

114TH CONGRESS
1ST SESSION

H. R. 4262

To amend title I of the Patient Protection and Affordable Care Act to require that a State awarded a Federal grant to establish an Exchange and that terminates the State operation of such an Exchange provide for an audit of the use of grant funds and return funds to the Federal Government, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 2015

Mr. ALLEN introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend title I of the Patient Protection and Affordable Care Act to require that a State awarded a Federal grant to establish an Exchange and that terminates the State operation of such an Exchange provide for an audit of the use of grant funds and return funds to the Federal Government, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Transparency and Ac-
5 countability of Failed Exchanges Act”.

1 **SEC. 2. STATES AWARDED EXCHANGE ESTABLISHMENT**
2 **GRANTS THAT TERMINATE STATE OPER-**
3 **ATION OF SUCH AN EXCHANGE REQUIRED TO**
4 **PROVIDE AUDITS OF THE USE OF GRANT**
5 **FUNDS AND RETURN FUNDS TO THE FED-**
6 **ERAL GOVERNMENT.**

7 (a) IN GENERAL.—Section 1311(a) of the Patient
8 Protection and Affordable Care Act (42 U.S.C. 18031(a))
9 is amended by adding at the end the following new para-
10 graph:

11 “(6) TREATMENT IN CASE OF EXCHANGE TER-
12 MINATION.—

13 “(A) IN GENERAL.—In the case of a State
14 that is awarded a grant under this section to
15 establish an Exchange and that terminates the
16 operation of such Exchange or otherwise trans-
17 fers the operation of such Exchange to an enti-
18 ty other than such State—

19 “(i) not later than 30 days after the
20 date of such termination or transfer, the
21 State shall submit to Congress and the
22 Secretary a report containing the results of
23 an audit of how amounts awarded to such
24 State pursuant to such grant were used;
25 and

1 “(ii) not later than 30 days after the
2 date of such termination or transfer—

3 “(I) in accordance with subpara-
4 graph (B), there are rescinded any
5 unobligated amounts awarded to such
6 State pursuant to such grant; and

7 “(II) in accordance with subpara-
8 graph (C), the State shall provide to
9 the Administrator of General Services
10 any property acquired by such State
11 with amounts awarded to such State
12 pursuant to such grant and shall sub-
13 mit to Congress and the Secretary a
14 record of the provision of such prop-
15 erty to the Administrator.

16 “(B) RETENTION OF FUNDS FOR DEFICIT
17 REDUCTION.—Funds rescinded under subpara-
18 graph (A)(ii)(I) shall be retained in the general
19 fund of the Treasury for Federal budget deficit
20 reduction.

21 “(C) TREATMENT OF PROPERTY.—The
22 Administrator of General Services may—

23 “(i) dispose of any property obtained
24 pursuant to subparagraph (A)(ii)(II)
25 through a public auction for cash and for

1 not less than the fair market value of the
2 property, as determined by the Adminis-
3 trator;

4 “(ii) provide to any Federal agency
5 such property for official use by such agen-
6 cy; or

7 “(iii) lease or hire such property, and
8 may insure such property.

9 “(D) EXEMPTION FROM CERTAIN PROP-
10 ERTY DISPOSAL REQUIREMENTS.—Any disposal
11 of property conducted under subparagraph
12 (C)(i) shall not be subject to—

13 “(i) subchapter IV of chapter 5 of
14 subtitle I of title 40, United States Code;

15 “(ii) sections 550 and 553 of title 40,
16 United States Code;

17 “(iii) section 501 of the McKinney-
18 Vento Homeless Assistance Act (42 U.S.C.
19 11411);

20 “(iv) any other provision of law au-
21 thORIZING the no-cost conveyance of prop-
22 erty owned by the Federal Government; or

23 “(v) any congressional notification re-
24 quirement other than that in section 545
25 of title 40, United States Code.

1 “(E) INCOME FROM PROPERTY.—The Ad-
2 ministrator shall deposit any income from the
3 disposition, lease, or hire of the property ob-
4 tained pursuant to subparagraph (A)(ii)(II) in
5 the general fund of the Treasury for Federal
6 budget deficit reduction.”.

7 (b) APPLICATION OF THE FALSE CLAIMS ACT.—Sec-
8 tion 1313(a)(6)(A) of the Patient Protection and Afford-
9 able Care Act (42 U.S.C. 18033(a)(6)(A)) is amended by
10 adding at the end the following: “Further, except as other-
11 wise provided for expressly under this Act, the False
12 Claims Act preempts any State enforcement action of al-
13 leged fraud, waste, and abuse of funds issued pursuant
14 to this Act. States that terminate or transfer their ex-
15 change will refer all current and future matters involving
16 fraud, waste, and abuse of funds issued pursuant to this
17 Act to the United States Department of Justice. Any cur-
18 rent or future enforcement action shall be removed to or
19 brought in Federal court. All fines, penalties, damages,
20 or awards, monetary or otherwise, arising out of any cur-
21 rent or future enforcement action, represent Federal funds
22 that shall be returned to the United States.”.

23 (c) ENFORCEMENT ACTION.—The Attorney General
24 may bring an action before the appropriate district court
25 of the United States to enforce section 1311(a)(6) of the

1 Patient Protection and Affordable Care Act (42 U.S.C.
2 18031(a)(6)).

3 (d) EFFECTIVE DATE.—The provisions of this sec-
4 tion, including the amendment made by this section, shall
5 apply with respect to grants made before, on, or after the
6 date of the enactment of this Act.

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