.

6 **SEC. 2. MEDICAID BUY-IN OPTION.**

7 (a) IN GENERAL.—Section 1902 of the Social Secu-
8 rity Act (42 U.S.C. 1396a) is amended—

1 (1) in subsection (a)(10)—

2 (A) in subparagraph (A)(ii)—

3 (i) in subclause (XXII), by striking “;
4 or” and inserting a semicolon;

5 (ii) in subclause (XXIII), by adding
6 “or” at the end; and

7 (iii) by adding at the end the fol-
8 lowing new subclause:

9 “(XXIV) beginning January 1,
10 2026, who are residents of the State
11 and are not concurrently enrolled in
12 another health insurance coverage
13 plan, subject, in the case of individ-
14 uals described in subsection (uu) and
15 notwithstanding section 1916 (except
16 for subsection (k) of such section), to
17 payment of premiums or other cost-
18 sharing charges;”; and

19 (B) in the matter following subparagraph
20 (G), by inserting “or subparagraph
21 (A)(ii)(XXIV)” after “described in subpara-
22 graph (A)(i)(VIII)”; and

23 (2) by adding at the end the following new sub-
24 section:

1 “(uu) PREVIOUSLY UNDESCRIBED INDIVIDUALS.—
2 Individuals described in this subsection are individuals
3 who are—

4 “(1) described in subclause (XXIV) of sub-
5 section (a)(10)(A)(ii); and

6 “(2) are not described in any other subclause of
7 such subsection or any other provision in this Act
8 which provides for eligibility for medical assist-
9 ance.”.

10 (b) PROVISION OF AT LEAST MINIMUM COVERAGE.—

11 (1) IN GENERAL.—Section 1902(k)(1) of the
12 Social Security Act (42 U.S.C. 1396a(k)(1)) is
13 amended by inserting “or an individual described in
14 subclause (XXIV) of subsection (a)(10)(A)(ii)” after
15 “an individual described in subclause (VIII) of sub-
16 section (a)(10)(A)(i)” each place it appears.

17 (2) CONFORMING AMENDMENT.—Section
18 1903(i)(26) of the Social Security Act (42 U.S.C.
19 1396b(i)(26)) is amended by striking “individuals
20 described in subclause (VIII) of subsection
21 (a)(10)(A)(i)” and inserting “individuals described
22 in subsections (a)(10)(A)(i)(VIII) or
23 (a)(10)(A)(ii)(XXIV) of section 1902”.

24 (c) FEDERAL FINANCIAL PARTICIPATION IN BUY-IN
25 PROGRAM.—

1 (1) ENHANCED MATCH FOR ADMINISTRATIVE
2 EXPENSES.—Section 1903(a) of the Social Security
3 Act (42 U.S.C. 1396b(a)) is amended—

4 (A) by redesignating paragraph (7) as
5 paragraph (8); and

6 (B) by inserting after paragraph (6) the
7 following new paragraph:

8 “(7) an amount equal to 90 percent of the
9 sums expended during such quarter which are at-
10 tributable to reasonable administrative expenses re-
11 lated to the administration of a Medicaid buy-in pro-
12 gram for individuals described in section
13 1902(a)(10)(A)(ii)(XXIV) (as found necessary by
14 the Secretary for the proper and efficient adminis-
15 tration of such a program); plus”.

16 (2) TREATMENT OF PREMIUM AND COST-SHAR-
17 ING REVENUES FROM MEDICAID BUY-IN PROGRAM.—

18 (A) IN GENERAL.—For purposes of section
19 1903(a)(1) of the Social Security Act (42
20 U.S.C. 1396b(a)(1)), for any fiscal quarter dur-
21 ing which a State collects premiums, cost-shar-
22 ing, or similar charges under subsection (k) of
23 section 1916 of such Act (42 U.S.C. 1396o) (as
24 added by this Act), including any advance pay-
25 ments of premium tax credits under section

1 1412 of the Patient Protection and Affordable
2 Care Act or payments for cost-sharing reduc-
3 tions under section 1402 of such Act that are
4 received by the State, the total amount ex-
5 pended during such quarter as medical assist-
6 ance for individuals who buy into Medicaid cov-
7 erage under subclause (XXIV) of section
8 1902(a)(10)(A)(ii) of the Social Security Act
9 (as added by this Act) shall be reduced by the
10 amount of such premiums or charges.

11 (B) TREATMENT OF EXCESS PREMIUMS.—
12 Each State that collects premiums or similar
13 charges under subsection (k) of section 1916 of
14 the Social Security Act (42 U.S.C. 1396o) (as
15 added by this Act) in a fiscal year shall pay to
16 the Secretary of Health and Human Services,
17 at such time and in such form and manner as
18 the Secretary shall specify, an amount equal to
19 50 percent of the amount, if any, by which—

20 (i) the total amount of such premiums
21 and charges collected by the State for such
22 year; exceeds

23 (ii) the total amount expended by the
24 State during such year as medical assist-
25 ance for individuals who buy into Medicaid

1 coverage under subclause (XXIV) of sec-
2 tion 1902(a)(10)(A)(ii) of such Act (as
3 added by this Act).

4 (d) COST-SHARING REQUIREMENT.—Section 1916 of
5 the Social Security Act (42 U.S.C. 1396o) is amended by
6 adding at the end the following new subsection:

7 “(k) PREMIUMS AND COST-SHARING FOR INDIVID-
8 UALS PARTICIPATING IN MEDICAID BUY-IN PROGRAM.—

9 “(1) IN GENERAL.—Subject to paragraph (2),
10 with respect to individuals who are eligible for med-
11 ical assistance under subsection
12 (a)(10)(A)(ii)(XXIV) of section 1902 and are de-
13 scribed in subsection (uu) of such section, a State
14 may—

15 “(A) impose premiums, deductibles, cost-
16 sharing, or other similar charges that are deter-
17 mined on an actuarially sound basis; and

18 “(B) vary the premium rate imposed on an
19 individual based only on the factors described in
20 section 2701(a)(1)(A) of the Public Health
21 Service Act and subject to the same limitations
22 on the weight which may be given to such fac-
23 tors under such section.

24 “(2) LIMITATIONS.—

1 “(A) PREMIUMS.—The total amount of
2 premiums imposed for a year under this sub-
3 section with respect to all individuals described
4 in paragraph (1) in a family shall not exceed an
5 amount equal to 8.5 percent of the family’s
6 household income (as defined in section
7 36B(d)(2) of the Internal Revenue Code of
8 1986) for the year involved.

9 “(B) OTHER COST-SHARING.—

10 “(i) IN GENERAL.—The cost-sharing
11 limitations described in section 1302(e) of
12 the Patient Protection and Affordable Care
13 Act shall apply to cost-sharing (as defined
14 in such section) for medical assistance pro-
15 vided under section
16 1902(a)(10)(A)(ii)(XXIV) in the same
17 manner as such limitations apply to cost-
18 sharing under qualified health plans under
19 title I of such Act.

20 “(ii) AVAILABILITY OF COST-SHARING
21 REDUCTIONS.—Individuals provided med-
22 ical assistance under section
23 1902(a)(10)(A)(ii)(XXIV) and subject to
24 cost-sharing under this subsection are eli-
25 gible for cost-sharing reductions under sec-

tion 1402 of the Patient Protection and Affordable Care Act (subject to the income eligibility threshold in subsection (b)(2) of such section), and in applying such section—

“(I) enrollment in a State plan under section 1902(a)(10)(A)(ii)(XXIV) shall be treated as coverage under a qualified health plan in the silver level of coverage in the individual market offered through an Exchange established for or by the State under title I of the Patient Protection and Affordable Care Act; and

“(II) the State agency administering such plan shall be treated as the issuer of such plan.

“(3) PREMIUMS AND COST-SHARING FOR CERTAIN OTHER INDIVIDUALS.—If an individual is eligible for medical assistance under subsection (a)(10)(A)(ii)(XXIV) of section 1902 and is not described in subsection (uu) of such section, a State—

1 “(A) shall not impose premiums and cost-
2 sharing on the individual under this subsection;
3 and

4 “(B) may impose premiums and cost-shar-
5 ing on the individual to the extent allowed by
6 another provision of this Act (other than sec-
7 tion 1902(a)(10)(A)(ii)(XXIV)) which provides
8 for eligibility for medical assistance, but only if
9 the individual is described in such other provi-
10 sion.

11 “(4) APPLICATION OF PREMIUM ASSISTANCE
12 TAX CREDITS.—An individual who is required to pay
13 premiums under this subsection for a year for med-
14 ical assistance shall be eligible for a premium assist-
15 ance credit under section 36B of the Internal Rev-
16 enue Code to the same extent that such individual
17 would be eligible for a premium assistance credit
18 under such section if such individual had paid the
19 same amount in premiums for coverage under a
20 qualified health plan for such year.”.

21 (e) MANAGED CARE.—Section 1932(a)(1)(A)(i) of
22 the Social Security Act (42 U.S.C. 1396u–2(a)(1)(A)(i))
23 is amended by inserting “, including an individual who is
24 eligible for such assistance after buying into such coverage

1 under section 1902(a)(10)(A)(ii)(XXIV),” after “the
2 State plan under this title”.

3 (f) OFFERING BUY-IN PROGRAM ON STATE EX-
4 CHANGE; ENROLLMENT PERIODS.—

5 (1) IN GENERAL.—A State that has elected to
6 allow individuals to buy into Medicaid coverage
7 under section 1902(a)(10)(A)(ii)(XXIV) of the So-
8 cial Security Act (as added by this Act) shall allow
9 individuals to enroll in such coverage through an Ex-
10 change established by or for the State under title I
11 of the Patient Protection and Affordable Care Act.

12 (2) ENROLLMENT PERIODS.—A State may limit
13 the enrollment of individuals into Medicaid coverage
14 under section 1902(a)(10)(A)(ii)(XXIV) of the So-
15 cial Security Act (as added by this Act) to the en-
16 rollment periods provided for under section
17 1311(c)(6) of the Patient Protection and Affordable
18 Care Act.

19 (g) APPLICATION OF ADVANCED PREMIUM TAX
20 CREDITS TO MEDICAID BUY-IN PLANS.—

21 (1) IN GENERAL.—Section 36B of the Internal
22 Revenue Code of 1986 is amended—

23 (A) in subsection (b)(3)(B), by adding at
24 the end the following new sentence:

1 “If an applicable taxpayer resides in a rating
2 area in which no silver plan is offered on the
3 individual market but the taxpayer buys into
4 Medicaid coverage under section
5 1902(a)(10)(A)(ii)(XXIV) of the Social Secu-
6 rity Act, such Medicaid coverage shall be
7 deemed to be the applicable second lowest cost
8 silver plan with respect to such taxpayer.”; and

9 (B) by redesignating subsection (h) as sub-
10 section (i); and

11 (C) by inserting after subsection (g) the
12 following new subsection:

13 “(h) APPLICATION TO INDIVIDUALS PURCHASING
14 MEDICAID COVERAGE.—In the case of any individual who
15 buys into Medicaid coverage under section
16 1902(a)(10)(A)(ii)(XXIV) of the Social Security Act, this
17 section shall be applied with the following modifications:

18 “(1) The amount determined under subsection
19 (b)(2)(A) shall be increased by the amount of the
20 monthly premiums paid for such coverage.

21 “(2) Subsection (c)(2)(A)(i) shall be applied by
22 treating coverage under the Medicaid program under
23 title XIX of the Social Security Act in the same
24 manner as a qualified health plan that was enrolled
25 in through an Exchange.

1 “(3) In applying subsection (c)(2)(B)—

2 “(A) an individual shall not be considered
3 to be eligible for minimum essential coverage
4 described in section 5000A(f)(1)(A)(ii) by rea-
5 son of eligibility for medical assistance under a
6 State Medicaid program under section
7 1902(a)(10)(A)(ii)(XXIV); and

8 “(B) an individual who is not covered by
9 minimum essential coverage described in section
10 5000A(f)(1)(B) shall not be considered to be el-
11 igible for such coverage.”.

12 (2) ADVANCED PAYMENT OF CREDIT.—

13 (A) IN GENERAL.—The Secretary of
14 Health and Human Services, in consultation
15 with the Secretary of the Treasury, shall estab-
16 lish a program under which—

17 (i) upon request of a State agency ad-
18 ministering a State Medicaid program
19 under title XIX of the Social Security Act,
20 advance determinations are made in a
21 manner similar to advanced determinations
22 under section 1412 of the Patient Protec-
23 tion and Affordable Care Act with respect
24 to the income eligibility of individuals en-
25 rolling in such program for the premium

1 tax credit allowable under section 36B of
2 the Internal Revenue Code of 1986 and
3 the cost-sharing reductions under section
4 1402 of the Patient Protection and Afford-
5 able Care Act;

6 (ii) the Secretary notifies—

7 (I) the State agency admin-
8 istering the program and the Sec-
9 retary of the Treasury of the advance
10 determinations; and

11 (II) the Secretary of the Treas-
12 ury of the name and employer identi-
13 fication number of each employer with
14 respect to whom 1 or more employees
15 of the employer were determined to be
16 eligible for the premium tax credit
17 under section 36B of the Internal
18 Revenue Code of 1986 and the cost-
19 sharing reductions under section 1402
20 of the Patient Protection and Afford-
21 able Care Act because—

22 (aa) the employer did not
23 provide minimum essential cov-
24 erage; or

1 (bb) the employer provided
2 such minimum essential coverage
3 but it was determined under sec-
4 tion 36B(c)(2)(C) of such Code
5 to either be unaffordable to the
6 employee or not provide the re-
7 quired minimum actuarial value;
8 and

9 (iii) the Secretary of the Treasury
10 makes advance payments of such credit or
11 reductions to the State agency admin-
12 istering the program in order to reduce the
13 premiums payable by individuals eligible
14 for such credit.

15 (B) DETERMINATIONS AND PAYMENTS.—
16 Rules similar to subsections (b) and (c) of sec-
17 tion 1412 of the Patient Protection and Afford-
18 able Care Act shall apply for purposes of this
19 subsection.

20 (C) COORDINATION WITH CREDIT.—

21 (i) IN GENERAL.—Section 36B of the
22 Internal Revenue Code of 1986 is amended
23 by inserting “and under section 2(g)(2) of
24 the State Public Option Act” after “sec-
25 tion 1412 of the Patient Protection and

1 Affordable Care Act” each place it appears
2 in subsections (f)(1), (f)(2), and (g)(1).

3 (ii) INFORMATION REPORTING.—Sec-
4 tion 36B(f)(3) of such Code is amended by
5 adding at the end the following flush sen-
6 tence: “In the case of any coverage under
7 the Medicaid program under title XIX of
8 the Social Security Act for which a credit
9 under this section is allowable by reason of
10 subsection (h), the State agency admin-
11 istering the Medicaid program shall be
12 treated as an Exchange for purposes of
13 this paragraph and subparagraph (A) shall
14 not apply.”.

15 (3) CONFORMING AMENDMENT RELATING TO
16 EMPLOYER RESPONSIBILITY.—Paragraph (6) of sec-
17 tion 4980H(c) of the Internal Revenue Code of 1986
18 is amended by inserting “, except that for purposes
19 of subsections (a)(2) and (b)(2), the term ‘qualified
20 health plan’ shall include any plan described in sec-
21 tion 36B(h)” after “such Act”.

22 (h) CONFORMING AMENDMENTS.—

23 (1) Section 1902(a)(10) of the Social Security
24 Act (42 U.S.C. 1396a(a)(10)), as amended by sub-

1 section (a), is further amended, in the matter fol-
2 lowing subparagraph (G)—

3 (A) by striking “and (XVIII)” and insert-
4 ing “, (XVIII)”;

5 (B) by inserting “, and (XIX) the medical
6 assistance made available to an individual de-
7 scribed in subparagraph (A)(ii)(XXIV) shall be
8 limited to medical assistance described in sub-
9 section (k)(1)” before the semicolon.

10 (2) Section 1903(f)(4) of the Social Security
11 Act (42 U.S.C. 1396b(f)(4)) is amended by inserting
12 “1902(a)(10)(A)(ii)(XXIV),” after
13 “1902(a)(10)(A)(ii)(XXII),”.

14 (3) Section 1905(a) of the Social Security Act
15 (42 U.S.C. 1396d(a)) is amended, in the matter pre-
16 ceding paragraph (1)—

17 (A) by striking “or” at the end of clause
18 (xvi);

19 (B) by inserting “or” at the end of clause
20 (xvii); and

21 (C) by inserting after clause (xvii) the fol-
22 lowing new clause:

23 “(xviii) individuals described in section
24 1902(a)(10)(A)(ii)(XXIV),”.

1 (4) Section 1916A(a)(1) of the Social Security
2 Act (42 U.S.C. 1396o–1(a)(1)) is amended by strik-
3 ing “or (j)” and inserting “(j), or (k)”.

4 (5) Section 1937(a)(1)(B) of the Social Secu-
5 rity Act (42 U.S.C. 1396u–7(a)(1)(B)) is amended
6 by inserting “, subclause (XXIV) of section
7 1902(a)(10)(A)(ii),” after “1902(a)(10)(A)(i)”.

8 **SEC. 3. REVIEWING AND UPDATING MEDICAID QUALITY**
9 **MEASURES.**

10 (a) IN GENERAL.—The Secretary of Health and
11 Human Services (referred to in this section as the “Sec-
12 retary”) shall review quality measures that are in use
13 under the Medicaid program and, not later than January
14 1, 2030, shall update such measures to the extent nec-
15 essary to ensure that such quality measures are appro-
16 priate for the population of individuals who are eligible
17 to buy into Medicaid coverage under subclause (XXIV) of
18 section 1902(a)(10)(A)(ii) of the Social Security Act (42
19 U.S.C. 1396a(a)(10)(A)(ii)), as added by section 2.

20 (b) REPORTING.—The Secretary shall review, and,
21 not later than January 1, 2032, update any corresponding
22 State reporting requirements to include the quality meas-
23 ures under subsection (a).

24 (c) STATE IMPLEMENTATION FUNDING.—The Sec-
25 retary may award funds, from the amount appropriated

1 under subsection (d), to States for the purpose of updating
2 and implementing the metrics developed under this sec-
3 tion.

4 (d) APPROPRIATION.—There is appropriated to the
5 Secretary, out of any funds in the Treasury not otherwise
6 appropriated, \$50,000,000 for fiscal year 2026, to remain
7 available until expended, for the purpose of carrying out
8 this section.

9 **SEC. 4. RENEWAL OF APPLICATION OF MEDICARE PAY-**
10 **MENT RATE FLOOR TO PRIMARY CARE SERV-**
11 **ICES FURNISHED UNDER MEDICAID AND IN-**
12 **CLUSION OF ADDITIONAL PROVIDERS.**

13 (a) RENEWAL OF PAYMENT FLOOR; ADDITIONAL
14 PROVIDERS.—

15 (1) IN GENERAL.—Section 1902(a)(13) of the
16 Social Security Act (42 U.S.C. 1396a(a)(13)) is
17 amended by striking subparagraph (C) and inserting
18 the following:

19 “(C) payment for primary care services (as
20 defined in subsection (jj)) at a rate that is not
21 less than 100 percent of the payment rate that
22 applies to such services and physician under
23 part B of title XVIII (or, if greater, the pay-
24 ment rate that would be applicable under such
25 part if the conversion factor under section

1 1848(d) for the year involved were the conver-
2 sion factor under such section for 2009), and
3 that is not less than the rate that would other-
4 wise apply to such services under this title if
5 the rate were determined without regard to this
6 subparagraph, and that are—

7 “(i) furnished in 2013 and 2014, by a
8 physician with a primary specialty designa-
9 tion of family medicine, general internal
10 medicine, or pediatric medicine; or

11 “(ii) furnished in the period that be-
12 gins on the first day of the first month
13 that begins after the date of enactment of
14 the State Public Option Act—

15 “(I) by a physician with a pri-
16 mary specialty designation of family
17 medicine, general internal medicine,
18 or pediatric medicine, but only if the
19 physician self-attests that the physi-
20 cian is Board certified in family medi-
21 cine, general internal medicine, or pe-
22 diatric medicine;

23 “(II) by a physician with a pri-
24 mary specialty designation of obstet-
25 rics and gynecology, but only if the

1 physician self-attests that the physi-
2 cian is Board certified in obstetrics
3 and gynecology;

4 “(III) by an advanced practice
5 clinician, as defined by the Secretary,
6 that works under the supervision of—

7 “(aa) a physician that satis-
8 fies the criteria specified in sub-
9 clause (I) or (II); or

10 “(bb) a nurse practitioner or
11 a physician assistant (as such
12 terms are defined in section
13 1861(aa)(5)(A)) who is working
14 in accordance with State law, or
15 a certified nurse-midwife (as de-
16 fined in section 1861(gg)) who is
17 working in accordance with State
18 law;

19 “(IV) by a rural health clinic,
20 federally qualified health center, or
21 other health clinic that receives reim-
22 bursement on a fee schedule applica-
23 ble to a physician, a nurse practi-
24 tioner or a physician assistant (as
25 such terms are defined in section

1 1861(aa)(5)(A)) who is working in ac-
2 cordance with State law, or a certified
3 nurse-midwife (as defined in section
4 1861(gg)) who is working in accord-
5 ance with State law, for services fur-
6 nished by a physician, nurse practi-
7 tioner, physician assistant, or certified
8 nurse-midwife, or services furnished
9 by an advanced practice clinician su-
10 pervised by a physician described in
11 subclause (I)(aa) or (II)(aa), another
12 advanced practice clinician, or a cer-
13 tified nurse-midwife; or

14 “(V) by a nurse practitioner or a
15 physician assistant (as such terms are
16 defined in section 1861(aa)(5)(A))
17 who is working in accordance with
18 State law, or a certified nurse-midwife
19 (as defined in section 1861(gg)) who
20 is working in accordance with State
21 law, in accordance with procedures
22 that ensure that the portion of the
23 payment for such services that the
24 nurse practitioner, physician assist-
25 ant, or certified nurse-midwife is paid

1 is not less than the amount that the
2 nurse practitioner, physician assist-
3 ant, or certified nurse-midwife would
4 be paid if the services were provided
5 under part B of title XVIII;”.

6 (2) CONFORMING AMENDMENTS.—Section
7 1905(dd) of the Social Security Act (42 U.S.C.
8 1396d(dd)) is amended—

9 (A) by striking “Notwithstanding” and in-
10 serting the following:

11 “(1) IN GENERAL.—Notwithstanding”;

12 (B) by inserting “or furnished during the
13 additional period specified in paragraph (2),”
14 after “2015,”; and

15 (C) by adding at the end the following:

16 “(2) ADDITIONAL PERIOD.—For purposes of
17 paragraph (1), the additional period specified in this
18 paragraph is the period that begins on the date that
19 is 1 year after the date of enactment of the State
20 Public Option Act.”.

21 (b) IMPROVED TARGETING OF PRIMARY CARE.—Sec-
22 tion 1902(jj) of the Social Security Act (42 U.S.C.
23 1396a(jj)) is amended—

1 (1) by redesignating paragraphs (1) and (2) as
2 subparagraphs (A) and (B), respectively and realign-
3 ing the left margins accordingly;

4 (2) by striking “For purposes of” and inserting
5 the following:

6 “(1) IN GENERAL.—For purposes of”; and

7 (3) by adding at the end the following:

8 “(2) EXCLUSIONS.—Such term does not include
9 any services described in subparagraph (A) or (B) of
10 paragraph (1) if such services are provided in an
11 emergency department of a hospital.”.

12 (c) ENSURING PAYMENT BY MANAGED CARE ENTI-
13 TIES.—

14 (1) IN GENERAL.—Section 1903(m)(2)(A) of
15 the Social Security Act (42 U.S.C. 1396b(m)(2)(A))
16 is amended—

17 (A) in clause (xii), by striking “and” after
18 the semicolon;

19 (B) in clause (xiii)—

20 (i) by realigning the left margin so as
21 to align with the left margin of clause (xii);
22 and

23 (ii) by striking the period at the end
24 of clause (xiii) and inserting “; and”; and

1 (C) by inserting after clause (xiii) the fol-
2 lowing:

3 “(xiv) such contract provides that (I) payments
4 to providers specified in section 1902(a)(13)(C) for
5 primary care services defined in section 1902(jj)
6 that are furnished during a year or period specified
7 in section 1902(a)(13)(C) and section 1905(dd) are
8 at least equal to the amounts set forth and required
9 by the Secretary by regulation, (II) the entity shall,
10 upon request, provide documentation to the State,
11 sufficient to enable the State and the Secretary to
12 ensure compliance with subclause (I), and (III) the
13 Secretary shall approve payments described in sub-
14 clause (I) that are furnished through an agreed
15 upon capitation, partial capitation, or other value-
16 based payment arrangement if the capitation, partial
17 capitation, or other value-based payment arrange-
18 ment is based on a reasonable methodology and the
19 entity provides documentation to the State sufficient
20 to enable the State and the Secretary to ensure com-
21 pliance with subclause (I).”.

22 (2) CONFORMING AMENDMENT.—Section
23 1932(f) of the Social Security Act (42 U.S.C.
24 1396u–2(f)) is amended by inserting “and clause
25 (xiv) of section 1903(m)(2)(A)” before the period.

1 **SEC. 5. INCREASED FMAP FOR MEDICAL ASSISTANCE TO**
2 **NEWLY ELIGIBLE INDIVIDUALS.**

3 (a) IN GENERAL.—Section 1905(y)(1) of the Social
4 Security Act (42 U.S.C. 1396d(y)(1)) is amended—

5 (1) in subparagraph (A), by striking “2014,
6 2015, and 2016” and inserting “each of the first 3
7 consecutive 12-month periods in which the State
8 provides medical assistance to newly eligible individ-
9 uals”;

10 (2) in subparagraph (B), by striking “2017”
11 and inserting “the fourth consecutive 12-month pe-
12 riod in which the State provides medical assistance
13 to newly eligible individuals”;

14 (3) in subparagraph (C), by striking “2018”
15 and inserting “the fifth consecutive 12-month period
16 in which the State provides medical assistance to
17 newly eligible individuals”;

18 (4) in subparagraph (D), by striking “2019”
19 and inserting “the sixth consecutive 12-month period
20 in which the State provides medical assistance to
21 newly eligible individuals”; and

22 (5) in subparagraph (E), by striking “2020 and
23 each year thereafter” and inserting “the seventh
24 consecutive 12-month period in which the State pro-
25 vides medical assistance to newly eligible individuals
26 and each such period thereafter”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall take effect as if included in the enact-
3 ment of Public Law 111–148.

4 **SEC. 6. MEDICAID COVERAGE OF COMPREHENSIVE SEXUAL**
5 **AND REPRODUCTIVE HEALTH CARE SERV-**
6 **ICES.**

7 (a) INCLUSION OF COMPREHENSIVE SEXUAL AND
8 REPRODUCTIVE HEALTH CARE SERVICES AS MEDICAL
9 ASSISTANCE.—Section 1905(a) of the Social Security Act
10 (42 U.S.C. 1396d(a)), as amended by section 2(h) and
11 section 209(a) of title I of division G of the Consolidated
12 Appropriations Act, 2024, is further amended—

13 (1) in paragraph (31), by striking “and” at the
14 end;

15 (2) by redesignating paragraph (32) as para-
16 graph (33); and

17 (3) by inserting after paragraph (31) the fol-
18 lowing new paragraph:

19 “(32) comprehensive sexual and reproductive
20 health care services, including abortion services and
21 abortion-related services; and”.

22 (b) REQUIRING COVERAGE OF COMPREHENSIVE SEX-
23 UAL AND REPRODUCTIVE HEALTH CARE SERVICES AS
24 CONDITION OF STATE PLAN APPROVAL.—Section
25 1902(a)(10)(A) of the Social Security Act (42 U.S.C.

1 1396a(a)(10)(A)), as amended by subsections (a) and (h)
2 of section 2, is further amended, in the matter preceding
3 clause (i), by striking “and (30)” and inserting “(30), and
4 (32)”.

5 (c) CONFORMING AMENDMENTS.—

6 (1) Section 1932(e)(1)(B) of the Social Security
7 Act (42 U.S.C. 1396u–2(e)(1)(B)) is amended by
8 striking “Clause (i)” and inserting “With respect to
9 the period beginning before January 1, 2023, clause
10 (i)”.

11 (2) Section 1937(b) of the Social Security Act
12 (42 U.S.C. 1396u–7(b)) is amended by adding at
13 the end the following new paragraph:

14 “(9) COVERAGE OF COMPREHENSIVE SEXUAL
15 AND REPRODUCTIVE HEALTH SERVICES.—Notwith-
16 standing the previous provisions of this section, a
17 State may not provide for medical assistance
18 through enrollment of an individual with benchmark
19 coverage or benchmark-equivalent coverage under
20 this section unless such coverage includes medical
21 assistance for comprehensive sexual and reproductive
22 health care services, including abortion services and
23 abortion-related services.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply with respect to medical assistance
3 furnished on or after January 1, 2026.