

114TH CONGRESS
2D SESSION

H. R. 4725

To reduce the Federal deficit through reforms in spending under Medicaid,
CHIP, and the Prevention and Public Health Fund.

IN THE HOUSE OF REPRESENTATIVES

MARCH 10, 2016

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

A BILL

To reduce the Federal deficit through reforms in spending
under Medicaid, CHIP, and the Prevention and Public
Health Fund.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Common Sense Savings Act of 2016”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Treatment of lottery winnings and other lump-sum income for purposes
of income eligibility under Medicaid.

Sec. 3. Eliminating PPACA enhanced Medicaid FMAP for prisoners.

Sec. 4. Extending previous Medicaid threshold applied for determining acceptable provider taxes.

Sec. 5. Sunsetting PPACA increase in enhanced FMAP under CHIP.

Sec. 6. Repeal of the Prevention and Public Health Fund.

1 **SEC. 2. TREATMENT OF LOTTERY WINNINGS AND OTHER**
 2 **LUMP-SUM INCOME FOR PURPOSES OF IN-**
 3 **COME ELIGIBILITY UNDER MEDICAID.**

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

6 (1) in subsection (a)(17), by striking “(e)(14),
 7 (e)(14)” and inserting “(e)(14), (e)(15)”; and

8 (2) in subsection (e)—

9 (A) in paragraph (14) (relating to modified
 10 adjusted gross income), by adding at the end
 11 the following new subparagraph:

12 “(J) TREATMENT OF CERTAIN LOTTERY
 13 WINNINGS AND INCOME RECEIVED AS A LUMP
 14 SUM.—

15 “(i) IN GENERAL.—In the case of an
 16 individual who is the recipient of qualified
 17 lottery winnings (pursuant to lotteries oc-
 18 ccurring on or after January 1, 2018) or
 19 qualified lump sum income (received on or
 20 after such date) and whose eligibility for
 21 medical assistance is determined based on
 22 the application of modified adjusted gross
 23 income under subparagraph (A), a State

1 shall, in determining such eligibility, in-
2 clude such winnings or income (as applica-
3 ble) as income received—

4 “(I) in the month in which such
5 winnings or income (as applicable) is
6 received if the amount of such
7 winnings or income is less than
8 \$60,000;

9 “(II) over a period of 2 months
10 if the amount of such winnings or in-
11 come (as applicable) is greater than or
12 equal to \$60,000 but less than
13 \$70,000;

14 “(III) over a period of 3 months
15 if the amount of such winnings or in-
16 come (as applicable) is greater than or
17 equal to \$70,000 but less than
18 \$80,000; and

19 “(IV) over a period of 3 months
20 plus 1 additional month for each in-
21 crement of \$10,000 of such winnings
22 or income (as applicable) received, not
23 to exceed a period of 120 months (for
24 winnings or income of \$1,240,000 or
25 more), if the amount of such winnings

1 or income is greater than or equal to
2 \$80,000.

3 “(ii) COUNTING IN EQUAL INSTALL-
4 MENTS.—For purposes of subclauses (II),
5 (III), and (IV) of clause (i), winnings or
6 income to which such subclause applies
7 shall be counted in equal monthly install-
8 ments over the period of months specified
9 under such subclause.

10 “(iii) QUALIFIED LOTTERY WINNINGS
11 DEFINED.—In this subparagraph, the term
12 ‘qualified lottery winnings’ means winnings
13 from a sweepstakes, lottery, or pool de-
14 scribed in paragraph (3) of section 4402 of
15 the Internal Revenue Code of 1986 or a
16 lottery operated by a multistate or multi-
17 jurisdictional lottery association, including
18 amounts awarded as a lump sum payment.

19 “(iv) QUALIFIED LUMP SUM INCOME
20 DEFINED.—In this subparagraph, the term
21 ‘qualified lump sum income’ means income
22 that is received as a lump sum from one
23 of the following sources:

24 “(I) Monetary winnings from
25 gambling (as defined by the Secretary

1 and including gambling activities de-
2 scribed in section 1955(b)(4) of title
3 18, United States Code).

4 “(II) Damages received, whether
5 by suit or agreement and whether as
6 lump sums or as periodic payments
7 (other than monthly payments), on
8 account of causes of action other than
9 causes of action arising from personal
10 physical injuries or physical sickness.

11 “(III) Income received as liquid
12 assets from the estate (as defined in
13 section 1917(b)(4)) of a deceased in-
14 dividual.”; and

15 (B) by striking “(14) EXCLUSION” and in-
16 serting “(15) EXCLUSION”.

17 (b) RULE OF CONSTRUCTION.—Nothing in the
18 amendment made by subsection (a)(2)(A) shall be con-
19 strued as preventing a State from intercepting the State
20 lottery winnings awarded to an individual in the State to
21 recover amounts paid by the State under the State Med-
22 icaid plan under title XIX of the Social Security Act for
23 medical assistance furnished to the individual.

1 **SEC. 3. ELIMINATING PPACA ENHANCED MEDICAID FMAP**
2 **FOR PRISONERS.**

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

5 (1) in subsection (y)(2)(A), by adding at the
6 end the following: “For items and services furnished
7 on or after January 1, 2017, such term does not in-
8 clude an individual during the period in which the
9 individual is an inmate in a public institution and is
10 a patient in a medical institution.”; and

11 (2) in subsection (z)(2)(A), by adding at the
12 end the following: “For calendar quarters beginning
13 on or after January 1, 2017, the preceding sentence
14 shall not apply with respect to medical assistance for
15 individuals who are inmates in a public institution
16 and patients in a medical institution.”.

17 **SEC. 4. EXTENDING PREVIOUS MEDICAID THRESHOLD AP-**
18 **PLIED FOR DETERMINING ACCEPTABLE PRO-**
19 **VIDER TAXES.**

20 Section 1903(w)(4)(C)(ii) of the Social Security Act
21 (42 U.S.C. 1396b(w)(4)(C)(ii)) is amended by inserting
22 after “October 1, 2011,” the following: “and for portions
23 of fiscal years occurring on or after January 1, 2017”.

1 **SEC. 5. SUNSETTING PPACA INCREASE IN ENHANCED FMAP**
2 **UNDER CHIP.**

3 (a) **IN GENERAL.**—The second sentence of section
4 2105(b) of the Social Security Act (42 U.S.C. 1397ee(b))
5 is amended by striking “September 30, 2019” and insert-
6 ing “March 31, 2016”.

7 (b) **EFFECTIVE DATE.**—The amendment made by
8 subsection (a) shall apply with respect to items and serv-
9 ices furnished after March 31, 2016, without regard to
10 whether this Act is enacted after such date.

11 **SEC. 6. REPEAL OF THE PREVENTION AND PUBLIC HEALTH**
12 **FUND.**

13 (a) **IN GENERAL.**—Section 4002 of the Patient Pro-
14 tection and Affordable Care Act (42 U.S.C. 300u–11) is
15 repealed.

16 (b) **RESCISSION OF UNOBLIGATED FUNDS.**—Of the
17 funds made available by such section 4002, the unobli-
18 gated balance is rescinded.

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