In the House of Representatives, U. S.,
February 6, 2018.

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 1892) entitled “An Act to amend title 4, United States Code, to provide for the flying of the flag at half-staff in the event of the death of a first responder in the line of duty.”, with the following

HOUSE AMENDMENT TO SENATE AMENDMENT:

At the end of the matter inserted by the Senate amendment, insert the following:

DIVISION B—FURTHER EXTENSION OF CONTINUING APPROPRIATIONS ACT, 2018

SEC. 1001. The Continuing Appropriations Act, 2018 (division D of Public Law 115–56) is further amended—

(1) by striking the date specified in section 106(3) and inserting “March 23, 2018”; and

(2) by adding after section 155 the following:

“Sec. 156. Notwithstanding section 101, amounts are provided for ‘Department of Commerce—Bureau of the Census—Periodic Censuses and Programs’ at a rate for operations of $1,251,000,000, and such amounts may be appor- tioned up to the rate for operations necessary to maintain the schedule and deliver the required data according to stat- utory deadlines in the 2020 Decennial Census Program.”
“Sec. 157. Notwithstanding section 101, the matter preceding the first proviso and the first proviso under the heading ‘Power Marketing Administrations—Operation and Maintenance, Southeastern Power Administration’ in division D of Public Law 115–31 shall be applied by substituting ‘$6,379,000’ for ‘$1,000,000’ each place it appears.

“Sec. 158. As authorized by section 404 of the Bipartisan Budget Act of 2015 (Public Law 114–74; 42 U.S.C. 6239 note), the Secretary of Energy shall draw down and sell not to exceed $350,000,000 of crude oil from the Strategic Petroleum Reserve in fiscal year 2018: Provided, That the proceeds from such drawdown and sale shall be deposited into the ‘Energy Security and Infrastructure Modernization Fund’ (in this section referred to as the ‘Fund’) during fiscal year 2018: Provided further, That in addition to amounts otherwise made available by section 101, and notwithstanding section 104, any amounts deposited in the Fund shall be made available and shall remain available until expended at a rate for operations of $350,000,000, for necessary expenses in carrying out the Life Extension II project for the Strategic Petroleum Reserve.

“Sec. 159. Amounts made available by section 101 for ‘The Judiciary—Courts of Appeals, District Courts, and Other Judicial Services—Fees of Jurors and Commis-
sioners’ may be apportioned up to the rate for operations
necessary to accommodate increased juror usage.

“Sec. 160. (a) In addition to amounts otherwise made
available by section 101, there is appropriated for an addi-
tional amount for the ‘Small Business Administration—
Disaster Loans Program Account’ $225,000,000, to remain
available until expended, for the cost of direct loans author-
ized by section 7(b) of the Small Business Act: Provided,
That such amount is designated by the Congress as an emer-
gency requirement pursuant to section 251(b)(2)(A)(i) of
the Balanced Budget and Emergency Deficit Control Act
of 1985.

“(b) The amount designated in subsection (a) by the
Congress as an emergency requirement pursuant to section
251(b)(2)(A)(i) of the Balanced Budget and Emergency
Deficit Control Act of 1985 shall be available only if the
President subsequently so designates such amount and
transmits such designation to the Congress.”.

This division may be cited as the “Further Extension
of Continuing Appropriations Act, 2018”.

DIVISION C—DEPARTMENT OF DEFENSE
APPROPRIATIONS ACT, 2018

That the following sums are appropriated, out of any
money in the Treasury not otherwise appropriated, for the
fiscal year ending September 30, 2018, for military func-
tions administered by the Department of Defense and for other purposes, namely:

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; for members of the Reserve Officers' Training Corps; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, $41,427,054,000.

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; for members of the Reserve Officers' Training Corps; and for payments pursuant
to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, $28,707,918,000 (reduced by $2,000,000) (increased by $2,000,000).

Military Personnel, Marine Corps

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, $13,165,714,000.

Military Personnel, Air Force

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; for members of the Reserve Officers’ Training Corps; and for payments pursuant to section 156 of Public Law 97–377, as amended
(42 U.S.C. 402 note), and to the Department of Defense Military Retirement Fund, $28,738,320,000.

**Reserve Personnel, Army**

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 10211, 10302, and 3038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, $4,721,128,000.

**Reserve Personnel, Navy**

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Navy Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and expenses authorized by section 16131 of title 10, United States Code;
and for payments to the Department of Defense Military Retirement Fund, $1,987,662,000.

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, $762,793,000.

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 10211, 10305, and 8038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or
equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, $1,808,434,000.

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under sections 10211, 10302, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, $8,252,426,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under sections 10211, 10305, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code,
in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund, $3,406,137,000.

TITLE II

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law, $38,483,846,000 (reduced by $5,000,000) (reduced by $5,600,000) (reduced by $6,000,000): Provided, That not to exceed $12,478,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes.

OPERATION AND MAINTENANCE, NAVY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law, $45,980,133,000 (reduced by $598,000) (reduced by $7,000,000): Provided, That not to exceed $15,055,000 can be used for emergencies and extraor-
dinary expenses, to be expended on the approval or author-
ity of the Secretary of the Navy, and payments may be
made on his certificate of necessity for confidential military
purposes.

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for
the operation and maintenance of the Marine Corps, as au-
thorized by law, $6,885,884,000.

OPERATION AND MAINTENANCE, AIR FORCE

For expenses, not otherwise provided for, necessary for
the operation and maintenance of the Air Force, as author-
ized by law, $38,592,745,000: Provided, That not to exceed
$7,699,000 can be used for emergencies and extraordinary
expenses, to be expended on the approval or authority of
the Secretary of the Air Force, and payments may be made
on his certificate of necessity for confidential military pur-
poses.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for
the operation and maintenance of activities and agencies
of the Department of Defense (other than the military de-
partments), as authorized by law, $33,771,769,000 (in-
creased by $5,000,000) (reduced by $10,000,000) (reduced
by $100,000) (increased by $100,000) (reduced by
$194,897,000) (increased by $194,897,000) (reduced by $26,200,000) (reduced by $20,000,000) (reduced by $6,000,000) (reduced by $4,000,000) (reduced by $20,000,000) (reduced by $1,000,000) (reduced by $10,000,000) (reduced by $2,500,000) (reduced by $2,000,000) (reduced by $8,000,000) (reduced by $6,250,000) (reduced by $10,000,000) (reduced by $10,000,000) (reduced by $30,000,000) (reduced by $34,734,000) (reduced by $60,000,000): Provided, That not more than $15,000,000 may be used for the Combatant Commander Initiative Fund authorized under section 166a of title 10, United States Code: Provided further, That not to exceed $36,000,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes: Provided further, That of the funds provided under this heading, not less than $38,458,000 shall be made available for the Procurement Technical Assistance Cooperative Agreement Program, of which not less than $3,600,000 shall be available for centers defined in 10 U.S.C. 2411(1)(D): Provided further, That none of the funds appropriated or otherwise made available by this Act may be used to plan or implement the consolidation of a budget or appropriations liaison office of the Office of the Secretary
of Defense, the office of the Secretary of a military department, or the service headquarters of one of the Armed Forces into a legislative affairs or legislative liaison office: Provided further, That $9,385,000, to remain available until expended, is available only for expenses relating to certain classified activities, and may be transferred as necessary by the Secretary of Defense to operation and maintenance appropriations or research, development, test and evaluation appropriations, to be merged with and to be available for the same time period as the appropriations to which transferred: Provided further, That any ceiling on the investment item unit cost of items that may be purchased with operation and maintenance funds shall not apply to the funds described in the preceding proviso: Provided further, That of the funds provided under this heading, $415,000,000, of which $100,000,000 to remain available until September 30, 2019, shall be available to provide support and assistance to foreign security forces or other groups or individuals to conduct, support or facilitate counterterrorism, crisis response, or other Department of Defense security cooperation programs: Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority provided elsewhere in this Act.
Operation and Maintenance, Army Reserve

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, $2,870,163,000.

Operation and Maintenance, Navy Reserve

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, $1,038,507,000.

Operation and Maintenance, Marine Corps Reserve

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, $282,337,000.
OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications, $3,233,745,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft), $7,275,820,000.
OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For expenses of training, organizing, and administering the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; transportation of things, hire of passenger motor vehicles; supplying and equipping the Air National Guard, as authorized by law; expenses for repair, modification, maintenance, and issue of supplies and equipment, including those furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau, $6,735,930,000.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

For salaries and expenses necessary for the United States Court of Appeals for the Armed Forces, $14,538,000, of which not to exceed $5,000 may be used for official representation purposes.
ENVIRONMENTAL RESTORATION, ARMY

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, $215,809,000, to re-
main available until transferred: Provided, That the Sec-
retary of the Army shall, upon determining that such funds
are required for environmental restoration, reduction and
recycling of hazardous waste, removal of unsafe buildings
and debris of the Department of the Army, or for similar
purposes, transfer the funds made available by this appro-
priation to other appropriations made available to the De-
partment of the Army, to be merged with and to be available
for the same purposes and for the same time period as the
appropriations to which transferred: Provided further, That
upon a determination that all or part of the funds trans-
ferred from this appropriation are not necessary for the
purposes provided herein, such amounts may be transferred
back to this appropriation: Provided further, That the
transfer authority provided under this heading is in addi-
tion to any other transfer authority provided elsewhere in
this Act.

ENVIRONMENTAL RESTORATION, NAVY

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Navy, $288,915,000 (in-
creased by $34,734,000) (increased by $30,000,000), to re-
main available until transferred: Provided, That the Sec-
Secretary of the Navy shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Navy, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Navy, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority provided elsewhere in this Act.

**ENVIRONMENTAL RESTORATION, AIR FORCE**

**(INCLUDING TRANSFER OF FUNDS)**

For the Department of the Air Force, $308,749,000 (increased by $30,000,000), to remain available until transferred: Provided, That the Secretary of the Air Force shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Air Force, or for similar purposes, transfer the
funds made available by this appropriation to other appropriations made available to the Department of the Air Force, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority provided elsewhere in this Act.

**ENVIRONMENTAL RESTORATION, DEFENSE-WIDE**

*(INCLUDING TRANSFER OF FUNDS)*

For the Department of Defense, $9,002,000 (increased by $10,000,000), to remain available until transferred: Provided, That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of Defense, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of Defense, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that
all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority provided elsewhere in this Act.

ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, $233,673,000, to remain available until transferred: Provided, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris at sites formerly used by the Department of Defense, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: Provided further, That the transfer authority provided under this heading is in addi-
tion to any other transfer authority provided elsewhere in
this Act.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For expenses relating to the Overseas Humanitarian,
Disaster, and Civic Aid programs of the Department of De-
fense (consisting of the programs provided under sections
401, 402, 404, 407, 2557, and 2561 of title 10, United
States Code), $107,900,000, to remain available until Sep-
tember 30, 2018.

COOPERATIVE THREAT REDUCTION ACCOUNT

For assistance, including assistance provided by con-
tract or by grants, under programs and activities of the
Department of Defense Cooperative Threat Reduction Pro-
gram authorized under the Department of Defense Coopera-
tive Threat Reduction Act, $324,600,000, to remain avail-
able until September 30, 2019.

OPERATION AND MAINTENANCE, NATIONAL DEFENSE

RESTORATION FUND

(INCLUDING TRANSFER OF FUNDS)

In addition to amounts provided elsewhere in this Act,
there is appropriated $5,000,000,000, for the “Operation
and Maintenance, National Defense Restoration Fund”:
Provided, That such funds provided under this heading
shall only be available for programs, projects and activities
necessary to implement the 2018 National Defense Strategy:
Provided further, That such funds shall not be available for transfer until 30 days after the Secretary has submitted, and the congressional defense committees have approved, the proposed allocation plan for the use of such funds to implement such strategy: Provided further, That such allocation plan shall include a detailed justification for the use of such funds and a description of how such investments are necessary to implement the strategy: Provided further, That the Secretary of Defense may transfer these funds only to operation and maintenance accounts: Provided further, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which transferred: Provided further, That none of the funds made available under this heading may be transferred to any program, project, or activity specifically limited or denied by this Act: Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority available to the Department of Defense.

TITLE III

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and ac-
cessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $4,456,533,000, to remain available for obligation until September 30, 2020.

MISSILE PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes,
$2,581,600,000, to remain available for obligation until September 30, 2020.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $3,556,175,000, to remain available for obligation until September 30, 2020.

PROCUREMENT OF AMMUNITION, ARMY

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities, authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such
lands and interests therein, may be acquired, and construc-
tion prosecuted thereon prior to approval of title; and pro-
curement and installation of equipment, appliances, and
machine tools in public and private plants; reserve plant
and Government and contractor-owned equipment layaway;
and other expenses necessary for the foregoing purposes,
$1,811,808,000, to remain available for obligation until

**OTHER PROCUREMENT, ARMY**

For construction, procurement, production, and modi-
fication of vehicles, including tactical, support, and non-
tracked combat vehicles; the purchase of passenger motor ve-
hicles for replacement only; communications and electronic
equipment; other support equipment; spare parts, ordnance,
and accessories therefor; specialized equipment and training
devices; expansion of public and private plants, including
the land necessary therefor, for the foregoing purposes, and
such lands and interests therein, may be acquired, and con-
struction prosecuted thereon prior to approval of title; and
procurement and installation of equipment, appliances,
and machine tools in public and private plants; reserve
plant and Government and contractor-owned equipment
layaway; and other expenses necessary for the foregoing
purposes, $6,356,044,000 (increased by $30,000,000), to re-
main available for obligation until September 30, 2020.
AIRCRAFT PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway, $17,908,270,000, to remain available for obligation until September 30, 2020.

WEAPONS PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway,
$3,387,826,000 (increased by $26,200,000), to remain available for obligation until September 30, 2020.

**PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS**

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities, authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $735,651,000, to remain available for obligation until September 30, 2020.

**SHIPBUILDING AND CONVERSION, NAVY**

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical,
long lead time components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, as follows:

Ohio Replacement Submarine (AP), $842,853,000;
Carrier Replacement Program, $1,869,646,000;
Carrier Replacement Program (AP), $2,561,058,000;
Virginia Class Submarine, $3,305,315,000;
Virginia Class Submarine (AP), $1,920,596,000;
CVN Refueling Overhauls, $1,569,669,000;
CVN Refueling Overhauls (AP), $75,897,000;
DDG–1000 Program, $164,976,000;
DDG–51 Destroyer, $3,499,079,000;
DDG–51 Destroyer (AP), $90,336,000;
Littoral Combat Ship, $1,566,971,000;
Expeditionary Sea Base, $635,000,000;
LHA Replacement, $1,695,077,000;
TAO Fleet Oiler, $449,415,000;
TAO Fleet Oiler (AP), $75,068,000;
Ship to Shore Connector, $390,554,000;
Service Craft, $23,994,000;
Towing, Salvage, and Rescue Ship, $76,204,000;  
LCU 1700, $31,850,000;  
For outfitting, post delivery, conversions, and  
first destination transportation, $542,626,000; and  
Completion of Prior Year Shipbuilding Programs, $117,542,000.  
In all: $21,503,726,000, to remain available for obligation until September 30, 2022: Provided, That additional obligations may be incurred after September 30, 2022, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction: Provided further, That none of the funds provided under this heading for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign facilities for the construction of major components of such vessel: Provided further, That none of the funds provided under this heading shall be used for the construction of any naval vessel in foreign shipyards: Provided further, That funds appropriated or otherwise made available by this Act for production of the common missile compartment of nuclear-powered vessels may be available for multiyear procurement of critical components to support continuous production of such compartments only in accordance with the provisions of subsection (i) of section 2218a of title 10, United States
Code (as added by section 1023 of the National Defense Authoriza-

tion Act for Fiscal Year 2017 (Public Law 114–328)).

OTHER PROCUREMENT, NAVY

For procurement, production, and modernization of

support equipment and materials not otherwise provided

for, Navy ordnance (except ordnance for new aircraft, new

ships, and ships authorized for conversion); the purchase

of passenger motor vehicles for replacement only; expansion

of public and private plants, including the land necessary

therefor, and such lands and interests therein, may be ac-

quired, and construction prosecuted thereon prior to ap-

proval of title; and procurement and installation of equip-

ment, appliances, and machine tools in public and private

plants; reserve plant and Government and contractor-owned

equipment layaway, $7,852,952,000, to remain available

for obligation until September 30, 2020.

PROCUREMENT, MARINE CORPS

For expenses necessary for the procurement, manufac-
ture, and modification of missiles, armament, military

equipment, spare parts, and accessories therefor; plant

equipment, appliances, and machine tools, and installation

thereof in public and private plants; reserve plant and Gov-

ernment and contractor-owned equipment layaway; vehicles

for the Marine Corps, including the purchase of passenger
motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, $1,818,846,000 (increased by $20,000,000), to remain available for obligation until September 30, 2020.

AIRCRAFT PROCUREMENT, AIR FORCE

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things, $16,553,196,000 (increased by $16,000,000), to remain available for obligation until September 30, 2020.

MISSILE PROCUREMENT, AIR FORCE

For construction, procurement, and modification of missiles, rockets, and related equipment, including spare
parts and accessories therefor; ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things, $2,203,101,000, to remain available for obligation until September 30, 2020.

Space Procurement, Air Force

For construction, procurement, and modification of spacecraft, rockets, and related equipment, including spare parts and accessories therefor; ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things, $3,210,355,000, to remain available for obligation until September 30, 2020.
PROCUREMENT OF AMMUNITION, AIR FORCE

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities, authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes, $1,316,977,000, to remain available for obligation until September 30, 2020.

OTHER PROCUREMENT, AIR FORCE

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of passenger motor vehicles for replacement only; lease of passenger motor vehicles; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing pur-
poses, and such lands and interests therein, may be ac-
quired, and construction prosecuted thereon, prior to ap-
proval of title; reserve plant and Government and con-
tactor-owned equipment layaway, $19,318,814,000, to re-
main available for obligation until September 30, 2020.

PROCUREMENT, DEFENSE-WIDE

For expenses of activities and agencies of the Depart-
ment of Defense (other than the military departments) nec-
essary for procurement, production, and modification of
equipment, supplies, materials, and spare parts therefor,
not otherwise provided for; the purchase of passenger motor
vehicles for replacement only; expansion of public and pri-
ivate plants, equipment, and installation thereof in such
plants, erection of structures, and acquisition of land for
the foregoing purposes, and such lands and interests therein,
may be acquired, and construction prosecuted thereon prior
to approval of title; reserve plant and Government and con-
tactor-owned equipment layaway, $5,239,239,000 (reduced
by $10,000,000), to remain available for obligation until

DEFENSE PRODUCTION ACT PURCHASES

For activities by the Department of Defense pursuant
to sections 108, 301, 302, and 303 of the Defense Production
Act of 1950 (50 U.S.C. 4518, 4531, 4532, and 4533),
$67,401,000, to remain available until expended.
PROCUREMENT, NATIONAL DEFENSE RESTORATION FUND

(INCLUDING TRANSFER OF FUNDS)

In addition to amounts provided elsewhere in this Act, there is appropriated $12,622,931,000, for the “Procurement, National Defense Restoration Fund”: Provided, That such funds provided under this heading shall only be available for programs, projects and activities necessary to implement the 2018 National Defense Strategy: Provided further, That such funds shall not be available for transfer until 30 days after the Secretary has submitted, and the congressional defense committees have approved, the proposed allocation plan for the use of such funds to implement such strategy: Provided further, That such allocation plan shall include a detailed justification for the use of such funds and a description of how such investments are necessary to implement the strategy: Provided further, That the Secretary of Defense may transfer these funds only to procurement accounts: Provided further, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which transferred: Provided further, That none of the funds made available under this heading may be transferred to any program, project, or activity specifically limited or denied by this Act, except for missile defense requirements resulting from urgent or emergent operational
needs: Provided further, That the transfer authority pro-
vided under this heading is in addition to any other trans-
fer authority available to the Department of Defense.

TITLE IV

RESEARCH, DEVELOPMENT, TEST AND
EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific
research, development, test and evaluation, including main-
tenance, rehabilitation, lease, and operation of facilities
and equipment, $9,674,222,000 (increased by $6,000,000)
(increased by $4,000,000) (increased by $12,000,000) (in-
creased by $5,000,000), to remain available for obligation
until September 30, 2019.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific
research, development, test and evaluation, including main-
tenance, rehabilitation, lease, and operation of facilities
and equipment, $17,196,521,000 (increased by $598,000)
(increased by $20,000,000) (reduced by $2,500,000) (in-
creased by $24,000,000), to remain available for obligation
until September 30, 2019: Provided, That funds appro-
priated in this paragraph which are available for the V–
22 may be used to meet unique operational requirements
of the Special Operations Forces.
Research, Development, Test and Evaluation, Air Force

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, $33,874,980,000 (increased by $5,000,000) (increased by $6,000,000) (increased by $10,000,000) (reduced by $30,000,000) (increased by $30,000,000), to remain available for obligation until September 30, 2019.

Research, Development, Test and Evaluation, Defense-Wide

(including transfer of funds)

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, $20,698,353,000 (reduced by $16,000,000) (reduced by $12,000,000) (reduced by $2,500,000) (reduced by $12,500,000) (increased by $20,000,000) (reduced by $20,000,000) (reduced by $4,135,000) (increased by $4,135,000) (reduced by $27,500,000) (increased by $10,000,000), to remain available for obligation until September 30, 2019: Provided,
That, of the funds made available in this paragraph, $250,000,000 for the Defense Rapid Innovation Program shall only be available for expenses, not otherwise provided for, to include program management and oversight, to conduct research, development, test and evaluation to include proof of concept demonstration; engineering, testing, and validation; and transition to full-scale production: Provided further, That the Secretary of Defense may transfer funds provided herein for the Defense Rapid Innovation Program to appropriations for research, development, test and evaluation to accomplish the purpose provided herein: Provided further, That this transfer authority is in addition to any other transfer authority available to the Department of Defense: Provided further, That the Secretary of Defense shall, not fewer than 30 days prior to making transfers from this appropriation, notify the congressional defense committees in writing of the details of any such transfer.

Operational Test and Evaluation, Defense

For expenses, not otherwise provided for, necessary for the independent activities of the Director, Operational Test and Evaluation, in the direction and supervision of operational test and evaluation, including initial operational test and evaluation which is conducted prior to, and in support of, production decisions; joint operational testing and evaluation; and administrative expenses in connection
therewith, $210,900,000, to remain available for obligation until September 30, 2019.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION,

NATIONAL DEFENSE RESTORATION FUND

(INCLUDING TRANSFER OF FUNDS)

In addition to amounts provided elsewhere in this Act, there is appropriated $1,000,000,000, for the “Research, Development, Test and Evaluation, National Defense Restoration Fund”: Provided, That such funds provided under this heading shall only be available for programs, projects and activities necessary to implement the 2018 National Defense Strategy: Provided further, That such funds shall not be available for transfer until 30 days after the Secretary has submitted, and the congressional defense committees have approved, the proposed allocation plan for the use of such funds to implement such strategy: Provided further, That such allocation plan shall include a detailed justification for the use of such funds and a description of how such investments are necessary to implement the strategy: Provided further, That the Secretary of Defense may transfer these funds only to research, development, test and evaluation accounts: Provided further, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which transferred: Provided further, That none of the
funds made available under this heading may be trans-
ferred to any program, project, or activity specifically lim-
ited or denied by this Act, except for missile defense require-
ments resulting from urgent or emergent operational needs:
Provided further, That the transfer authority provided
under this heading is in addition to any other transfer au-
thority available to the Department of Defense.

TITLE V
REVOLVING AND MANAGEMENT FUNDS
DEFENSE WORKING CAPITAL FUNDS
For the Defense Working Capital Funds,
$1,586,596,000.

TITLE VI
OTHER DEPARTMENT OF DEFENSE PROGRAMS
DEFENSE HEALTH PROGRAM
For expenses, not otherwise provided for, for medical
and health care programs of the Department of Defense as
authorized by law, $33,931,566,000 (increased by
$7,000,000) (increased by $1,000,000) (increased by
$10,000,000) (increased by $2,000,000) (increased by
$2,000,000) (increased by $10,000,000) (increased by
$5,000,000) (increased by $10,000,000); of which
$31,735,923,000 (increased by $2,000,000) (increased by
$5,000,000) shall be for operation and maintenance, of
which not to exceed one percent shall remain available for
obligation until September 30, 2019, and of which up to $15,349,700,000 may be available for contracts entered into under the TRICARE program; of which $895,328,000, to remain available for obligation until September 30, 2020, shall be for procurement; and of which $1,300,315,000 (increased by $7,000,000) (increased by $1,000,000) (increased by $10,000,000) (increased by $2,000,000) (increased by $10,000,000) (increased by $10,000,000), to remain available for obligation until September 30, 2019, shall be for research, development, test and evaluation: Provided, That, notwithstanding any other provision of law, of the amount made available under this heading for research, development, test and evaluation, not less than $8,000,000 shall be available for HIV prevention educational activities undertaken in connection with United States military training, exercises, and humanitarian assistance activities conducted primarily in African nations: Provided further, That of the funds provided under this heading for research, development, test and evaluation, not less than $627,100,000 shall be made available to the United States Army Medical Research and Materiel Command to carry out the congressionally directed medical research programs.
CHEMICAL AGENTS AND MUNITIONS DESTRUCTION,

DEFENSE

For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521), and for the destruction of other chemical warfare materials that are not in the chemical weapon stockpile, $961,732,000, of which $104,237,000 shall be for operation and maintenance, of which no less than $49,401,000 shall be for the Chemical Stockpile Emergency Preparedness Program, consisting of $21,045,000 for activities on military installations and $28,356,000, to remain available until September 30, 2019, to assist State and local governments; $18,081,000 shall be for procurement, to remain available until September 30, 2020, of which $18,081,000 shall be for the Chemical Stockpile Emergency Preparedness Program to assist State and local governments; and $839,414,000, to remain available until September 30, 2019, shall be for research, development, test and evaluation, of which $750,700,000 shall only be for the Assembled Chemical Weapons Alternatives program.
Drug Interdiction and Counter-Drug Activities,

Defense

(Including Transfer of Funds)

For drug interdiction and counter-drug activities of the Department of Defense, for transfer to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code; for operation and maintenance; for procurement; and for research, development, test and evaluation, $854,814,000, of which $532,648,000 shall be for counter-narcotics support; $120,813,000 shall be for the drug demand reduction program; and $201,353,000 shall be for the National Guard counter-drug program: Provided, That the funds appropriated under this heading shall be available for obligation for the same time period and for the same purpose as the appropriation to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority contained elsewhere in this Act.
OFFICE OF THE INSPECTOR GENERAL

For expenses and activities of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $336,887,000, of which $334,087,000 shall be for operation and maintenance, of which not to exceed $700,000 is available for emergencies and extraordinary expenses to be expended on the approval or authority of the Inspector General, and payments may be made on the Inspector General’s certificate of necessity for confidential military purposes; and of which $2,800,000, to remain available until September 30, 2019, shall be for research, development, test and evaluation.

TITLE VII

RELATED AGENCIES

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain the proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System, $514,000,000.

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

For necessary expenses of the Intelligence Community Management Account, $522,100,000.
TITLE VIII

GENERAL PROVISIONS

Sec. 1101. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

Sec. 1102. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense: Provided, That salary increases granted to direct and indirect hire foreign national employees of the Department of Defense funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for civilian employees of the Department of Defense whose pay is computed under the provisions of section 5332 of title 5, United States Code, or at a rate in excess of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher: Provided further, That this section shall not apply to Department of Defense foreign service national employees serving at United States diplomatic missions whose pay is set by the Department of State under the Foreign Service Act of 1980: Provided further, That the limitations of this provision shall not apply to foreign national employees of the Department of Defense in the Republic of Turkey.
Sec. 1103. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year, unless expressly so provided herein.

Sec. 1104. No more than 20 percent of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last 2 months of the fiscal year: Provided, That this section shall not apply to obligations for support of active duty training of reserve components or summer camp training of the Reserve Officers’ Training Corps.

(TRANSFER OF FUNDS)

Sec. 1105. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed $4,500,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: Provided, That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case
where the item for which funds are requested has been denied by the Congress: Provided further, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority or any other authority in this Act: Provided further, That no part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress: Provided further, That a request for multiple reprogrammings of funds using authority provided in this section shall be made prior to June 30, 2017: Provided further, That transfers among military personnel appropriations shall not be taken into account for purposes of the limitation on the amount of funds that may be transferred under this section.

Sec. 1106. (a) With regard to the list of specific programs, projects, and activities (and the dollar amounts and adjustments to budget activities corresponding to such programs, projects, and activities) contained in the tables titled Explanation of Project Level Adjustments in the explanatory statement regarding this Act, the obligation and expenditure of amounts appropriated or otherwise made
available in this Act for those programs, projects, and activities for which the amounts appropriated exceed the amounts requested are hereby required by law to be carried out in the manner provided by such tables to the same extent as if the tables were included in the text of this Act.

(b) Amounts specified in the referenced tables described in subsection (a) shall not be treated as subdivisions of appropriations for purposes of section 8005 of this Act: Provided, That section 8005 shall apply when transfers of the amounts described in subsection (a) occur between appropriation accounts.

SEC. 1107. (a) Not later than 60 days after enactment of this Act, the Department of Defense shall submit a report to the congressional defense committees to establish the baseline for application of reprogramming and transfer authorities for fiscal year 2018: Provided, That the report shall include—

(1) a table for each appropriation with a separate column to display the President’s budget request, adjustments made by Congress, adjustments due to enacted rescissions, if appropriate, and the fiscal year enacted level;

(2) a delineation in the table for each appropriation both by budget activity and program, project, and activity as detailed in the Budget Appendix; and
(3) an identification of items of special congressional interest.

(b) Notwithstanding section 8005 of this Act, none of the funds provided in this Act shall be available for reprogramming or transfer until the report identified in subsection (a) is submitted to the congressional defense committees, unless the Secretary of Defense certifies in writing to the congressional defense committees that such reprogramming or transfer is necessary as an emergency requirement:

Provided, That this subsection shall not apply to transfers from the following appropriations accounts:

(1) “Environmental Restoration, Army”;

(2) “Environmental Restoration, Navy”;

(3) “Environmental Restoration, Air Force”;

(4) “Environmental Restoration, Defense-Wide”

(5) “Environmental Restoration, Formerly Used Defense Sites”; and

(6) “Drug Interdiction and Counter-drug Activities, Defense”.

(TRANSFER OF FUNDS)

Sec. 1108. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made
from such funds: Provided, That transfers may be made between such funds: Provided further, That transfers may be made between working capital funds and the “Foreign Currency Fluctuations, Defense” appropriation and the “Operation and Maintenance” appropriation accounts in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that such transfers may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer: Provided further, That except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure or increase the value of war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

Sec. 1109. Funds appropriated by this Act may not be used to initiate a special access program without prior notification 30 calendar days in advance to the congressional defense committees.

Sec. 1110. None of the funds provided in this Act shall be available to initiate: (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract or that includes an unfunded contingent liability in excess of $20,000,000; or (2) a contract for advance procurement leading to a
multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year, unless the congressional defense committees have been notified at least 30 days in advance of the proposed contract award:

Provided, That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government’s liability: Provided further, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed $500,000,000 unless specifically provided in this Act:

Provided further, That no multiyear procurement contract can be terminated without 30-day prior notification to the congressional defense committees: Provided further, That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement: Provided further, That none of the funds provided in this Act may be used for a multiyear contract executed after the date of the enactment of this Act unless in the case of any such contract—

(1) the Secretary of Defense has submitted to Congress a budget request for full funding of units to be procured through the contract and, in the case of
a contract for procurement of aircraft, that includes, for any aircraft unit to be procured through the contract for which procurement funds are requested in that budget request for production beyond advance procurement activities in the fiscal year covered by the budget, full funding of procurement of such unit in that fiscal year;

(2) cancellation provisions in the contract do not include consideration of recurring manufacturing costs of the contractor associated with the production of unfunded units to be delivered under the contract;

(3) the contract provides that payments to the contractor under the contract shall not be made in advance of incurred costs on funded units; and

(4) the contract does not provide for a price adjustment based on a failure to award a follow-on contract.

Funds appropriated in title III of this Act may be used, subject to section 2306b of title 10, United States Code, for multiyear procurement contracts as follows: V–22 Osprey aircraft variants; up to 13 SSN Virginia Class Submarines and Government-furnished equipment; and DDG–51 Arleigh Burke class Flight III guided missile destroyers, the MK 41 Vertical Launching Systems, and associated Government-furnished systems and subsystems.
Sec. 1111. Within the funds appropriated for the operation and maintenance of the Armed Forces, funds are hereby appropriated pursuant to section 401 of title 10, United States Code, for humanitarian and civic assistance costs under chapter 20 of title 10, United States Code. Such funds may also be obligated for humanitarian and civic assistance costs incidental to authorized operations and pursuant to authority granted in section 401 of chapter 20 of title 10, United States Code, and these obligations shall be reported as required by section 401(d) of title 10, United States Code: Provided, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the Trust Territories of the Pacific Islands and freely associated states of Micronesia, pursuant to the Compact of Free Association as authorized by Public Law 99–239: Provided further, That upon a determination by the Secretary of the Army that such action is beneficial for graduate medical education programs conducted at Army medical facilities located in Hawaii, the Secretary of the Army may authorize the provision of medical services at such facilities and transportation to such facilities, on a nonreimbursable basis, for civilian patients from American Samoa, the Commonwealth of the Northern Mariana Islands, the
Sec. 1112. (a) During the current fiscal year, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(b) The fiscal year 2019 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 2019 Department of Defense budget request shall be prepared and submitted to the Congress as if subsections (a) and (b) of this provision were effective with regard to fiscal year 2019.

(c) As required by section 1107 of the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113–66; 10 U.S.C. 2358 note) civilian personnel at the Department of Army Science and Technology Reinvention Laboratories may not be managed on the basis of the Table of Distribution and Allowances, and the management of the workforce strength shall be done in a manner consistent with the budget available with respect to such Laboratories.

(d) Nothing in this section shall be construed to apply to military (civilian) technicians.
Sec. 1113. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

Sec. 1114. None of the funds appropriated by this Act shall be available for the basic pay and allowances of any member of the Army participating as a full-time student and receiving benefits paid by the Secretary of Veterans Affairs from the Department of Defense Education Benefits Fund when time spent as a full-time student is credited toward completion of a service commitment: Provided, That this section shall not apply to those members who have reenlisted with this option prior to October 1, 1987: Provided further, That this section applies only to active components of the Army.

(TRANSFER OF FUNDS)

Sec. 1115. Funds appropriated in title III of this Act for the Department of Defense Pilot Mentor-Protégé Program may be transferred to any other appropriation contained in this Act solely for the purpose of implementing a Mentor-Protégé Program developmental assistance agreement pursuant to section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2302 note), as amended, under the authority of
this provision or any other transfer authority contained in
this Act.

SEC. 1116. None of the funds in this Act may be avail-
able for the purchase by the Department of Defense (and
its departments and agencies) of welded shipboard anchor
and mooring chain 4 inches in diameter and under unless
the anchor and mooring chain are manufactured in the
United States from components which are substantially
manufactured in the United States: Provided, That for the
purpose of this section, the term "manufactured" shall in-
clude cutting, heat treating, quality control, testing of chain
and welding (including the forging and shot blasting proc-
ess): Provided further, That for the purpose of this section
substantially all of the components of anchor and mooring
chain shall be considered to be produced or manufactured
in the United States if the aggregate cost of the components
produced or manufactured in the United States exceeds the
aggregate cost of the components produced or manufactured
outside the United States: Provided further, That when ade-
quate domestic supplies are not available to meet Depart-
ment of Defense requirements on a timely basis, the Sec-
retary of the service responsible for the procurement may
waive this restriction on a case-by-case basis by certifying
in writing to the Committees on Appropriations that such
an acquisition must be made in order to acquire capability
for national security purposes.

Sec. 1117. None of the funds available to the Depart-
ment of Defense may be used to demilitarize or dispose of
M–1 Carbines, M–1 Garand rifles, M–14 rifles, .22 caliber
rifles, .30 caliber rifles, or M–1911 pistols, or to demili-
tarize or destroy small arms ammunition or ammunition
components that are not otherwise prohibited from commer-
cial sale under Federal law, unless the small arms ammuni-
tion or ammunition components are certified by the Sec-
retary of the Army or designee as unserviceable or unsafe
for further use.

Sec. 1118. No more than $500,000 of the funds appro-
priated or made available in this Act shall be used during
a single fiscal year for any single relocation of an organiza-
tion, unit, activity or function of the Department of Defense
into or within the National Capital Region: Provided, That
the Secretary of Defense may waive this restriction on a
case-by-case basis by certifying in writing to the congres-
sional defense committees that such a relocation is required
in the best interest of the Government.

Sec. 1119. Of the funds made available in this Act,
$20,000,000 shall be available for incentive payments au-
thorized by section 504 of the Indian Financing Act of 1974
(25 U.S.C. 1544): Provided, That a prime contractor or a
subcontractor at any tier that makes a subcontract award to any subcontractor or supplier as defined in section 1544 of title 25, United States Code, or a small business owned and controlled by an individual or individuals defined under section 4221(9) of title 25, United States Code, shall be considered a contractor for the purposes of being allowed additional compensation under section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544) whenever the prime contract or subcontract amount is over $500,000 and involves the expenditure of funds appropriated by an Act making appropriations for the Department of Defense with respect to any fiscal year: Provided further, That notwithstanding section 1906 of title 41, United States Code, this section shall be applicable to any Department of Defense acquisition of supplies or services, including any contract and any subcontract at any tier for acquisition of commercial items produced or manufactured, in whole or in part, by any subcontractor or supplier defined in section 1544 of title 25, United States Code, or a small business owned and controlled by an individual or individuals defined under section 4221(9) of title 25, United States Code.

SEC. 1120. Funds appropriated by this Act for the Defense Media Activity shall not be used for any national or international political or psychological activities.
SEC. 1121. During the current fiscal year, the Department of Defense is authorized to incur obligations of not to exceed $350,000,000 for purposes specified in section 2350j(c) of title 10, United States Code, in anticipation of receipt of contributions, only from the Government of Kuwait, under that section: Provided, That, upon receipt, such contributions from the Government of Kuwait shall be credited to the appropriations or fund which incurred such obligations.

SEC. 1122. (a) Of the funds made available in this Act, not less than $43,100,000 shall be available for the Civil Air Patrol Corporation, of which—

(1) $30,800,000 shall be available from “Operation and Maintenance, Air Force” to support Civil Air Patrol Corporation operation and maintenance, readiness, counter-drug activities, and drug demand reduction activities involving youth programs;

(2) $10,600,000 shall be available from “Aircraft Procurement, Air Force”; and

(3) $1,700,000 shall be available from “Other Procurement, Air Force” for vehicle procurement.

(b) The Secretary of the Air Force should waive reimbursement for any funds used by the Civil Air Patrol for counter-drug activities in support of Federal, State, and local government agencies.
Sec. 1123. (a) None of the funds appropriated in this Act are available to establish a new Department of Defense (department) federally funded research and development center (FFRDC), either as a new entity, or as a separate entity administrated by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other nonprofit entities.

(b) No member of a Board of Directors, Trustees, Overseers, Advisory Group, Special Issues Panel, Visiting Committee, or any similar entity of a defense FFRDC, and no paid consultant to any defense FFRDC, except when acting in a technical advisory capacity, may be compensated for his or her services as a member of such entity, or as a paid consultant by more than one FFRDC in a fiscal year: Provided, That a member of any such entity referred to previously in this subsection shall be allowed travel expenses and per diem as authorized under the Federal Joint Travel Regulations, when engaged in the performance of membership duties.

(c) Notwithstanding any other provision of law, none of the funds available to the department from any source during the current fiscal year may be used by a defense FFRDC, through a fee or other payment mechanism, for construction of new buildings not located on a military in-
stallation, for payment of cost sharing for projects funded
by Government grants, for absorption of contract overruns,
or for certain charitable contributions, not to include em-
ployee participation in community service and/or develop-
ment.

(d) Notwithstanding any other provision of law, of the
funds available to the department during fiscal year 2018,
not more than 6,000 staff years of technical effort (staff
years) may be funded for defense FFRDCs: Provided, That,
of the specific amount referred to previously in this sub-
section, not more than 1,180 staff years may be funded for
the defense studies and analysis FFRDCs: Provided further,
That this subsection shall not apply to staff years funded
in the National Intelligence Program (NIP) and the Mili-
tary Intelligence Program (MIP).

(e) The Secretary of Defense shall, with the submission
of the department’s fiscal year 2019 budget request, submit
a report presenting the specific amounts of staff years of
technical effort to be allocated for each defense FFRDC dur-
ing that fiscal year and the associated budget estimates.

(f) Notwithstanding any other provision of this Act,
the total amount appropriated in this Act for FFRDCs is
hereby reduced by $210,000,000.

SEC. 1124. None of the funds appropriated or made
available in this Act shall be used to procure carbon, alloy,
or armor steel plate for use in any Government-owned facility or property under the control of the Department of Defense which were not melted and rolled in the United States or Canada: Provided, That these procurement restrictions shall apply to any and all Federal Supply Class 9515, American Society of Testing and Materials (ASTM) or American Iron and Steel Institute (AISI) specifications of carbon, alloy or armor steel plate: Provided further, That the Secretary of the military department responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: Provided further, That these restrictions shall not apply to contracts which are in being as of the date of the enactment of this Act.

SEC. 1125. For the purposes of this Act, the term “congressional defense committees” means the Armed Services Committee of the House of Representatives, the Armed Services Committee of the Senate, the Subcommittee on Defense of the Committee on Appropriations of the Senate, and the Subcommittee on Defense of the Committee on Appropriations of the House of Representatives.
Sec. 1126. During the current fiscal year, the Department of Defense may acquire the modification, depot maintenance and repair of aircraft, vehicles and vessels as well as the production of components and other Defense-related articles, through competition between Department of Defense depot maintenance activities and private firms: Provided, That the Senior Acquisition Executive of the military department or Defense Agency concerned, with power of delegation, shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private bids: Provided further, That Office of Management and Budget Circular A–76 shall not apply to competitions conducted under this section.

Sec. 1127. (a)(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary’s blanket waiver of the Buy American Act with respect to such types of products produced in that foreign country.

(2) An agreement referred to in paragraph (1) is any reciprocal defense procurement memorandum of under-
standing, between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country.

(b) The Secretary of Defense shall submit to the Congress a report on the amount of Department of Defense purchases from foreign entities in fiscal year 2018. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.), or any international agreement to which the United States is a party.

(c) For purposes of this section, the term Buy American Act means chapter 83 of title 41, United States Code.


SEC. 1129. (a) Notwithstanding any other provision of law, the Secretary of the Air Force may convey at no cost to the Air Force, without consideration, to Indian tribes located in the States of Nevada, Idaho, North Dakota,
South Dakota, Montana, Oregon, Minnesota, and Washington relocatable military housing units located at Grand Forks Air Force Base, Malmstrom Air Force Base, Mountain Home Air Force Base, Ellsworth Air Force Base, and Minot Air Force Base that are excess to the needs of the Air Force.

(b) The Secretary of the Air Force shall convey, at no cost to the Air Force, military housing units under subsection (a) in accordance with the request for such units that are submitted to the Secretary by the Operation Walking Shield Program on behalf of Indian tribes located in the States of Nevada, Idaho, North Dakota, South Dakota, Montana, Oregon, Minnesota, and Washington. Any such conveyance shall be subject to the condition that the housing units shall be removed within a reasonable period of time, as determined by the Secretary.

(c) The Operation Walking Shield Program shall resolve any conflicts among requests of Indian tribes for housing units under subsection (a) before submitting requests to the Secretary of the Air Force under subsection (b).

(d) In this section, the term Indian tribe means any recognized Indian tribe included on the current list published by the Secretary of the Interior under section 104 of the Federally Recognized Indian Tribe Act of 1994 (Public Law 103–454; 108 Stat. 4792; 25 U.S.C. 479a–1).
Sec. 1130. During the current fiscal year, appropriations which are available to the Department of Defense for operation and maintenance may be used to purchase items having an investment item unit cost of not more than $250,000.

Sec. 1131. None of the funds made available by this Act may be used to—

(1) disestablish, or prepare to disestablish, a Senior Reserve Officers’ Training Corps program in accordance with Department of Defense Instruction Number 1215.08, dated June 26, 2006; or

(2) close, downgrade from host to extension center, or place on probation a Senior Reserve Officers’ Training Corps program in accordance with the information paper of the Department of the Army titled “Army Senior Reserve Officers’ Training Corps (SROTC) Program Review and Criteria”, dated January 27, 2014.

Sec. 1132. The Secretary of Defense shall issue regulations to prohibit the sale of any tobacco or tobacco-related products in military resale outlets in the United States, its territories and possessions at a price below the most competitive price in the local community: Provided, That such regulations shall direct that the prices of tobacco or tobacco-related products in overseas military retail outlets shall be
within the range of prices established for military retail system stores located in the United States.

SEC. 1133. (a) During the current fiscal year, none of the appropriations or funds available to the Department of Defense Working Capital Funds shall be used for the purchase of an investment item for the purpose of acquiring a new inventory item for sale or anticipated sale during the current fiscal year or a subsequent fiscal year to customers of the Department of Defense Working Capital Funds if such an item would not have been chargeable to the Department of Defense Business Operations Fund during fiscal year 1994 and if the purchase of such an investment item would be chargeable during the current fiscal year to appropriations made to the Department of Defense for procurement.

(b) The fiscal year 2019 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 2019 Department of Defense budget shall be prepared and submitted to the Congress on the basis that any equipment which was classified as an end item and funded in a procurement appropriation contained in this Act shall be budgeted for in a proposed fiscal year 2019 procurement appropriation and not in the supply management business area or any other
area or category of the Department of Defense Working Capital Funds.

SEC. 1134. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 2019: Provided, That funds appropriated, transferred, or otherwise credited to the Central Intelligence Agency Central Services Working Capital Fund during this or any prior or subsequent fiscal year shall remain available until expended: Provided further, That any funds appropriated or transferred to the Central Intelligence Agency for advanced research and development acquisition, for agent operations, and for covert action programs authorized by the President under section 503 of the National Security Act of 1947 (50 U.S.C. 3093) shall remain available until September 30, 2019.

SEC. 1135. Notwithstanding any other provision of law, funds made available in this Act and hereafter for the Defense Intelligence Agency may be used for the design, development, and deployment of General Defense Intelligence Program intelligence communications and intelligence information systems for the Services, the Unified and Specified Commands, and the component commands.
Sec. 1136. Of the funds appropriated to the Department of Defense under the heading “Operation and Maintenance, Defense-Wide”, not less than $12,000,000 shall be made available only for the mitigation of environmental impacts, including training and technical assistance to tribes, related administrative support, the gathering of information, documenting of environmental damage, and developing a system for prioritization of mitigation and cost to complete estimates for mitigation, on Indian lands resulting from Department of Defense activities.

Sec. 1137. (a) None of the funds appropriated in this Act may be expended by an entity of the Department of Defense unless the entity, in expending the funds, complies with the Buy American Act. For purposes of this subsection, the term Buy American Act means chapter 83 of title 41, United States Code.

(b) If the Secretary of Defense determines that a person has been convicted of intentionally affixing a label bearing a “Made in America” inscription to any product sold in or shipped to the United States that is not made in America, the Secretary shall determine, in accordance with section 2410f of title 10, United States Code, whether the person should be debarred from contracting with the Department of Defense.
In the case of any equipment or products purchased with appropriations provided under this Act, it is the sense of the Congress that any entity of the Department of Defense, in expending the appropriation, purchase only American-made equipment and products, provided that American-made equipment and products are cost-competitive, quality competitive, and available in a timely fashion.

Sec. 1138. (a) Except as provided in subsections (b) and (c), none of the funds made available by this Act may be used—

(1) to establish a field operating agency; or

(2) to pay the basic pay of a member of the Armed Forces or civilian employee of the department who is transferred or reassigned from a headquarters activity if the member or employee’s place of duty remains at the location of that headquarters.

(b) The Secretary of Defense or Secretary of a military department may waive the limitations in subsection (a), on a case-by-case basis, if the Secretary determines, and certifies to the Committees on Appropriations of the House of Representatives and the Senate that the granting of the waiver will reduce the personnel requirements or the financial requirements of the department.

(c) This section does not apply to—
(1) field operating agencies funded within the National Intelligence Program;

(2) an Army field operating agency established to eliminate, mitigate, or counter the effects of improvised explosive devices, and, as determined by the Secretary of the Army, other similar threats;

(3) an Army field operating agency established to improve the effectiveness and efficiencies of biometric activities and to integrate common biometric technologies throughout the Department of Defense; or

(4) an Air Force field operating agency established to administer the Air Force Mortuary Affairs Program and Mortuary Operations for the Department of Defense and authorized Federal entities.

SEC. 1139. (a) None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of the enactment of this Act, is performed by Department of Defense civilian employees unless—

(1) the conversion is based on the result of a public-private competition that includes a most efficient and cost effective organization plan developed by such activity or function;
(2) the Competitive Sourcing Official determines that, over all performance periods stated in the solicitation of offers for performance of the activity or function, the cost of performance of the activity or function by a contractor would be less costly to the Department of Defense by an amount that equals or exceeds the lesser of—

(A) 10 percent of the most efficient organization’s personnel-related costs for performance of that activity or function by Federal employees; or

(B) $10,000,000; and

(3) the contractor does not receive an advantage for a proposal that would reduce costs for the Department of Defense by—

(A) not making an employer-sponsored health insurance plan available to the workers who are to be employed in the performance of that activity or function under the contract; or

(B) offering to such workers an employer-sponsored health benefits plan that requires the employer to contribute less towards the premium or subscription share than the amount that is paid by the Department of Defense for health
benefits for civilian employees under chapter 89
of title 5, United States Code.

(b)(1) The Department of Defense, without regard to
subsection (a) of this section or subsection (a), (b), or (c)
of section 2461 of title 10, United States Code, and notwith-
standing any administrative regulation, requirement, or
policy to the contrary shall have full authority to enter into
a contract for the performance of any commercial or indus-
trial type function of the Department of Defense that—

(A) is included on the procurement list estab-
lished pursuant to section 2 of the Javits-Wagner-
O’Day Act (section 8503 of title 41, United States
Code);

(B) is planned to be converted to performance by
a qualified nonprofit agency for the blind or by a
qualified nonprofit agency for other severely handi-
capped individuals in accordance with that Act; or

(C) is planned to be converted to performance by
a qualified firm under at least 51 percent ownership
by an Indian tribe, as defined in section 4(e) of the
Indian Self-Determination and Education Assistance
Act (25 U.S.C. 450b(e)), or a Native Hawaiian Orga-
nization, as defined in section 8(a)(15) of the Small
Business Act (15 U.S.C. 637(a)(15)).
(2) This section shall not apply to depot contracts or contracts for depot maintenance as provided in sections 2469 and 2474 of title 10, United States Code.

(c) The conversion of any activity or function of the Department of Defense under the authority provided by this section shall be credited toward any competitive or outsourcing goal, target, or measurement that may be established by statute, regulation, or policy and is deemed to be awarded under the authority of, and in compliance with, subsection (h) of section 2304 of title 10, United States Code, for the competition or outsourcing of commercial activities.

(RESCISIONS)

Sec. 1140. Of the funds appropriated in Department of Defense Appropriations Acts, the following funds are hereby rescinded from the following accounts and programs in the specified amounts: Provided, That no amounts may be rescinded from amounts that were designated by the Congress for Overseas Contingency Operations/Global War on Terrorism or as an emergency requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended:

“Aircraft Procurement, Navy”, 2016/2018, $274,000,000;
“Aircraft Procurement, Air Force”, 2016/2018, $82,700,000;

“Missile Procurement, Army”, 2017/2019, $19,319,000;

“Procurement of Weapons and Tracked Combat Vehicles, Army”, 2017/2019, $9,764,000;

“Other Procurement, Army”, 2017/2019, $10,000,000;

“Aircraft Procurement, Navy”, 2017/2019, $105,600,000;

“Weapons Procurement, Navy”, 2017/2019, $54,122,000;

“Shipbuilding and Conversion, Navy”, 2017/2021, $45,116,000;

“Aircraft Procurement, Air Force”, 2017/2019, $63,293,000;

“Missile Procurement, Air Force”, 2017/2019, $31,639,000;

“Space Procurement, Air Force”, 2017/2019, $15,000,000;

“Other Procurement, Air Force”, 2017/2019, $105,000,000;


SEC. 1141. None of the funds available in this Act may be used to reduce the authorized positions for military technicians (dual status) of the Army National Guard, Air National Guard, Army Reserve and Air Force Reserve for the purpose of applying any administratively imposed civilian personnel ceiling, freeze, or reduction on military technicians (dual status), unless such reductions are a direct result of a reduction in military force structure.

SEC. 1142. None of the funds appropriated or otherwise made available in this Act may be obligated or expended for assistance to the Democratic People’s Republic of Korea unless specifically appropriated for that purpose.

SEC. 1143. Funds appropriated in this Act for operation and maintenance of the Military Departments, Combatant Commands and Defense Agencies shall be available for reimbursement of pay, allowances and other expenses which would otherwise be incurred against appropriations for the National Guard and Reserve when members of the National Guard and Reserve provide intelligence or counterintelligence support to Combatant Commands, Defense Agencies and Joint Intelligence Activities, including the activities and programs included within the National Intelligence Program and the Military Intelligence Program:
Provided, That nothing in this section authorizes deviation from established Reserve and National Guard personnel and training procedures.

SEC. 1144. (a) None of the funds available to the Department of Defense for any fiscal year for drug interdiction or counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(b) None of the funds available to the Central Intelligence Agency for any fiscal year for drug interdiction or counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

SEC. 1145. None of the funds appropriated by this Act may be used for the procurement of ball and roller bearings other than those produced by a domestic source and of domestic origin: Provided, That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: Provided further, That this restriction
shall not apply to the purchase of “commercial items”, as defined by section 103 of title 41, United States Code, except that the restriction shall apply to ball or roller bearings purchased as end items.

SEC. 1146. None of the funds made available by this Act for Evolved Expendable Launch Vehicle service competitive procurements may be used unless the competitive procurements are open for award to all certified providers of Evolved Expendable Launch Vehicle-class systems: Provided, That the award shall be made to the provider that offers the best value to the government.

SEC. 1147. In addition to the amounts appropriated or otherwise made available elsewhere in this Act, $44,000,000 is hereby appropriated to the Department of Defense: Provided, That upon the determination of the Secretary of Defense that it shall serve the national interest, the Secretary shall make grants in the amounts specified as follows: $20,000,000 to the United Service Organizations and $24,000,000 to the Red Cross.

SEC. 1148. None of the funds in this Act may be used to purchase any supercomputer which is not manufactured in the United States, unless the Secretary of Defense certifies to the congressional defense committees that such an acquisition must be made in order to acquire capability for
national security purposes that is not available from United States manufacturers.

SEC. 1149. Notwithstanding any other provision in this Act, the Small Business Innovation Research program and the Small Business Technology Transfer program set-asides shall be taken proportionally from all programs, projects, or activities to the extent they contribute to the extramural budget.

SEC. 1150. None of the funds available to the Department of Defense under this Act shall be obligated or expended to pay a contractor under a contract with the Department of Defense for costs of any amount paid by the contractor to an employee when—

(1) such costs are for a bonus or otherwise in excess of the normal salary paid by the contractor to the employee; and

(2) such bonus is part of restructuring costs associated with a business combination.

(INCLUDING TRANSFER OF FUNDS)

SEC. 1151. During the current fiscal year, no more than $30,000,000 of appropriations made in this Act under the heading “Operation and Maintenance, Defense-Wide” may be transferred to appropriations available for the pay of military personnel, to be merged with, and to be available for the same time period as the appropriations to which
transferred, to be used in support of such personnel in connection with support and services for eligible organizations and activities outside the Department of Defense pursuant to section 2012 of title 10, United States Code.

SEC. 1152. During the current fiscal year, in the case of an appropriation account of the Department of Defense for which the period of availability for obligation has expired or which has closed under the provisions of section 1552 of title 31, United States Code, and which has a negative unliquidated or unexpended balance, an obligation or an adjustment of an obligation may be charged to any current appropriation account for the same purpose as the expired or closed account if—

(1) the obligation would have been properly chargeable (except as to amount) to the expired or closed account before the end of the period of availability or closing of that account;

(2) the obligation is not otherwise properly chargeable to any current appropriation account of the Department of Defense; and

(3) in the case of an expired account, the obligation is not chargeable to a current appropriation of the Department of Defense under the provisions of section 1405(b)(8) of the National Defense Authorization Act for Fiscal Year 1991, Public Law 101–510, as
amended (31 U.S.C. 1551 note): Provided, That in the case of an expired account, if subsequent review or investigation discloses that there was not in fact a negative unliquidated or unexpended balance in the account, any charge to a current account under the authority of this section shall be reversed and recorded against the expired account: Provided further, That the total amount charged to a current appropriation under this section may not exceed an amount equal to 1 percent of the total appropriation for that account.

SEC. 1153. (a) Notwithstanding any other provision of law, the Chief of the National Guard Bureau may permit the use of equipment of the National Guard Distance Learning Project by any person or entity on a space-available, reimbursable basis. The Chief of the National Guard Bureau shall establish the amount of reimbursement for such use on a case-by-case basis.

(b) Amounts collected under subsection (a) shall be credited to funds available for the National Guard Distance Learning Project and be available to defray the costs associated with the use of equipment of the project under that subsection. Such funds shall be available for such purposes without fiscal year limitation.
Sec. 1154. None of the funds available to the Department of Defense may be obligated to modify command and control relationships to give Fleet Forces Command operational and administrative control of United States Navy forces assigned to the Pacific fleet: Provided, That the command and control relationships which existed on October 1, 2004, shall remain in force until a written modification has been proposed to the House and Senate Appropriations Committees: Provided further, That the proposed modification may be implemented 30 days after the notification unless an objection is received from either the House or Senate Appropriations Committees: Provided further, That any proposed modification shall not preclude the ability of the commander of United States Pacific Command to meet operational requirements.

(INCLUDING TRANSFER OF FUNDS)

Sec. 1155. Of the funds appropriated in this Act under the heading “Operation and Maintenance, Defense-Wide”, $25,000,000 (increased by $10,000,000) shall be for continued implementation and expansion of the Sexual Assault Special Victims’ Counsel Program: Provided, That the funds are made available for transfer to the Department of the Army, the Department of the Navy, and the Department of the Air Force: Provided further, That funds transferred shall be merged with and available for the same pur-
poses and for the same time period as the appropriations
to which the funds are transferred: Provided further, That
this transfer authority is in addition to any other transfer
authority provided in this Act.

SEC. 1156. None of the funds appropriated in title IV
of this Act may be used to procure end-items for delivery
to military forces for operational training, operational use
or inventory requirements: Provided, That this restriction
does not apply to end-items used in development, proto-
typing, and test activities preceding and leading to accept-
ance for operational use: Provided further, That this restric-
tion does not apply to programs funded within the National
Intelligence Program: Provided further, That the Secretary
of Defense may waive this restriction on a case-by-case basis
by certifying in writing to the Committees on Appropria-
tions of the House of Representatives and the Senate that
it is in the national security interest to do so.

SEC. 1157. (a) The Secretary of Defense may, on a
case-by-case basis, waive with respect to a foreign country
each limitation on the procurement of defense items from
foreign sources provided in law if the Secretary determines
that the application of the limitation with respect to that
country would invalidate cooperative programs entered into
between the Department of Defense and the foreign country,
or would invalidate reciprocal trade agreements for the pro-
curement of defense items entered into under section 2531 of title 10, United States Code, and the country does not discriminate against the same or similar defense items produced in the United States for that country.

(b) Subsection (a) applies with respect to—

(1) contracts and subcontracts entered into on or after the date of the enactment of this Act; and

(2) options for the procurement of items that are exercised after such date under contracts that are entered into before such date if the option prices are adjusted for any reason other than the application of a waiver granted under subsection (a).

(c) Subsection (a) does not apply to a limitation regarding construction of public vessels, ball and roller bearings, food, and clothing or textile materials as defined by section XI (chapters 50–65) of the Harmonized Tariff Schedule of the United States and products classified under headings 4010, 4202, 4203, 6401 through 6406, 6505, 7019, 7218 through 7229, 7304.41 through 7304.49, 7306.40, 7502 through 7508, 8105, 8108, 8109, 8211, 8215, and 9404.

SEC. 1158. None of the funds appropriated or otherwise made available by this or other Department of Defense Appropriations Acts may be obligated or expended for the purpose of performing repairs or maintenance to military family housing units of the Department of Defense, includ-
ing areas in such military family housing units that may be used for the purpose of conducting official Department of Defense business.

Sec. 1159. Notwithstanding any other provision of law, funds appropriated in this Act under the heading “Research, Development, Test and Evaluation, Defense-Wide” for any new start advanced concept technology demonstration project or joint capability demonstration project may only be obligated 45 days after a report, including a description of the project, the planned acquisition and transition strategy and its estimated annual and total cost, has been provided in writing to the congressional defense committees: Provided, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying to the congressional defense committees that it is in the national interest to do so.

Sec. 1160. The Secretary of Defense shall continue to provide a classified quarterly report to the House and Senate Appropriations Committees, Subcommittees on Defense on certain matters as directed in the classified annex accompanying this Act.

Sec. 1161. Notwithstanding section 12310(b) of title 10, United States Code, a Reserve who is a member of the National Guard serving on full-time National Guard duty under section 502(f) of title 32, United States Code, may
perform duties in support of the ground-based elements of
the National Ballistic Missile Defense System.

SEC. 1162. None of the funds provided in this Act may
be used to transfer to any nongovernmental entity ammuni-
tion held by the Department of Defense that has a center-
fire cartridge and a United States military nomenclature
designation of “armor penetrator”, “armor piercing (AP)”,
“armor piercing incendiary (API)”, or “armor-piercing in-
cendiary tracer (API–T)”, except to an entity performing
demilitarization services for the Department of Defense
under a contract that requires the entity to demonstrate to
the satisfaction of the Department of Defense that armor
piercing projectiles are either:

(1) rendered incapable of reuse by the demili-
tarization process; or

(2) used to manufacture ammunition pursuant
to a contract with the Department of Defense or the
manufacture of ammunition for export pursuant to a
License for Permanent Export of Unclassified Mili-
tary Articles issued by the Department of State.

SEC. 1163. Notwithstanding any other provision of
law, the Chief of the National Guard Bureau, or his des-
ignee, may waive payment of all or part of the consider-
ation that otherwise would be required under section 2667
of title 10, United States Code, in the case of a lease of
personal property for a period not in excess of 1 year to
any organization specified in section 508(d) of title 32,
United States Code, or any other youth, social, or fraternal
nonprofit organization as may be approved by the Chief
of the National Guard Bureau, or his designee, on a case-
by-case basis.

(INCLUDING TRANSFER OF FUNDS)

SEC. 1164. Of the amounts appropriated in this Act
under the heading “Operation and Maintenance, Army”,
$66,881,780 shall remain available until expended: Pro-
vided, That, notwithstanding any other provision of law,
the Secretary of Defense is authorized to transfer such funds
to other activities of the Federal Government: Provided fur-
ther, That the Secretary of Defense is authorized to enter
into and carry out contracts for the acquisition of real
property, construction, personal services, and operations re-
lated to projects carrying out the purposes of this section:
Provided further, That contracts entered into under the au-
thority of this section may provide for such indemnification
as the Secretary determines to be necessary: Provided fur-
ther, That projects authorized by this section shall comply
with applicable Federal, State, and local law to the max-
imum extent consistent with the national security, as deter-
mined by the Secretary of Defense.
Sec. 1165. (a) None of the funds appropriated in this or any other Act may be used to take any action to modify—

(1) the appropriations account structure for the National Intelligence Program budget, including through the creation of a new appropriation or new appropriation account;

(2) how the National Intelligence Program budget request is presented in the unclassified P–1, R–1, and O–1 documents supporting the Department of Defense budget request;

(3) the process by which the National Intelligence Program appropriations are apportioned to the executing agencies; or

(4) the process by which the National Intelligence Program appropriations are allotted, obligated and disbursed.

(b) Nothing in section (a) shall be construed to prohibit the merger of programs or changes to the National Intelligence Program budget at or below the Expenditure Center level, provided such change is otherwise in accordance with paragraphs (a)(1)–(3).

(c) The Director of National Intelligence and the Secretary of Defense may jointly, only for the purposes of achieving auditable financial statements and improving fis-
cal reporting, study and develop detailed proposals for alternative financial management processes. Such study shall include a comprehensive counterintelligence risk assessment to ensure that none of the alternative processes will adversely affect counterintelligence.

(d) Upon development of the detailed proposals defined under subsection (c), the Director of National Intelligence and the Secretary of Defense shall—

(1) provide the proposed alternatives to all affected agencies;

(2) receive certification from all affected agencies attesting that the proposed alternatives will help achieve auditability, improve fiscal reporting, and will not adversely affect counterintelligence; and

(3) not later than 30 days after receiving all necessary certifications under paragraph (2), present the proposed alternatives and certifications to the congressional defense and intelligence committees.

SEC. 1166. In addition to amounts provided elsewhere in this Act, $5,000,000 (increased by $5,000,000) is hereby appropriated to the Department of Defense, to remain available for obligation until expended: Provided, That notwithstanding any other provision of law, that upon the determination of the Secretary of Defense that it shall serve the national interest, these funds shall be available only for
a grant to the Fisher House Foundation, Inc., only for the
collection and furnishing of additional Fisher Houses to
meet the needs of military family members when confronted
with the illness or hospitalization of an eligible military
beneficiary.

(INCLUDING TRANSFER OF FUNDS)

SEC. 1167. Of the amounts appropriated in this Act
under the headings “Procurement, Defense-Wide” and “Re-
search, Development, Test and Evaluation, Defense-Wide”,
$705,800,000 shall be for the Israeli Cooperative Programs:
Provided, That of this amount, $92,000,000 shall be for the
Secretary of Defense to provide to the Government of Israel
for the procurement of the Iron Dome defense system to
counter short-range rocket threats, subject to the U.S.-Israel
Iron Dome Procurement Agreement, as amended;
$221,500,000 shall be for the Short Range Ballistic Missile
Defense (SRBMD) program, including cruise missile de-
defense research and development under the SRBMD pro-
gram, of which $120,000,000 shall be for co-production ac-
tivities of SRBMD missiles in the United States and in
Israel to meet Israel’s defense requirements consistent with
each nation’s laws, regulations, and procedures, subject to
the U.S.-Israeli co-production agreement for SRBMD, as
amended; $205,000,000 shall be for an upper-tier compo-
nent to the Israeli Missile Defense Architecture, of which
$120,000,000 shall be for co-production activities of Arrow 3 Upper Tier missiles in the United States and in Israel to meet Israel’s defense requirements consistent with each nation’s laws, regulations, and procedures, subject to the U.S.-Israeli co-production agreement for Arrow 3 Upper Tier, as amended; $105,000,000 shall be for testing of the upper-tier component to the Israeli Missile Defense Architecture in the United States; and $82,300,000 shall be for the Arrow System Improvement Program including development of a long range, ground and airborne, detection suite: Provided further, That the transfer authority provided under this provision is in addition to any other transfer authority contained in this Act.

(INCLUDING TRANSFER OF FUNDS)

Sec. 1168. Of the amounts appropriated in this Act under the heading “Shipbuilding and Conversion, Navy”, $117,542,000 shall be available until September 30, 2018, to fund prior year shipbuilding cost increases: Provided, That upon enactment of this Act, the Secretary of the Navy shall transfer funds to the following appropriations in the amounts specified: Provided further, That the amounts transferred shall be merged with and be available for the same purposes as the appropriations to which transferred to:
(1) Under the heading “Shipbuilding and Conversion, Navy”, 2012/2018: Carrier Replacement Program $20,000,000;

(2) Under the heading “Shipbuilding and Conversion, Navy”, 2008/2018: DDG–51 Destroyer $19,436,000;

(3) Under the heading “Shipbuilding and Conversion, Navy”, 2012/2018: Littoral Combat Ship $6,394,000;

(4) Under the heading “Shipbuilding and Conversion, Navy”, 2012/2018: LHA Replacement $14,200,000;

(5) Under the heading “Shipbuilding and Conversion, Navy”, 2013/2018: DDG–51 Destroyer $31,941,000;

(6) Under the heading “Shipbuilding and Conversion, Navy”, 2014/2018: Litoral Combat Ship $20,471,000; and

(7) Under the heading “Shipbuilding and Conversion, Navy”, 2015/2018: LCAC $5,100,000.

SEC. 1169. Funds appropriated by this Act, or made available by the transfer of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 3094) during fiscal year 2018

Sec. 1170. None of the funds provided in this Act shall be available for obligation or expenditure through a reprogramming of funds that creates or initiates a new program, project, or activity unless such program, project, or activity must be undertaken immediately in the interest of national security and only after written prior notification to the congressional defense committees.

Sec. 1171. The budget of the President for fiscal year 2018 submitted to the Congress pursuant to section 1105 of title 31, United States Code, shall include separate budget justification documents for costs of United States Armed Forces’ participation in contingency operations for the Military Personnel accounts, the Operation and Maintenance accounts, the Procurement accounts, and the Research, Development, Test and Evaluation accounts: Provided, That these documents shall include a description of the funding requested for each contingency operation, for each military service, to include all Active and Reserve components, and for each appropriations account: Provided further, That these documents shall include estimated costs for each element of expense or object class, a reconciliation of increases and decreases for each contingency operation, and programmatic data including, but not limited to, troop
strength for each Active and Reserve component, and estimates of the major weapons systems deployed in support of each contingency: Provided further, That these documents shall include budget exhibits OP–5 and OP–32 (as defined in the Department of Defense Financial Management Regulation) for all contingency operations for the budget year and the two preceding fiscal years.

SEC. 1172. None of the funds in this Act may be used for research, development, test, evaluation, procurement or deployment of nuclear armed interceptors of a missile defense system.

SEC. 1173. Notwithstanding any other provision of this Act, to reflect savings due to favorable foreign exchange rates, the total amount appropriated in this Act is hereby reduced by $289,000,000.

SEC. 1174. None of the funds appropriated or made available in this Act shall be used to reduce or disestablish the operation of the 53rd Weather Reconnaissance Squadron of the Air Force Reserve, if such action would reduce the WC–130 Weather Reconnaissance mission below the levels funded in this Act: Provided, That the Air Force shall allow the 53rd Weather Reconnaissance Squadron to perform other missions in support of national defense requirements during the non-hurricane season.
SEC. 1175. None of the funds provided in this Act shall be available for integration of foreign intelligence information unless the information has been lawfully collected and processed during the conduct of authorized foreign intelligence activities: Provided, That information pertaining to United States persons shall only be handled in accordance with protections provided in the Fourth Amendment of the United States Constitution as implemented through Executive Order No. 12333.

SEC. 1176. (a) None of the funds appropriated by this Act may be used to transfer research and development, acquisition, or other program authority relating to current tactical unmanned aerial vehicles (TUAVs) from the Army.

(b) The Army shall retain responsibility for and operational control of the MQ–1C Gray Eagle Unmanned Aerial Vehicle (UAV) in order to support the Secretary of Defense in matters relating to the employment of unmanned aerial vehicles.

SEC. 1177. None of the funds appropriated by this Act for programs of the Office of the Director of National Intelligence shall remain available for obligation beyond the current fiscal year, except for funds appropriated for research and technology, which shall remain available until September 30, 2019.
SEC. 1178. For purposes of section 1553(b) of title 31, United States Code, any subdivision of appropriations made in this Act under the heading “Shipbuilding and Conversion, Navy” shall be considered to be for the same purpose as any subdivision under the heading “Shipbuilding and Conversion, Navy” appropriations in any prior fiscal year, and the 1 percent limitation shall apply to the total amount of the appropriation.

SEC. 1179. (a) Not later than 60 days after the date of enactment of this Act, the Director of National Intelligence shall submit a report to the congressional intelligence committees to establish the baseline for application of reprogramming and transfer authorities for fiscal year 2018: Provided, That the report shall include—

(1) a table for each appropriation with a separate column to display the President’s budget request, adjustments made by Congress, adjustments due to enacted rescissions, if appropriate, and the fiscal year enacted level;

(2) a delineation in the table for each appropriation by Expenditure Center and project; and

(3) an identification of items of special congressional interest.

(b) None of the funds provided for the National Intelligence Program in this Act shall be available for re-
programming or transfer until the report identified in sub-
section (a) is submitted to the congressional intelligence
committees, unless the Director of National Intelligence cer-
tifies in writing to the congressional intelligence committees
that such reprogramming or transfer is necessary as an
emergency requirement.

SEC. 1180. None of the funds made available by this
Act may be used to eliminate, restructure, or realign Army
Contracting Command—New Jersey or make dispropor-
tionate personnel reductions at any Army Contracting
Command—New Jersey sites without 30-day prior notifica-
tion to the congressional defense committees.

(RESCUSSION)

SEC. 1181. Of the unobligated balances available to the
Department of Defense, the following funds are permanently
rescinded from the following accounts and programs in the
specified amounts to reflect excess cash balances in the De-
partment of Defense Acquisition Workforce Development
Fund:

From “Department of Defense Acquisition Work-
force Development Fund, Defense”, $10,000,000.

SEC. 1182. None of the funds made available by this
Act for excess defense articles, assistance under section 333
of title 10, United States Code, or peacekeeping operations
for the countries designated annually to be in violation of
the standards of the Child Soldiers Prevention Act of 2008 (Public Law 110–457; 22 U.S.C. 2370c–1) may be used to support any military training or operation that includes child soldiers, as defined by the Child Soldiers Prevention Act of 2008, unless such assistance is otherwise permitted under section 404 of the Child Soldiers Prevention Act of 2008.

SEC. 1183. (a) None of the funds provided for the National Intelligence Program in this or any prior appropriations Act shall be available for obligation or expenditure through a reprogramming or transfer of funds in accordance with section 102A(d) of the National Security Act of 1947 (50 U.S.C. 3024(d)) that—

(1) creates a new start effort;

(2) terminates a program with appropriated funding of $10,000,000 or more;

(3) transfers funding into or out of the National Intelligence Program; or

(4) transfers funding between appropriations, unless the congressional intelligence committees are notified 30 days in advance of such reprogramming of funds; this notification period may be reduced for urgent national security requirements.

(b) None of the funds provided for the National Intelligence Program in this or any prior appropriations Act
shall be available for obligation or expenditure through a
reprogramming or transfer of funds in accordance with sec-
tion 102A(d) of the National Security Act of 1947 (50
U.S.C. 3024(d)) that results in a cumulative increase or
decrease of the levels specified in the classified annex accom-
panying the Act unless the congressional intelligence com-
mittees are notified 30 days in advance of such reprogram-
mimg of funds; this notification period may be reduced for
urgent national security requirements.

SEC. 1184. The Director of National Intelligence shall
submit to Congress each year, at or about the time that
the President’s budget is submitted to Congress that year
under section 1105(a) of title 31, United States Code, a fu-
ture-years intelligence program (including associated an-
nexes) reflecting the estimated expenditures and proposed
appropriations included in that budget. Any such future-
years intelligence program shall cover the fiscal year with
respect to which the budget is submitted and at least the
four succeeding fiscal years.

SEC. 1185. For the purposes of this Act, the term “con-
gressional intelligence committees” means the Permanent
Select Committee on Intelligence of the House of Represent-
atives, the Select Committee on Intelligence of the Senate,
the Subcommittee on Defense of the Committee on Approp-
riations of the House of Representatives, and the Sub-
committee on Defense of the Committee on Appropriations of the Senate.

(INCLUDING TRANSFER OF FUNDS)

SEC. 1186. During the current fiscal year, not to exceed $11,000,000 from each of the appropriations made in title II of this Act for “Operation and Maintenance, Army”, “Operation and Maintenance, Navy”, and “Operation and Maintenance, Air Force” may be transferred by the military department concerned to its central fund established for Fisher Houses and Suites pursuant to section 2493(d) of title 10, United States Code.

(INCLUDING TRANSFER OF FUNDS)

SEC. 1187. Not to exceed $500,000,000 appropriated by this Act for operation and maintenance may be available for the purpose of making remittances and transfer to the Defense Acquisition Workforce Development Fund in accord ance with section 1705 of title 10, United States Code.

SEC. 1188. (a) Any agency receiving funds made available in this Act, shall, subject to subsections (b) and (c), post on the public website of that agency any report required to be submitted by the Congress in this or any other Act, upon the determination by the head of the agency that it shall serve the national interest.

(b) Subsection (a) shall not apply to a report if—
(1) the public posting of the report compromises
national security; or

(2) the report contains proprietary information.

(c) The head of the agency posting such report shall
do so only after such report has been made available to the
requesting Committee or Committees of Congress for no less
than 45 days.

Sec. 1189. (a) None of the funds appropriated or oth-
erwise made available by this Act may be expended for any
Federal contract for an amount in excess of $1,000,000, un-
less the contractor agrees not to—

(1) enter into any agreement with any of its em-
ployees or independent contractors that requires, as a
condition of employment, that the employee or inde-
pendent contractor agree to resolve through arbitra-
tion any claim under title VII of the Civil Rights Act
of 1964 or any tort related to or arising out of sexual
assault or harassment, including assault and battery,
intentional infliction of emotional distress, false im-
prisonment, or negligent hiring, supervision, or reten-
tion; or

(2) take any action to enforce any provision of
an existing agreement with an employee or inde-
dependent contractor that mandates that the employee
or independent contractor resolve through arbitration
any claim under title VII of the Civil Rights Act of 1964 or any tort related to or arising out of sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention.

(b) None of the funds appropriated or otherwise made available by this Act may be expended for any Federal contract unless the contractor certifies that it requires each covered subcontractor to agree not to enter into, and not to take any action to enforce any provision of, any agreement as described in paragraphs (1) and (2) of subsection (a), with respect to any employee or independent contractor performing work related to such subcontract. For purposes of this subsection, a “covered subcontractor” is an entity that has a subcontract in excess of $1,000,000 on a contract subject to subsection (a).

(c) The prohibitions in this section do not apply with respect to a contractor’s or subcontractor’s agreements with employees or independent contractors that may not be enforced in a court of the United States.

(d) The Secretary of Defense may waive the application of subsection (a) or (b) to a particular contractor or subcontractor for the purposes of a particular contract or subcontract if the Secretary or the Deputy Secretary per-
sonally determines that the waiver is necessary to avoid harm to national security interests of the United States, and that the term of the contract or subcontract is not longer than necessary to avoid such harm. The determination shall set forth with specificity the grounds for the waiver and for the contract or subcontract term selected, and shall state any alternatives considered in lieu of a waiver and the reasons each such alternative would not avoid harm to national security interests of the United States. The Secretary of Defense shall transmit to Congress, and simultaneously make public, any determination under this subsection not less than 15 business days before the contract or subcontract addressed in the determination may be awarded.

(INCLUDING TRANSFER OF FUNDS)

SEC. 1190. From within the funds appropriated for operation and maintenance for the Defense Health Program in this Act, up to $115,519,000, shall be available for transfer to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund in accordance with the provisions of section 1704 of the National Defense Authorization Act for Fiscal Year 2010, Public Law 111–84: Provided, That for purposes of section 1704(b), the facility operations funded are operations of the integrated Captain James A. Lovell Federal Health Care Center, con-
sisting of the North Chicago Veterans Affairs Medical Center, the Navy Ambulatory Care Center, and supporting facilities designated as a combined Federal medical facility as described by section 706 of Public Law 110–417: Provided further, That additional funds may be transferred from funds appropriated for operation and maintenance for the Defense Health Program to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund upon written notification by the Secretary of Defense to the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 1191. None of the funds appropriated or otherwise made available by this Act may be used by the Department of Defense or a component thereof in contravention of the provisions of section 130h of title 10, United States Code.

SEC. 1192. Appropriations available to the Department of Defense may be used for the purchase of heavy and light armored vehicles for the physical security of personnel or for force protection purposes up to a limit of $450,000 per vehicle, notwithstanding price or other limitations applicable to the purchase of passenger carrying vehicles.

(INCLUDING TRANSFER OF FUNDS)

SEC. 1193. Upon a determination by the Director of National Intelligence that such action is necessary and in
the national interest, the Director may, with the approval of the Office of Management and Budget, transfer not to exceed $1,500,000,000 of the funds made available in this Act for the National Intelligence Program: Provided, That such authority to transfer may not be used unless for higher priority items, based on unforeseen intelligence requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by the Congress: Provided further, That a request for multiple reprogrammings of funds using authority provided in this section shall be made prior to June 30, 2017.

SEC. 1194. None of the funds appropriated or otherwise made available in this or any other Act may be used to transfer, release, or assist in the transfer or release to or within the United States, its territories, or possessions Khalid Sheikh Mohammed or any other detainee who—

(1) is not a United States citizen or a member of the Armed Forces of the United States; and

(2) is or was held on or after June 24, 2009, at United States Naval Station, Guantánamo Bay, Cuba, by the Department of Defense.

SEC. 1195. (a) None of the funds appropriated or otherwise made available in this or any other Act may be used to construct, acquire, or modify any facility in the United...
States, its territories, or possessions to house any individual described in subsection (c) for the purposes of detention or imprisonment in the custody or under the effective control of the Department of Defense.

(b) The prohibition in subsection (a) shall not apply to any modification of facilities at United States Naval Station, Guantánamo Bay, Cuba.

(c) An individual described in this subsection is any individual who, as of June 24, 2009, is located at United States Naval Station, Guantánamo Bay, Cuba, and who—

(1) is not a citizen of the United States or a member of the Armed Forces of the United States; and

(2) is—

(A) in the custody or under the effective control of the Department of Defense; or

(B) otherwise under detention at United States Naval Station, Guantánamo Bay, Cuba.

SEC. 1196. None of the funds appropriated or otherwise made available in this Act may be used to transfer any individual detained at United States Naval Station Guantánamo Bay, Cuba, to the custody or control of the individual’s country of origin, any other foreign country, or any other foreign entity except in accordance with section 1034 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92) and section 1034 of

SEC. 1197. None of the funds made available by this Act may be used in contravention of the War Powers Resolution (50 U.S.C. 1541 et seq.).

SEC. 1198. (a) None of the funds appropriated or otherwise made available by this or any other Act may be used by the Secretary of Defense, or any other official or officer of the Department of Defense, to enter into a contract, memorandum of understanding, or cooperative agreement with, or make a grant to, or provide a loan or loan guarantee to Rosoboronexport or any subsidiary of Rosoboronexport.

(b) The Secretary of Defense may waive the limitation in subsection (a) if the Secretary, in consultation with the Secretary of State and the Director of National Intelligence, determines that it is in the vital national security interest of the United States to do so, and certifies in writing to the congressional defense committees that, to the best of the Secretary’s knowledge:

(1) Rosoboronexport has ceased the transfer of lethal military equipment to, and the maintenance of existing lethal military equipment for, the Government of the Syrian Arab Republic;
(2) The armed forces of the Russian Federation have withdrawn from Crimea, other than armed forces present on military bases subject to agreements in force between the Government of the Russian Federation and the Government of Ukraine; and

(3) Agents of the Russian Federation have ceased taking active measures to destabilize the control of the Government of Ukraine over eastern Ukraine.

(c) The Inspector General of the Department of Defense shall conduct a review of any action involving Rosoboronexport with respect to a waiver issued by the Secretary of Defense pursuant to subsection (b), and not later than 90 days after the date on which such a waiver is issued by the Secretary of Defense, the Inspector General shall submit to the congressional defense committees a report containing the results of the review conducted with respect to such waiver.

SEC. 1199. None of the funds made available in this Act may be used for the purchase or manufacture of a flag of the United States unless such flags are treated as covered items under section 2533a(b) of title 10, United States Code.

SEC. 1200. (a) Of the funds appropriated in this Act for the Department of Defense, amounts may be made available, under such regulations as the Secretary of Defense
may prescribe, to local military commanders appointed by
the Secretary, or by an officer or employee designated by
the Secretary, to provide at their discretion ex gratia pay-
ments in amounts consistent with subsection (d) of this sec-
tion for damage, personal injury, or death that is incident
to combat operations of the Armed Forces in a foreign coun-
try.

(b) An ex gratia payment under this section may be
provided only if—

(1) the prospective foreign civilian recipient is
determined by the local military commander to be
friendly to the United States;

(2) a claim for damages would not be compen-
sable under chapter 163 of title 10, United States
Code (commonly known as the “Foreign Claims
Act’’); and

(3) the property damage, personal injury, or
death was not caused by action by an enemy.

(c) NATURE OF PAYMENTS.—Any payments provided
under a program under subsection (a) shall not be consid-
ered an admission or acknowledgement of any legal obliga-
tion to compensate for any damage, personal injury, or
death.

(d) AMOUNT OF PAYMENTS.—If the Secretary of De-
fense determines a program under subsection (a) to be ap-
propriate in a particular setting, the amounts of payments, if any, to be provided to civilians determined to have suffered harm incident to combat operations of the Armed Forces under the program should be determined pursuant to regulations prescribed by the Secretary and based on an assessment, which should include such factors as cultural appropriateness and prevailing economic conditions.

(e) LEGAL ADVICE.—Local military commanders shall receive legal advice before making ex gratia payments under this subsection. The legal advisor, under regulations of the Department of Defense, shall advise on whether an ex gratia payment is proper under this section and applicable Department of Defense regulations.

(f) WRITTEN RECORD.—A written record of any ex gratia payment offered or denied shall be kept by the local commander and on a timely basis submitted to the appropriate office in the Department of Defense as determined by the Secretary of Defense.

(g) REPORT.—The Secretary of Defense shall report to the congressional defense committees on an annual basis the efficacy of the ex gratia payment program including the number of types of cases considered, amounts offered, the response from ex gratia payment recipients, and any recommended modifications to the program.
SEC. 1201. None of the funds available in this Act to the Department of Defense, other than appropriations made for necessary or routine refurbishments, upgrades or maintenance activities, shall be used to reduce or to prepare to reduce the number of deployed and non-deployed strategic delivery vehicles and launchers below the levels set forth in the report submitted to Congress in accordance with section 1042 of the National Defense Authorization Act for Fiscal Year 2012.

SEC. 1202. The Secretary of Defense shall post grant awards on a public Website in a searchable format.

SEC. 1203. None of the funds made available by this Act may be used to fund the performance of a flight demonstration team at a location outside of the United States: Provided, That this prohibition applies only if a performance of a flight demonstration team at a location within the United States was canceled during the current fiscal year due to insufficient funding.

SEC. 1204. None of the funds made available by this Act may be used by the National Security Agency to—

1. conduct an acquisition pursuant to section 702 of the Foreign Intelligence Surveillance Act of 1978 for the purpose of targeting a United States person; or
(2) acquire, monitor, or store the contents (as such term is defined in section 2510(8) of title 18, United States Code) of any electronic communication of a United States person from a provider of electronic communication services to the public pursuant to section 501 of the Foreign Intelligence Surveillance Act of 1978.

SEC. 1205. None of the funds made available by this Act may be obligated or expended to implement the Arms Trade Treaty until the Senate approves a resolution of ratification for the Treaty.

Sec. 1206. None of the funds made available in this or any other Act may be used to pay the salary of any officer or employee of any agency funded by this Act who approves or implements the transfer of administrative responsibilities or budgetary resources of any program, project, or activity financed by this Act to the jurisdiction of another Federal agency not financed by this Act unless explicitly provided for in a Defense Appropriations Act:

Provided, That this limitation shall not apply to transfers of funds expressly provided for in Defense Appropriations Acts, or provisions of Acts providing supplemental appropriations for the Department of Defense.

Sec. 1207. None of the funds made available in this Act may be obligated for activities authorized under section
1208 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 112–81; 125 Stat. 1621) to initiate support for, or expand support to, foreign forces, irregular forces, groups, or individuals unless the congressional defense committees are notified in accordance with the direction contained in the classified annex accompanying this Act, not less than 15 days before initiating such support: Provided, That none of the funds made available in this Act may be used under section 1208 for any activity that is not in support of an ongoing military operation being conducted by United States Special Operations Forces to combat terrorism: Provided further, That the Secretary of Defense may waive the prohibitions in this section if the Secretary determines that such waiver is required by extraordinary circumstances and, by not later than 72 hours after making such waiver, notifies the congressional defense committees of such waiver.

Sec. 1208. None of the funds made available by this Act may be used with respect to Iraq in contravention of the War Powers Resolution (50 U.S.C. 1541 et seq.), including for the introduction of United States armed forces into hostilities in Iraq, into situations in Iraq where imminent involvement in hostilities is clearly indicated by the circumstances, or into Iraqi territory, airspace, or waters while equipped for combat, in contravention of the congres-
sional consultation and reporting requirements of sections 3 and 4 of such Resolution (50 U.S.C. 1542 and 1543).

SEC. 1209. None of the funds provided in this Act for the T–AO Fleet Oiler or the Towing, Salvage, and Rescue Ship programs shall be used to award a new contract that provides for the acquisition of the following components unless those components are manufactured in the United States: Auxiliary equipment (including pumps) for shipboard services; propulsion equipment (including engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes.

SEC. 1210. The amount appropriated in title II of this Act for “Operation and Maintenance, Army” is hereby reduced by $75,000,000 to reflect excess cash balances in Department of Defense Working Capital Funds.

SEC. 1211. Notwithstanding any other provision of this Act, to reflect savings due to lower than anticipated fuel costs, the total amount appropriated in title II of this Act is hereby reduced by $1,007,267,000.

SEC. 1212. None of the funds made available by this Act may be used for Government Travel Charge Card expenses by military or civilian personnel of the Department of Defense for gaming, or for entertainment that includes topless or nude entertainers or participants, as prohibited by Department of Defense FMR, Volume 9, Chapter 3 and
Department of Defense Instruction 1015.10 (enclosure 3, 14a and 14b).

Sec. 1213. None of the funds made available by this Act may be used to propose, plan for, or execute a new or additional Base Realignment and Closure (BRAC) round.

Sec. 1214. Of the amounts appropriated in this Act for “Operation and Maintenance, Navy”, $289,255,000, to remain available until expended, may be used for any purposes related to the National Defense Reserve Fleet established under section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. 4405): Provided, That such amounts are available for reimbursements to the Ready Reserve Force, Maritime Administration account of the United States Department of Transportation for programs, projects, activities, and expenses related to the National Defense Reserve Fleet.

Sec. 1215. None of the funds made available by this Act for the Joint Surveillance Target Attack Radar System recapitalization program may be obligated or expended for pre-milestone B activities after March 31, 2018, except for source selection and other activities necessary to enter the engineering and manufacturing development phase.

Sec. 1216. None of the funds made available by this Act may be used to carry out the closure or realignment
of the United States Naval Station, Guantánamo Bay, Cuba.

(INCLUDING TRANSFER OF FUNDS)

SEC. 1217. Additional readiness funds made available in title II of this Act for “Operation and Maintenance, Army”, “Operation and Maintenance, Navy”, “Operation and Maintenance, Marine Corps”, and “Operation and Maintenance, Air Force” may be transferred to and merged with any appropriation of the Department of Defense for activities related to the Zika virus in order to provide health support for the full range of military operations and sustain the health of the members of the Armed Forces, civilian employees of the Department of Defense, and their families, to include: research and development, disease surveillance, vaccine development, rapid detection, vector controls and surveillance, training, and outbreak response: Provided, That the authority provided in this section is subject to the same terms and conditions as the authority provided in section 8005 of this Act.

SEC. 1218. (a) None of the funds made available in this Act may be used to maintain or establish a computer network unless such network is designed to block access to pornography websites.

(b) Nothing in subsection (a) shall limit the use of funds necessary for any Federal, State, tribal, or local law enforcement agency to block access to websites that primarily display or allow access to child pornography or any website that has a significant portion of its content devoted to child pornography.
1 enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities, or for any activity necessary for the national defense, including intelligence activities.

2 Sec. 1219. Notwithstanding any other provision of law, any transfer of funds appropriated or otherwise made available by this Act to the Global Engagement Center pursuant to section 1287 of the National Defense Authorization Act for Fiscal Year 2017 (Public Law 114–328) shall be made in accordance with section 8005 or 9002 of this Act, as applicable.

3 Sec. 1220. No amounts credited or otherwise made available in this or any other Act to the Department of Defense Acquisition Workforce Development Fund may be transferred to:

4 (1) the Rapid Prototyping Fund established under section 804(d) of the National Defense Authorization Act for Fiscal Year 2016 (10 U.S.C. 2302 note); or

SEC. 1221. In addition to amounts provided elsewhere in this Act for military personnel pay, including active duty, reserve and National Guard personnel, $206,400,000 is hereby appropriated to the Department of Defense and made available for transfer only to military personnel accounts: Provided, That the transfer authority provided under this heading is in addition to any other transfer authority provided elsewhere in this Act.

SEC. 1222. In addition to amounts provided elsewhere in this Act, there is appropriated $235,000,000, for an additional amount for “Operation and Maintenance, Defense-Wide”, to remain available until expended: Provided, That such funds shall only be available to the Secretary of Defense, acting through the Office of Economic Adjustment of the Department of Defense, or for transfer to the Secretary of Education, notwithstanding any other provision of law, to make grants, conclude cooperative agreements, or supplement other Federal funds to construct, renovate, repair, or expand elementary and secondary public schools on military installations in order to address capacity or facility condition deficiencies at such schools: Provided further, That in making such funds available, the Office of Economic Adjustment or the Secretary of Education shall give priority consideration to those military installations with
schools having the most serious capacity or facility condition deficiencies as determined by the Secretary of Defense:

Provided further, That as a condition of receiving funds under this section a local educational agency or State shall provide a matching share as described in the notice titled “Department of Defense Program for Construction, Renovation, Repair or Expansion of Public Schools Located on Military Installations” published by the Department of Defense in the Federal Register on September 9, 2011 (76 Fed. Reg. 55883 et seq.): Provided further, That these provisions apply to funds provided under this section, and to funds previously provided by Congress to construct, renovate, repair, or expand elementary and secondary public schools on military installations in order to address capacity or facility condition deficiencies at such schools to the extent such funds remain unobligated on the date of enactment of this section.

SEC. 1223. None of the funds made available by this Act may be used to carry out the changes to the Joint Travel Regulations of the Department of Defense described in the memorandum of the Per Diem Travel and Transportation Allowance Committee titled “UTD/CTD for MAP 118–13/CAP 118–13 - Flat Rate Per Diem for Long Term TDY” and dated October 1, 2014.
Sec. 1224. In carrying out the program described in the memorandum on the subject of “Policy for Assisted Reproductive Services for the Benefit of Seriously or Severely Ill/Injured (Category II or III) Active Duty Service Members” issued by the Assistant Secretary of Defense for Health Affairs on April 3, 2012, and the guidance issued to implement such memorandum, the Secretary of Defense shall apply such policy and guidance, except that—

(1) the limitation on periods regarding embryo cryopreservation and storage set forth in part III(G) and in part IV(H) of such memorandum shall not apply; and

(2) the term “assisted reproductive technology” shall include embryo cryopreservation and storage without limitation on the duration of such cryopreservation and storage.

TITLE IX

OVERSEAS CONTINGENCY OPERATIONS/GLOBAL WAR ON TERRORISM

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for “Military Personnel, Army”, $2,635,317,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section

**MILITARY PERSONNEL, NAVY**


**MILITARY PERSONNEL, MARINE CORPS**

For an additional amount for “Military Personnel, Marine Corps”, $103,800,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

**MILITARY PERSONNEL, AIR FORCE**

For an additional amount for “Military Personnel, Air Force”, $912,779,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.
RESERVE PERSONNEL, ARMY

For an additional amount for “Reserve Personnel, Army”, $24,942,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

RESERVE PERSONNEL, NAVY

For an additional amount for “Reserve Personnel, Navy”, $9,091,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

RESERVE PERSONNEL, MARINE CORPS

For an additional amount for “Reserve Personnel, Marine Corps”, $2,328,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

RESERVE PERSONNEL, AIR FORCE

For an additional amount for “Reserve Personnel, Air Force”, $20,569,000: Provided, That such amount is designated by the Congress for Overseas Contingency Oper-

**NATIONAL GUARD PERSONNEL, ARMY**

For an additional amount for “National Guard Personnel, Army”, $184,589,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

**NATIONAL GUARD PERSONNEL, AIR FORCE**

For an additional amount for “National Guard Personnel, Air Force”, $5,004,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

**MILITARY PERSONNEL, NATIONAL DEFENSE RESTORATION FUND**

In addition to amounts provided elsewhere in this Act, there is appropriated $1,000,000,000, for the “Military Personnel, National Defense Restoration Fund”: Provided, That such funds provided under this heading shall only be available for programs, projects and activities necessary to
implement the 2018 National Defense Strategy: Provided
further, That such funds shall not be available for transfer
until 30 days after the Secretary has submitted, and the
congressional defense committees have approved, the pro-
posed allocation plan for the use of such funds to implement
such strategy: Provided further, That such allocation plan
shall include a detailed justification for the use of such
funds and a description of how such investments are nec-
essary to implement the strategy: Provided further, That the
Secretary of Defense may transfer these funds only to mili-
tary personnel accounts: Provided further, That the funds
transferred shall be merged with and shall be available for
the same purposes and for the same time period, as the ap-
propriation to which transferred: Provided further, That
none of the funds made available under this heading may
be transferred to any program, project, or activity specifi-
cally limited or denied by this Act: Provided further, That
the transfer authority provided under this heading is in ad-
dition to any other transfer authority available to the De-
partment of Defense: Provided further, That such amount
is designated by the Congress for Overseas Contingency Op-
erations/Global War on Terrorism pursuant to section
251(b)(2)(A)(ii) of the Balanced Budget and Emergency
For an additional amount for “Operation and Maintenance, Army”, $16,126,403,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

For an additional amount for “Operation and Maintenance, Navy”, $5,875,015,000, of which up to $161,885,000 may be transferred to the Coast Guard “Operating Expenses” account: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

For an additional amount for “Operation and Maintenance, Marine Corps”, $1,116,640,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.
OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for "Operation and Maintenance, Air Force", $10,266,295,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for "Operation and Maintenance, Defense-Wide", $6,944,201,000: Provided, That of the funds provided under this heading, not to exceed $900,000,000, to remain available until September 30, 2019, shall be for payments to reimburse key cooperating nations for logistical, military, and other support, including access, provided to United States military and stability operations in Afghanistan and to counter the Islamic State of Iraq and the Levant: Provided further, That such reimbursement payments may be made in such amounts as the Secretary of Defense, with the concurrence of the Secretary of State, and in consultation with the Director of the Office of Management and Budget, may determine, based on documentation determined by the Secretary of Defense to adequately account for the support provided, and such determination is final and conclusive upon the accounting officers of the United States, and 15 days following notification
to the appropriate congressional committees: Provided further, That funds provided under this heading may be used for the purpose of providing specialized training and procuring supplies and specialized equipment and providing such supplies and loaning such equipment on a non-reimbursable basis to coalition forces supporting United States military and stability operations in Afghanistan and to counter the Islamic State of Iraq and the Levant, and 15 days following notification to the appropriate congressional committees: Provided further, That funds provided under this heading may be used to support the Government of Jordan, in such amounts as the Secretary of Defense may determine, to enhance the ability of the armed forces of Jordan to increase or sustain security along its borders, upon 15 days prior written notification to the congressional defense committees outlining the amounts intended to be provided and the nature of the expenses incurred: Provided further, That of the funds provided under this heading, not to exceed $750,000,000, to remain available until September 30, 2019, shall be available to provide support and assistance to foreign security forces or other groups or individuals to conduct, support, or facilitate counterterrorism, crisis response, or other Department of Defense security cooperation programs: Provided further, That such amount is designated by the Congress for Overseas Contingency Oper-
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1 1277ations/Global War on Terrorism pursuant to section
2 251(b)(2)(A)(ii) of the Balanced Budget and Emergency
4 **Operation and Maintenance, Army Reserve**
5 For an additional amount for “Operation and Mainte-
6 nance, Army Reserve”, $24,699,000: Provided, That such
7 amount is designated by the Congress for Overseas Contin-
8 gency Operations/Global War on Terrorism pursuant to sec-
9 tion 251(b)(2)(A)(ii) of the Balanced Budget and Emer-
11 **Operation and Maintenance, Navy Reserve**
12 For an additional amount for “Operation and Mainte-
13 nance, Navy Reserve”, $23,980,000: Provided, That such
14 amount is designated by the Congress for Overseas Contin-
15 gency Operations/Global War on Terrorism pursuant to sec-
16 tion 251(b)(2)(A)(ii) of the Balanced Budget and Emer-
18 **Operation and Maintenance, Marine Corps Reserve**
19 For an additional amount for “Operation and Mainte-
20 nance, Marine Corps Reserve”, $3,367,000: Provided, That
21 such amount is designated by the Congress for Overseas
22 Contingency Operations/Global War on Terrorism pursu-
23 ant to section 251(b)(2)(A)(ii) of the Balanced Budget and
For an additional amount for “Operation and Maintenance, Air Force Reserve”, $58,523,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

For an additional amount for “Operation and Maintenance, Army National Guard”, $108,111,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

For an additional amount for “Operation and Maintenance, Air National Guard”, $15,400,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.
In addition to amounts provided elsewhere in this Act, there is appropriated $2,000,000,000, for the “Operation and Maintenance, National Defense Restoration Fund”:

Provided, That such funds provided under this heading shall only be available for programs, projects and activities necessary to implement the 2018 National Defense Strategy:

Provided further, That such funds shall not be available for transfer until 30 days after the Secretary has submitted, and the congressional defense committees have approved, the proposed allocation plan for the use of such funds to implement such strategy: Provided further, That such allocation plan shall include a detailed justification for the use of such funds and a description of how such investments are necessary to implement the strategy: Provided further, That the Secretary of Defense may transfer these funds only to operation and maintenance accounts: Provided further, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which transferred: Provided further, That none of the funds made available under this heading may be transferred to any program, project, or activity specifically limited or denied by this Act: Provided further,
That the transfer authority provided under this heading is in addition to any other transfer authority available to the Department of Defense: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

AFGHANISTAN SECURITY FORCES FUND

For the “Afghanistan Security Forces Fund”, $4,937,515,000 (reduced by $12,000,000), to remain available until September 30, 2019: Provided, That such funds shall be available to the Secretary of Defense, notwithstanding any other provision of law, for the purpose of allowing the Commander, Combined Security Transition Command—Afghanistan, or the Secretary’s designee, to provide assistance, with the concurrence of the Secretary of State, to the security forces of Afghanistan, including the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, construction, and funding: Provided further, That the Secretary of Defense may obligate and expend funds made available to the Department of Defense in this title for additional costs associated with existing projects previously funded with amounts provided under the heading “Afghanistan Infrastructure Fund” in prior Acts: Provided further, That such costs shall
be limited to contract changes resulting from inflation, market fluctuation, rate adjustments, and other necessary contract actions to complete existing projects, and associated supervision and administration costs and costs for design during construction: Provided further, That the Secretary may not use more than $50,000,000 under the authority provided in this section: Provided further, That the Secretary shall notify in advance such contract changes and adjustments in annual reports to the congressional defense committees: Provided further, That the authority to provide assistance under this heading is in addition to any other authority to provide assistance to foreign nations: Provided further, That contributions of funds for the purposes provided herein from any person, foreign government, or international organization may be credited to this Fund, to remain available until expended, and used for such purposes: Provided further, That the Secretary of Defense shall notify the congressional defense committees in writing upon the receipt and upon the obligation of any contribution, delineating the sources and amounts of the funds received and the specific use of such contributions: Provided further, That the Secretary of Defense shall, not fewer than 15 days prior to obligating from this appropriation account, notify the congressional defense committees in writing of the details of any such obligation: Provided further, That the Secretary
of Defense shall notify the congressional defense committees of any proposed new projects or transfer of funds between budget sub-activity groups in excess of $20,000,000: Provided further, That the United States may accept equipment procured using funds provided under this heading in this or prior Acts that was transferred to the security forces of Afghanistan and returned by such forces to the United States: Provided further, That equipment procured using funds provided under this heading in this or prior Acts, and not yet transferred to the security forces of Afghanistan or transferred to the security forces of Afghanistan and returned by such forces to the United States, may be treated as stocks of the Department of Defense upon written notification to the congressional defense committees: Provided further, That of the funds provided under this heading, not less than $10,000,000 shall be for recruitment and retention of women in the Afghanistan National Security Forces, and the recruitment and training of female security personnel: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.
For the “Counter-Islamic State of Iraq and the Levant
Train and Equip Fund”, $1,769,000,000, to remain avail-
able until September 30, 2019: Provided, That such funds
shall be available to the Secretary of Defense in coordina-
tion with the Secretary of State, to provide assistance, in-
cluding training; equipment; logistics support, supplies,
and services; stipends; infrastructure repair and renova-
tion; and sustainment, to foreign security forces, irregular
forces, groups, or individuals participating, or preparing
to participate in activities to counter the Islamic State of
Iraq and the Levant, and their affiliated or associated
groups: Provided further, That these funds may be used in
such amounts as the Secretary of Defense may determine
to enhance the border security of nations adjacent to conflict
areas including Jordan, Lebanon, Egypt, and Tunisia re-
sulting from actions of the Islamic State of Iraq and the
Levant: Provided further, That amounts made available
under this heading shall be available to provide assistance
only for activities in a country designated by the Secretary
of Defense, in coordination with the Secretary of State, as
having a security mission to counter the Islamic State of
Iraq and the Levant, and following written notification to
the congressional defense committees of such designation:
Provided further, That the Secretary of Defense shall ensure
that prior to providing assistance to elements of any forces or individuals, such elements or individuals are appropriately vetted, including at a minimum, assessing such elements for associations with terrorist groups or groups associated with the Government of Iran; and receiving commitments from such elements to promote respect for human rights and the rule of law: Provided further, That the Secretary of Defense shall, not fewer than 15 days prior to obligating from this appropriation account, notify the congressional defense committees in writing of the details of any such obligation: Provided further, That the Secretary of Defense may accept and retain contributions, including assistance in-kind, from foreign governments, including the Government of Iraq and other entities, to carry out assistance authorized under this heading: Provided further, That contributions of funds for the purposes provided herein from any foreign government or other entity may be credited to this Fund, to remain available until expended, and used for such purposes: Provided further, That the Secretary of Defense may waive a provision of law relating to the acquisition of items and support services or sections 40 and 40A of the Arms Export Control Act (22 U.S.C. 2780 and 2785) if the Secretary determines that such provision of law would prohibit, restrict, delay or otherwise limit the provision of such assistance and a notice of and justification for such
waiver is submitted to the congressional defense committees, the Committees on Appropriations and Foreign Relations of the Senate and the Committees on Appropriations and Foreign Affairs of the House of Representatives: Provided further, That the United States may accept equipment procured using funds provided under this heading, or under the heading, “Iraq Train and Equip Fund” in prior Acts, that was transferred to security forces, irregular forces, or groups participating, or preparing to participate in activities to counter the Islamic State of Iraq and the Levant and returned by such forces or groups to the United States, may be treated as stocks of the Department of Defense upon written notification to the congressional defense committees: Provided further, That equipment procured using funds provided under this heading, or under the heading, “Iraq Train and Equip Fund” in prior Acts, and not yet transferred to security forces, irregular forces, or groups participating, or preparing to participate in activities to counter the Islamic State of Iraq and the Levant may be treated as stocks of the Department of Defense when determined by the Secretary to no longer be required for transfer to such forces or groups and upon written notification to the congressional defense committees: Provided further, That the Secretary of Defense shall provide quarterly reports to the congressional defense committees on the use of funds pro-
vided under this heading, including, but not limited to, the
number of individuals trained, the nature and scope of sup-
port and sustainment provided to each group or individual,
the area of operations for each group, and the contributions
of other countries, groups, or individuals: Provided further,
That such amount is designated by the Congress for Over-
seas Contingency Operations/Global War on Terrorism
pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For an additional amount for “Aircraft Procurement,
Army”, $424,686,000, to remain available until September
30, 2020: Provided, That such amount is designated by the
Congress for Overseas Contingency Operations/Global War
on Terrorism pursuant to section 251(b)(2)(A)(ii) of the
Balanced Budget and Emergency Deficit Control Act of
1985.

MISSILE PROCUREMENT, ARMY

For an additional amount for “Missile Procurement,
Army”, $557,583,000, to remain available until September
30, 2020: Provided, That such amount is designated by the
Congress for Overseas Contingency Operations/Global War
on Terrorism pursuant to section 251(b)(2)(A)(ii) of the

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PROCUREMENT OF WEAPONS AND TRacked COMBAT VEHICLES, ARMY

For an additional amount for “Procurement of Weapons and Tracked Combat Vehicles, Army”, $1,191,139,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

PROCUREMENT OF AMMUNITION, ARMY

For an additional amount for “Procurement of Ammunition, Army”, $193,436,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

OTHER PROCUREMENT, ARMY

For an additional amount for “Other Procurement, Army”, $405,575,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the

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**AIRCRAFT PROCUREMENT, NAVY**

For an additional amount for “Aircraft Procurement, Navy”, $157,300,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

**WEAPONS PROCUREMENT, NAVY**

For an additional amount for “Weapons Procurement, Navy”, $130,994,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

**PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS**

For an additional amount for “Procurement of Ammunition, Navy and Marine Corps”, $223,843,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursu-

**OTHER PROCUREMENT, NAVY**

For an additional amount for “Other Procurement, Navy”, $207,984,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

**PROCUREMENT, MARINE CORPS**

For an additional amount for “Procurement, Marine Corps”, $64,071,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

**AIRCRAFT PROCUREMENT, AIR FORCE**

For an additional amount for “Aircraft Procurement, Air Force”, $510,836,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.
of the Balanced Budget and Emergency Deficit Control Act
of 1985.

MISSILE PROCUREMENT, AIR FORCE

For an additional amount for “Missile Procurement,
Air Force”, $381,700,000, to remain available until Sep-
tember 30, 2020: Provided, That such amount is designated
by the Congress for Overseas Contingency Operations/Global
War on Terrorism pursuant to section 251(b)(2)(A)(ii)
of the Balanced Budget and Emergency Deficit Control Act
of 1985.

SPACE PROCUREMENT, AIR FORCE

For an additional amount for “Space Procurement,
Air Force”, $2,256,000, to remain available until Sep-
tember 30, 2020: Provided, That such amount is designated
by the Congress for Overseas Contingency Operations/Global
War on Terrorism pursuant to section 251(b)(2)(A)(ii)
of the Balanced Budget and Emergency Deficit Control Act
of 1985.

PROCUREMENT OF AMMUNITION, AIR FORCE

For an additional amount for “Procurement of Am-
munition, Air Force”, $501,509,000, to remain available
until September 30, 2020: Provided, That such amount is
designated by the Congress for Overseas Contingency Oper-
ations/Global War on Terrorism pursuant to section

**OTHER PROCUREMENT, AIR FORCE**

For an additional amount for “Other Procurement, Air Force”, $3,998,887,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

**PROCUREMENT, DEFENSE-WIDE**

For an additional amount for “Procurement, Defense-Wide”, $510,741,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

**NATIONAL GUARD AND RESERVE EQUIPMENT ACCOUNT**

For procurement of rotary-wing aircraft; combat, tactical and support vehicles; other weapons; and other procurement items for the reserve components of the Armed Forces, $1,000,000,000, to remain available for obligation until September 30, 2020: Provided, That the Chiefs of National Guard and Reserve components shall, not later than
30 days after enactment of this Act, individually submit to the congressional defense committees the modernization priority assessment for their respective National Guard or Reserve component: Provided further, That none of the funds made available by this paragraph may be used to procure manned fixed wing aircraft, or procure or modify missiles, munitions, or ammunition: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

PROCUREMENT, NATIONAL DEFENSE RESTORATION FUND (INCLUDING TRANSFER OF FUNDS)

In addition to amounts provided elsewhere in this Act, there is appropriated $6,000,000,000, for the “Procurement, National Defense Restoration Fund”: Provided, That such funds provided under this heading shall only be available for programs, projects and activities necessary to implement the 2018 National Defense Strategy: Provided further, That such funds shall not be available for transfer until 30 days after the Secretary has submitted, and the congressional defense committees have approved, the proposed allocation plan for the use of such funds to implement such strategy: Provided further, That such allocation plan shall include a detailed justification for the use of such funds and a de-
scription of how such investments are necessary to implement the strategy: Provided further, That the Secretary of Defense may transfer these funds only to procurement accounts: Provided further, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which transferred: Provided further, That none of the funds made available under this heading may be transferred to any program, project, or activity specifically limited or denied by this Act: Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority available to the Department of Defense: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

For an additional amount for “Research, Development, Test and Evaluation, Army”, $119,368,000 (increased by $6,000,000), to remain available until September 30, 2019: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the

For an additional amount for “Research, Development, Test and Evaluation, Navy”, $124,865,000, to remain available until September 30, 2019: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

For an additional amount for “Research, Development, Test and Evaluation, Air Force”, $144,508,000, to remain available until September 30, 2019: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

For an additional amount for “Research, Development, Test and Evaluation, Defense-Wide”, $226,096,000, to remain available until September 30, 2019: Provided, That such amount is designated by the Congress for Over-

Research, Development, Test and Evaluation,

National Defense Restoration Fund

(including transfer of funds)

In addition to amounts provided elsewhere in this Act, there is appropriated $1,000,000,000, for the “Research, Development, Test and Evaluation, National Defense Restoration Fund”: Provided, That such funds provided under this heading shall only be available for programs, projects and activities necessary to implement the 2018 National Defense Strategy: Provided further, That such funds shall not be available for transfer until 30 days after the Secretary has submitted, and the congressional defense committees have approved, the proposed allocation plan for the use of such funds to implement such strategy: Provided further, That such allocation plan shall include a detailed justification for the use of such funds and a description of how such investments are necessary to implement the strategy: Provided further, That the Secretary of Defense may transfer these funds only to research, development, test and evaluation accounts: Provided further, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation
to which transferred: Provided further, That none of the funds made available under this heading may be transferred to any program, project, or activity specifically limited or denied by this Act: Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority available to the Department of Defense: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS


OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For an additional amount for “Defense Health Program”, $395,805,000, which shall be for operation and maintenance: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global

**DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE**

For an additional amount for “Drug Interdiction and Counter-Drug Activities, Defense”, $196,300,000: Provided, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

**JOINT IMPROVISED-THREAT DEFEAT FUND**

(including transfer of funds)

For the “Joint Improvised-Threat Defeat Fund”, $483,058,000, to remain available until September 30, 2020: Provided, That such funds shall be available to the Secretary of Defense, notwithstanding any other provision of law, for the purpose of allowing the Director of the Joint Improvised-Threat Defeat Organization to investigate, develop and provide equipment, supplies, services, training, facilities, personnel and funds to assist United States forces in the defeat of improvised explosive devices: Provided further, That the Secretary of Defense may transfer funds provided herein to appropriations for military personnel; operation and maintenance; procurement; research, develop-
ment, test and evaluation; and defense working capital funds to accomplish the purpose provided herein: Provided further, That this transfer authority is in addition to any other transfer authority available to the Department of Defense: Provided further, That the Secretary of Defense shall, not fewer than 5 days prior to making transfers from this appropriation, notify the congressional defense committees in writing of the details of any such transfer: Provided further, That such amount is designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Office of the Inspector General


General Provisions—This Title

Sec. 1301. Notwithstanding any other provision of law, funds made available in this title are in addition to amounts appropriated or otherwise made available for the Department of Defense for fiscal year 2018.
SEC. 1302. Upon the determination of the Secretary of Defense that such action is necessary in the national interest, the Secretary may, with the approval of the Office of Management and Budget, transfer up to $2,500,000,000 between the appropriations or funds made available to the Department of Defense in this title: Provided, That the Secretary shall notify the Congress promptly of each transfer made pursuant to the authority in this section: Provided further, That the authority provided in this section is in addition to any other transfer authority available to the Department of Defense and is subject to the same terms and conditions as the authority provided in section 8005 of this Act.

SEC. 1303. Supervision and administration costs and costs for design during construction associated with a construction project funded with appropriations available for operation and maintenance or the “Afghanistan Security Forces Fund” provided in this Act and executed in direct support of overseas contingency operations in Afghanistan, may be obligated at the time a construction contract is awarded: Provided, That, for the purpose of this section, supervision and administration costs and costs for design during construction include all in-house Government costs.
SEC. 1304. From funds made available in this title, the Secretary of Defense may purchase for use by military and civilian employees of the Department of Defense in the United States Central Command area of responsibility:

(1) passenger motor vehicles up to a limit of $75,000 per vehicle; and

(2) heavy and light armored vehicles for the physical security of personnel or for force protection purposes up to a limit of $450,000 per vehicle, notwithstanding price or other limitations applicable to the purchase of passenger carrying vehicles.

SEC. 1305. Not to exceed $5,000,000 of the amounts appropriated by this title under the heading “Operation and Maintenance, Army” may be used, notwithstanding any other provision of law, to fund the Commanders’ Emergency Response Program (CERP), for the purpose of enabling military commanders in Afghanistan to respond to urgent, small-scale, humanitarian relief and reconstruction requirements within their areas of responsibility: Provided, That each project (including any ancillary or related elements in connection with such project) executed under this authority shall not exceed $2,000,000: Provided further, That not later than 45 days after the end of each 6 months of the fiscal year, the Secretary of Defense shall submit to the congressional defense committees a report regarding the
source of funds and the allocation and use of funds during that 6-month period that were made available pursuant to the authority provided in this section or under any other provision of law for the purposes described herein: Provided further, That, not later than 30 days after the end of each fiscal year quarter, the Army shall submit to the congressional defense committees quarterly commitment, obligation, and expenditure data for the CERP in Afghanistan: Provided further, That, not less than 15 days before making funds available pursuant to the authority provided in this section or under any other provision of law for the purposes described herein for a project with a total anticipated cost for completion of $500,000 or more, the Secretary shall submit to the congressional defense committees a written notice containing each of the following:

(1) The location, nature and purpose of the proposed project, including how the project is intended to advance the military campaign plan for the country in which it is to be carried out.

(2) The budget, implementation timeline with milestones, and completion date for the proposed project, including any other CERP funding that has been or is anticipated to be contributed to the completion of the project.
(3) A plan for the sustainment of the proposed project, including the agreement with either the host nation, a non-Department of Defense agency of the United States Government or a third-party contributor to finance the sustainment of the activities and maintenance of any equipment or facilities to be provided through the proposed project.

SEC. 1306. Funds available to the Department of Defense for operation and maintenance may be used, notwithstanding any other provision of law, to provide supplies, services, transportation, including airlift and sealift, and other logistical support to allied forces participating in a combined operation with the armed forces of the United States and coalition forces supporting military and stability operations in Afghanistan and to counter the Islamic State of Iraq and the Levant: Provided, That the Secretary of Defense shall provide quarterly reports to the congressional defense committees regarding support provided under this section.

SEC. 1307. None of the funds appropriated or otherwise made available by this or any other Act shall be obligated or expended by the United States Government for a purpose as follows:
(1) To establish any military installation or base
for the purpose of providing for the permanent sta-
tioning of United States Armed Forces in Iraq.

(2) To exercise United States control over any
oil resource of Iraq.

(3) To establish any military installation or base
for the purpose of providing for the permanent sta-
tioning of United States Armed Forces in Afghani-
stan.

Sec. 1308. None of the funds made available in this
Act may be used in contravention of the following laws en-
acted or regulations promulgated to implement the United
Nations Convention Against Torture and Other Cruel, In-
human or Degrading Treatment or Punishment (done at
New York on December 10, 1984):

(1) Section 2340A of title 18, United States
Code.

(2) Section 2242 of the Foreign Affairs Reform
and Restructuring Act of 1998 (division G of Public
note) and regulations prescribed thereto, including
regulations under part 208 of title 8, Code of Federal
Regulations, and part 95 of title 22, Code of Federal
Regulations.
(3) Sections 1002 and 1003 of the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006 (Public Law 109–148).

SEC. 1309. None of the funds provided for the “Afghanistan Security Forces Fund” (ASFF) may be obligated prior to the approval of a financial and activity plan by the Afghanistan Resources Oversight Council (AROC) of the Department of Defense: Provided, That the AROC must approve the requirement and acquisition plan for any service requirements in excess of $50,000,000 annually and any non-standard equipment requirements in excess of $100,000,000 using ASFF: Provided further, That the Department of Defense must certify to the congressional defense committees that the AROC has convened and approved a process for ensuring compliance with the requirements in the preceding proviso and accompanying report language for the ASFF.

SEC. 1310. Funds made available in this title to the Department of Defense for operation and maintenance may be used to purchase items having an investment unit cost of not more than $250,000: Provided, That, upon determination by the Secretary of Defense that such action is necessary to meet the operational requirements of a Commander of a Combatant Command engaged in contingency
operations overseas, such funds may be used to purchase items having an investment item unit cost of not more than $500,000.

SEC. 1311. Up to $500,000,000 of funds appropriated by this Act for the Defense Security Cooperation Agency in “Operation and Maintenance, Defense-Wide” may be used to provide assistance to the Government of Jordan to support the armed forces of Jordan and to enhance security along its borders.

SEC. 1312. None of the funds made available by this Act under the heading “Counter-ISIL Train and Equip Fund” may be used to procure or transfer man-portable air defense systems.

SEC. 1313. For the “Ukraine Security Assistance Initiative”, $150,000,000 is hereby appropriated, to remain available until September 30, 2018: Provided, That such funds shall be available to the Secretary of Defense, in coordination with the Secretary of State, to provide assistance, including training; equipment; lethal weapons of a defensive nature; logistics support, supplies and services; sustainment; and intelligence support to the military and national security forces of Ukraine, and for replacement of any weapons or defensive articles provided to the Government of Ukraine from the inventory of the United States: Provided further, That the Secretary of Defense shall, not
less than 15 days prior to obligating funds provided under this heading, notify the congressional defense committees in writing of the details of any such obligation: Provided further, That the United States may accept equipment procured using funds provided under this heading in this or prior Acts that was transferred to the security forces of Ukraine and returned by such forces to the United States: Provided further, That equipment procured using funds provided under this heading in this or prior Acts, and not yet transferred to the military or National Security Forces of Ukraine or returned by such forces to the United States, may be treated as stocks of the Department of Defense upon written notification to the congressional defense committees: Provided further, That amounts made available by this section are designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Sec. 1314. Funds appropriated in this title shall be available for replacement of funds for items provided to the Government of Ukraine from the inventory of the United States to the extent specifically provided for in section 9013 of this Act.

Sec. 1315. None of the funds made available by this Act under section 9013 for “Assistance and Sustainment
to the Military and National Security Forces of Ukraine” may be used to procure or transfer man-portable air defense systems.

SEC. 1316. (a) None of the funds appropriated or otherwise made available by this Act under the heading “Operation and Maintenance, Defense-Wide” for payments under section 1233 of Public Law 110–181 for reimbursement to the Government of Pakistan may be made available unless the Secretary of Defense, in coordination with the Secretary of State, certifies to the congressional defense committees that the Government of Pakistan is—

(1) cooperating with the United States in counterterrorism efforts against the Haqqani Network, the Quetta Shura Taliban, Lashkar e-Tayyiba, Jaish-e-Mohammed, Al Qaeda, and other domestic and foreign terrorist organizations, including taking steps to end support for such groups and prevent them from basing and operating in Pakistan and carrying out cross border attacks into neighboring countries;

(2) not supporting terrorist activities against United States or coalition forces in Afghanistan, and Pakistan’s military and intelligence agencies are not intervening extra-judicially into political and judicial processes in Pakistan;
(3) dismantling improvised explosive device (IED) networks and interdicting precursor chemicals used in the manufacture of IEDs;

(4) preventing the proliferation of nuclear-related material and expertise;

(5) implementing policies to protect judicial independence and due process of law;

(6) issuing visas in a timely manner for United States visitors engaged in counterterrorism efforts and assistance programs in Pakistan; and

(7) providing humanitarian organizations access to detainees, internally displaced persons, and other Pakistani civilians affected by the conflict.

(b) The Secretary of Defense, in coordination with the Secretary of State, may waive the restriction in subsection (a) on a case-by-case basis by certifying in writing to the congressional defense committees that it is in the national security interest to do so: Provided, That if the Secretary of Defense, in coordination with the Secretary of State, exercises such waiver authority, the Secretaries shall report to the congressional defense committees on both the justification for the waiver and on the requirements of this section that the Government of Pakistan was not able to meet: Provided further, That such report may be submitted in classified form if necessary.
SEC. 1317. In addition to amounts otherwise made available in this Act, $500,000,000 is hereby appropriated to the Department of Defense and made available for transfer only to the operation and maintenance, military personnel, and procurement accounts, to improve the intelligence, surveillance, and reconnaissance capabilities of the Department of Defense: Provided, That the transfer authority provided in this section is in addition to any other transfer authority provided elsewhere in this Act: Provided further, That not later than 30 days prior to exercising the transfer authority provided in this section, the Secretary of Defense shall submit a report to the congressional defense committees on the proposed uses of these funds: Provided further, That the funds provided in this section may not be transferred to any program, project, or activity specifically limited or denied by this Act: Provided further, That amounts made available by this section are designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That the authority to provide funding under this section shall terminate on September 30, 2018.
SEC. 1318. None of the funds made available by this Act may be used with respect to Syria in contravention of the War Powers Resolution (50 U.S.C. 1541 et seq.), including for the introduction of United States armed or military forces into hostilities in Syria, into situations in Syria where imminent involvement in hostilities is clearly indicated by the circumstances, or into Syrian territory, airspace, or waters while equipped for combat, in contravention of the congressional consultation and reporting requirements of sections 3 and 4 of that law (50 U.S.C. 1542 and 1543).

(RESCISSIONS)

SEC. 1319. Of the funds appropriated in Department of Defense Appropriations Acts, the following funds are hereby rescinded from the following accounts and programs in the specified amounts: Provided, That such amounts are designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985:

“Other Procurement, Air Force”, 2017/2019, $25,100,000;

“Afghanistan Security Forces Fund”, 2017/2018, $100,000,000; and


Sec. 1320. Each amount designated in this Act by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be available only if the President subsequently so designates all such amounts and transmits such designations to the Congress.

Sec. 1321. (a) Not later than 30 days after the date of the enactment of this Act, the President shall submit to Congress a report on the United States strategy to defeat Al-Qaeda, the Taliban, the Islamic State of Iraq and Syria (ISIS), and their associated forces and co-belligerents.

(b) The report required under subsection (a) shall include the following:

(1) An analysis of the adequacy of the existing legal framework to accomplish the strategy described in subsection (a), particularly with respect to the Authorization for Use of Military Force (Public Law 107–40; 50 U.S.C. 1541 note) and the Authorization

(2) An analysis of the budgetary resources necessary to accomplish the strategy described in subsection (a).

(c) Not later than 30 days after the date on which the President submits to the appropriate congressional committees the report required by subsection (a), the Secretary of State and the Secretary of Defense shall testify at any hearing held by any of the appropriate congressional committees on the report and to which the Secretary is invited.

(d) In this section, the term “appropriate congressional committees” means—

(1) the Committee on Foreign Relations and the Committee on Armed Services of the Senate; and

(2) the Committee on Foreign Affairs and the Committee on Armed Services of the House of Representatives.

Sec. 1322. (a) In addition to amounts provided elsewhere in this Act, there is hereby appropriated $1,184,112,000, for the following accounts and programs in the specified amounts for costs associated with Operation Freedom’s Sentinel:

(1) “Military Personnel, Army”, $48,377,000;
(2) “Military Personnel, Marine Corps”, $179,000;

(3) “Military Personnel, Air Force”, $1,340,000;

(4) “Operation and Maintenance, Army”, $872,491,000;

(5) “Operation and Maintenance, Navy”, $76,274,000;

(6) “Operation and Maintenance, Marine Corps”, $24,734,000;

(7) “Operation and Maintenance, Defense-Wide”, $81,164,000;

(8) “Procurement of Ammunition, Navy and Marine Corps”, $10,853,000, to remain available until September 30, 2020;

(9) “Other Procurement, Navy”, $31,500,000, to remain available until September 30, 2020; and

(10) “Research, Development, Test and Evaluation, Navy”, $37,200,000, to remain available until September 30, 2019.

(b) Amounts provided pursuant to this section are hereby designated by the Congress for Overseas Contingency Operations/Global War on Terrorism pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985.
TITLE X—ADDITIONAL GENERAL PROVISIONS

REFERENCES TO REPORT

SEC. 1401. Any reference to a "report accompanying this Act" contained in this Act shall be treated as a reference to House Report 115–219. Such report shall apply for purposes of determining the allocation of funds provided by, and the implementation of, this Act.

SPENDING REDUCTION ACCOUNT

SEC. 1402. $0.

SEC. 1403. None of the funds appropriated or otherwise made available under the heading "Afghanistan Security Forces Fund" may be used to procure uniforms for the Afghan National Army.

SEC. 1404. None of the funds made available in this Act may be used for the closure of a biosafety level 4 laboratory.

SEC. 1405. None of the funds made available by this Act may be used to provide arms, training, or other assistance to the Azov Battalion.

SEC. 1406. None of the funds made available by this Act may be used to purchase heavy water from Iran.

SEC. 1407. None of the funds appropriated by this Act may be used to plan for, begin, continue, complete, process, or approve a public-private competition under the Office of Management and Budget Circular A-76.
Sec. 1408. Notwithstanding any other provision of law, with respect to the revised security category (as that term is defined in section 250(c)(4)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985), any sequestration order issued under such Act for fiscal year 2018 shall have no force or effect.

This division may be cited as the “Department of Defense Appropriations Act, 2018”.

DIVISION D—MISCELLANEOUS

Sec. 1501. (a) Section 1240B of the Food Security Act of 1985 (16 U.S.C. 3839aa-2) is amended by striking subsection (a) and inserting the following:

“(a) ESTABLISHMENT.—During each of the 2002 through 2019 fiscal years, the Secretary shall provide payments to producers that enter into contracts with the Secretary under the program.”.

(b) Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking “2018” and inserting “2018 (and fiscal year 2019 in the case of the program specified in paragraph (5))”; and
(B) in paragraph (5)(E), by striking “fiscal year 2018” and inserting “each of fiscal years 2018 through 2019”; and

(2) in subsection (b), by striking “2018” and inserting “2018 (and fiscal year 2019 in the case of the program specified in subsection (a)(5))”.

DIVISION E—TAX MATTERS

SEC. 1601. REPEAL OF SHIFT IN TIME OF PAYMENT OF CORPORATE ESTIMATED TAXES.

The Trade Preferences Extension Act of 2015 is amended by striking section 803 (relating to time for payment of corporate estimated taxes).

DIVISION F—HEALTH PROVISIONS

SEC. 2100. SHORT TITLE.

This division may be cited as the “Strengthening and Underpinning the Safety-net to Aid Individuals Needing Care Act of 2018” or the “SUSTAIN Care Act of 2018”.

TITLE I—MEDICARE EXTENDERS AND RELATED POLICIES

Subtitle A—Medicare Part A

SEC. 2101. EXTENSION OF THE MEDICARE-DEPENDENT HOSPITAL (MDH) PROGRAM.

(a) IN GENERAL.—Section 1886(d)(5)(G) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(G)) is amended—
(1) in clause (i), by striking “October 1, 2017” and inserting “October 1, 2019”; (2) in clause (ii)(II), by striking “October 1, 2017” and inserting “October 1, 2019”; and (3) in clause (iv)— (A) by amending subclause (I) to read as follows: “(I) that— “(aa) is located in a rural area; or “(bb) for discharges occurring on or after October 1, 2017, is located in a State with no rural area (as defined in paragraph (2)(D)) and satisfies any of the criteria in subclause (I), (II), (III), or (IV) of paragraph (8)(E)(ii),”; and (B) by adding at the end, after and below subclause (IV), the following flush sentence: “For purposes of applying subclause (II) of paragraph (8)(E)(ii) under subclause (I)(bb), such subclause (II) shall be applied by inserting ‘as of January 1, 2018,’ after ‘such State’ each place it appears.”.

(b) CONFORMING AMENDMENTS.—
(1) Extension of Target Amount.—Section 1886(b)(3)(D) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(D)) is amended—

(A) in the matter preceding clause (i), by striking “October 1, 2017” and inserting “October 1, 2019”; and

(B) in clause (iv), by striking “through fiscal year 2017” and inserting “through fiscal year 2019”.

(2) Permitting Hospitals to Decline Reclassification.—Section 13501(e)(2) of the Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 1395ww note) is amended by striking “through fiscal year 2017” and inserting “through fiscal year 2019”.

SEC. 2102. Extension of Increased Inpatient Hospital Payment Adjustment for Certain Low-Volume Hospitals.

Section 1886(d)(12) of the Social Security Act (42 U.S.C. 1395ww(d)(12)) is amended—

(1) in subparagraph (B), in the matter preceding clause (i), by striking “fiscal year 2018” and inserting “fiscal year 2020”;

(2) in subparagraph (C)(i), by striking “fiscal years 2011 through 2017” and inserting “fiscal years 2011 through 2019” each place it appears; and
(3) in subparagraph (D), by striking “fiscal years 2011 through 2017” and inserting “fiscal years 2011 through 2019”.

SEC. 2103. STUDIES RELATING TO HOSPITAL PROGRAMS PAID OUTSIDE OF PROSPECTIVE PAYMENT SYSTEMS.

(a) MedPAC Report.—Using data from hospital programs with respect to which hospitals receive payment outside of the prospective payment systems under sections 1833 and 1886 of the Social Security Act (42 U.S.C. 1395l; 42 U.S.C. 1395ww) (such programs referred to in this subsection as “PPS carve-out programs”) or other data, as available, not later than June 30, 2019, the Medicare Payment Advisory Commission shall submit to Congress a report that evaluates and recommends changes to PPS carve-out programs, including with respect to amendments made by sections 2101 and 2102 of this Act, sections 1814, 1820, 1886(d)(5)(D)(iii), and 1115(A) of the Social Security Act, and such other sections of title XVIII of the Social Security Act deemed appropriate. To the extent feasible, such report shall make recommendations on a payment methodology under the Medicare program for hospital payments, including with respect to PPS carve-out programs, that differs from the payment methodology applicable to such programs as of September 30, 2017.
(b) MedPAC Recommendations for Possible Alternative Payments.—Not later than 2 years after the date by which the Secretary of Health and Human Services has collected 2 years of data under sections 1886(d)(5)(G) and 1886(d)(12) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(G); 42 U.S.C. 1395ww(d)(12)), as extended pursuant to sections 2101 and 2102 of this Act, the Medicare Payment Advisory Commission shall submit to Congress a report, including—

(1) recommendations on payments, including a technical prototype for payments for PPS carve-out programs, if warranted;

(2) recommendations, if any, on which Medicare fee-for-service regulations for hospital payments under title XVIII of the Social Security Act should be altered (such as the critical access hospital 96-hour rule);

(3) an analysis of the impact of the recommended payments described in paragraph (1) on Medicare beneficiary cost-sharing, access to care, and choice of setting;

(4) a projection of any potential reduction in expenditures under title XVIII of the Social Security Act that may be attributable to the application of the recommended payments described in paragraph (1);
(5) a review of the value of hospitals participating in PPS carve-out programs collecting and reporting to the Secretary standardized patient assessment data with respect to inpatient hospital services;

(6) the types of rural hospital classifications and payment methodologies under the Medicare program, including information on each special payment structure such as eligibility criteria, and any areas of overlap between such special payment programs;

(7) Medicare spending on each PPS carve-out program;

(8) the financial aspects of hospitals participating in such PPS carve-out programs, such as the share of discharges under the Medicare and Medicaid programs; and

(9) whether such payment programs are empirically justified to support Medicare beneficiary access to care.

SEC. 2104. EXTENSION OF HOME HEALTH RURAL ADD-ON.

(a) Extension.—

(1) In general.—Section 421 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 2283; 42 U.S.C. 1395fff note), as amended by section 5201(b) of the Deficit Reduction Act of 2005 (Public Law
109–171; 120 Stat. 46), section 3131(c) of the Patient Protection and Affordable Care Act (Public Law 111–148; 124 Stat. 428), and section 210 of the Medicare Access and CHIP Reauthorization Act of 2015 (Public Law 114–10; 129 Stat. 151) is amended—

(A) in subsection (a), by striking “January 1, 2018” and inserting “January 1, 2019” each place it appears;

(B) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively;

(C) in each of subsections (c) and (d), as so redesignated, by striking “subsection (a)” and inserting “subsection (a) or (b)”;

(D) by inserting after subsection (a) the following new subsection:

“(b) Subsequent Temporary Increase.—

“(1) In general.—The Secretary shall increase the payment amount otherwise made under such section 1895 for home health services furnished in a county (or equivalent area) in a rural area (as defined in such section 1886(d)(2)(D)) that, as determined by the Secretary—

“(A) is in the highest quartile of all counties (or equivalent areas) based on the number of Medicare home health episodes furnished per 100
individuals who are entitled to, or enrolled for, benefits under part A of title XVIII of the Social Security Act or enrolled for benefits under part B of such title (but not enrolled in a plan under part C of such title)—

“(i) in the case of episodes and visits ending during 2019, by 1.5 percent; and

“(ii) in the case of episodes and visits ending during 2020, by 0.5 percent;

“(B) has a population density of 6 individuals or fewer per square mile of land area and is not described in subparagraph (A)—

“(i) in the case of episodes and visits ending during 2019, by 4 percent;

“(ii) in the case of episodes and visits ending during 2020, by 3 percent;

“(iii) in the case of episodes and visits ending during 2021, by 2 percent; and

“(iv) in the case of episodes and visits ending during 2022, by 1 percent; and

“(C) is not described in either subparagraph (A) or (B)—

“(i) in the case of episodes and visits ending during 2019, by 3 percent;
“(ii) in the case of episodes and visits ending during 2020, by 2 percent; and

“(iii) in the case of episodes and visits ending during 2021, by 1 percent.

“(2) RULES FOR DETERMINATIONS.—

“(A) NO SWITCHING.—For purposes of this subsection, the determination by the Secretary as to which subparagraph of paragraph (1) applies to a county (or equivalent area) shall be made a single time and shall apply for the duration of the period to which this subsection applies.

“(B) UTILIZATION.—In determining which counties (or equivalent areas) are in the highest quartile under paragraph (1)(A), the following rules shall apply:

“(i) The Secretary shall use data from 2015.

“(ii) The Secretary shall exclude data from the territories (and the territories shall not be described in such paragraph).

“(iii) The Secretary may exclude data from counties (or equivalent areas) in rural areas with a low volume of home health episodes (and if data is so excluded with respect to a county (or equivalent area), such
county (or equivalent area) shall not be described in such paragraph).

“(C) POPULATION DENSITY.—In determining population density under paragraph (1)(B), the Secretary shall use data from the 2010 decennial Census.

“(3) LIMITATIONS ON REVIEW.—There shall be no administrative or judicial review under section 1869, section 1878, or otherwise of determinations under paragraph (1).”.

(2) REQUIREMENT TO SUBMIT COUNTY DATA ON CLAIM FORM.—Section 1895(c) of the Social Security Act (42 U.S.C. 1395fff(c)) is amended—

(A) in paragraph (1), by striking “and” at the end;

(B) in paragraph (2), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following new paragraph:

“(3) in the case of home health services furnished on or after January 1, 2019, the claim contains the code for the county (or equivalent area) in which the home health service was furnished.”.

(b) OIG REVIEW.—The Office of the Inspector General shall submit to Congress, not later than January 1, 2020,
and annually thereafter through January 1, 2024, a report containing—

(1) an analysis of payments made under section 1895 of the Social Security Act (42 U.S.C. 1395fff) increased under section 421 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 2283; 42 U.S.C. 1395fff note), as amended by section 5201(b) of the Deficit Reduction Act of 2005 (Public Law 109–171; 120 Stat. 46), section 3131(c) of the Patient Protection and Affordable Care Act (Public Law 111–148; 124 Stat. 428), section 210 of the Medicare Access and CHIP Reauthorization Act of 2015 (Public Law 114–10; 129 Stat. 151), and subsection (a); and

(2) a recommendation on whether such payments should continue to be made based on county data.

Subtitle B—Medicare Part B

SEC. 2111. GROUND AMBULANCE SERVICES COST REPORTING REQUIREMENT.

(a) IN GENERAL.—Section 1121 of the Social Security Act (42 U.S.C. 1320a) is amended—

(1) in subsection (a)—

(A) by striking “For the purposes of” and inserting “Subject to subsection (d), for the purposes of”;

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(B) by inserting “suppliers of ground ambulance services,” after “health maintenance organizations,”; and

(C) in the matter following paragraph (5), by adding the following new sentence: “Not later than December 31, 2019, the Secretary shall modify the uniform reporting systems for providers of services with respect to ground ambulance services to ensure that such systems contain information similar (as determined by the Secretary) to information required under the uniform reporting system for suppliers of ground ambulance services.”; and

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

“(d) In the case of a provider or supplier of ground ambulance services, the Secretary may modify the requirements for the inclusion of any data element specified in subsection (a) in reports made in accordance with the uniform reporting system established under this section with respect to such services for such provider or supplier.”.

(b) SUSPENSION OF PAYMENT FOR GROUND AMBULANCE SERVICES; DEEMING CERTAIN PAYMENTS OVERPAYMENTS.—Section 1834(l) of the Social Security Act (42...
U.S.C. 1395m(l) is amended by adding at the end the following new paragraph:

“(17) Requirement to submit cost report and authority to suspend payments and deem certain payments overpayments for ground ambulance services.—

“(A) In general.—With respect to ground ambulance services furnished by a supplier of such services during cost reporting periods (as defined in subparagraph (I)) beginning on or after January 1, 2020, such supplier shall make reports to the Secretary of information described in section 1121(a) in accordance with the uniform reporting system established under such section for such suppliers and, as may be required by the Secretary, of any of the information described in subparagraph (B).

“(B) Additional information.—The Secretary may, with respect to a supplier of ground ambulance services, require the following information (to be reported to the extent practicable under the uniform reporting system established under section 1121(a) for such suppliers):

“(i) Whether the supplier is part of an emergency services department, a govern-
mental organization, or another type of entity (as described by the Secretary).

“(ii) The number of hours in a week during which the supplier is available for furnishing ground ambulance services.

“(iii) The average number of volunteer hours a week used by the supplier.

“(C) SUSPENSION OF PAYMENT.—Subject to subparagraph (E), in the case that the Secretary determines that a supplier of ground ambulance services has not made to the Secretary a timely report described in subparagraph (A) with respect to a cost reporting period beginning on or after January 1, 2020, and before January 1, 2022, the Secretary may suspend payments made under this subsection, in whole or in part, to such supplier until the Secretary determines that such supplier has made such a report.

“(D) DEEMING CERTAIN PAYMENTS OVERPAYMENTS.—Subject to subparagraphs (E) and (F), in the case that the Secretary determines that a supplier of ground ambulance services has not made to the Secretary a complete, accurate, and timely report described in subparagraph (A) with respect to a cost reporting period beginning
on or after January 1, 2022, the Secretary may either—

“(i) deem payments made under this subsection to such supplier for such period to be overpayments and recoup such overpayments; or

“(ii) suspend payments made under this subsection to such supplier for such period.

“(E) HARDSHIP DELAY.—The Secretary shall establish a process whereby a supplier of ground ambulance services may request a delay in making a report described in subparagraph (A) with respect to a cost reporting period for reason of significant hardship (as determined by the Secretary).

“(F) AUTHORITY TO MODIFY COST REPORTING ELEMENTS AND ENFORCEMENT.—Not earlier than January 1, 2024, the Secretary may provide that subparagraph (D) no longer applies to suppliers of ground ambulance services or a category of such suppliers after—

“(i) taking into account the recommendation of the Medicare Payment Advisory Commission in the most recent report
available to the Secretary submitted under section 2111(g) of the SUSTAIN Care Act of 2018 whether cost reports made by suppliers or a category of suppliers (as specified for purposes of the report submitted under such section) of ground ambulance services should be required or modified; and

“(ii) undertaking notice and comment rulemaking.

“(G) AUDIT OF COST REPORTS.—The Secretary shall audit reports described in subparagraph (A) made with respect to cost reporting periods beginning on or after January 1, 2021.

“(H) APPEALS.—The Secretary shall establish a process whereby a supplier of ground ambulance services may appeal a determination described in subparagraph (C) or (D) made with respect to a cost report required to be made by such supplier under subparagraph (A).

“(I) DEFINITION.—In this paragraph, the term ‘cost reporting period’ means, with respect to a year, the 12-month period beginning on January 1 of such year.”.

(c) STAKEHOLDER FEEDBACK.—
(1) **IN GENERAL.**—The Secretary of Health and Human Services shall implement the provisions of this section, including the amendments made by this section, through notice and comment rulemaking and seek input from stakeholders.

(2) **NONAPPLICATION OF PAPERWORK REDUCTION ACT.**—Chapter 35 of title 44, United States Code, shall not apply with respect to—

(A) the development and implementation of the uniform reporting system required under section 1121(a) of the Social Security Act (42 U.S.C. 1320a(a)) for suppliers of ground ambulance services and reports required to be made under section 1834(l)(17) of such Act (42 U.S.C. 1395m(l)(17)); and

(B) the modification of the uniform reporting systems under such section 1121(a) of such Act for providers of such services and reports required to be made under section 1861(v)(1)(F) of such Act (42 U.S.C. 1395x(v)(1)(F)).

(d) **IMPLEMENTATION RESOURCES.**—In addition to funds otherwise available, there are appropriated to the Centers for Medicare & Medicaid Services Program Management Account from the Federal Hospital Insurance Trust Fund under section 1817 of the Social Security Act
(42 U.S.C. 1395i) $8,000,000 and from the Federal Supplementary Medical Insurance Trust Fund under section 1841 of such Act (42 U.S.C. 1395i) $137,000,000 (of which not less than $15,000,000 shall be used to fulfill the auditing requirement under section 1834(l)(17)(G) of such Act, as added by subsection (b) of this section) to carry out the provisions of this section, including the amendments made by this section, to remain available through December 31, 2022. Of the amounts appropriated under the previous sentence, the Secretary shall use such sums as may be necessary to hire not less than 2 full-time employees for purposes of carrying out such provisions, including such amendments.

(e) Extension of Rural Add-on Payments.—Section 1834(l) of the Social Security Act (42 U.S.C. 1395m(l)) is amended—

(1) in paragraph (12)(A), by striking “2018” and inserting “2023”; and

(2) in paragraph (13)(A), by striking “2018” each place it appears and inserting “2023”.

(f) Sense of Congress.—It is the sense of Congress that—

(1) a cost report made by a supplier of ground ambulance services with respect to a cost reporting period beginning before January 1, 2022, may not contain complete and accurate information on ground
ambulance services furnished during such a period by
the supplier; and

(2) the Secretary should take into account only
the timeliness of such a report made with respect to
such a period when determining whether to suspend
payments to a supplier under section 1834(l) of the
Social Security Act (42 U.S.C. 1395m(l)).

(g) GROUND AMBULANCE SERVICES COST REPORTING

STUDY.—

(1) IN GENERAL.—Not later than March 15,
2023, and as determined necessary by the Medicare
Payment Advisory Commission thereafter, such Com-
mission shall assess and submit to Congress a report
on cost reports of suppliers and providers of ground
ambulance services carried out in accordance with
sections 1121(a) and 1834(l) of the Social Security
Act (42 U.S.C. 1320a(a), 1395m(l)), the adequacy of
payments for such services made under section
1834(l) of such Act, and geographic variations in the
cost of providing such services.

(2) CONTENTS.—The report described in para-
graph (1) shall contain the following:

(A) An analysis of cost report data sub-
mitted in accordance with such sections.
(B) An analysis of any burden on providers and suppliers of such services associated with reporting such data.

(C) A recommendation on whether or not cost reports of ground ambulance services made by suppliers or a category of suppliers (as specified by the Secretary) of such services, or the ground ambulance portion of cost reports made by providers of such services, should be required or modified, taking into account the analyses described in subparagraphs (A) and (B).

SEC. 2112. EXTENSION OF WORK GPCI FLOOR.

Section 1848(e)(1)(E) of the Social Security Act (42 U.S.C. 1395w–4(e)(1)(E)) is amended by striking “January 1, 2018” and inserting “January 1, 2020”.

SEC. 2113. REPEAL OF MEDICARE PAYMENT CAP FOR THERAPY SERVICES; REPLACEMENT WITH LIMITATION TO ENSURE APPROPRIATE THERAPY.

Section 1833(g) of the Social Security Act (42 U.S.C. 1395l(g)) is amended—

(1) in paragraph (1)—

(A) by striking “Subject to paragraphs (4) and (5)” and inserting “(A) Subject to paragraphs (4) and (5)”;

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(B) in the subparagraph (A), as inserted and designated by subparagraph (A) of this paragraph, by adding at the end the following new sentence: “The preceding sentence shall not apply to expenses incurred with respect to services furnished after December 31, 2017.”; and

(C) by adding at the end the following new subparagraph:

“(B) With respect to services furnished during 2018 or a subsequent year, in the case of physical therapy services of the type described in section 1861(p), speech-language pathology services of the type described in such section through the application of section 1861(ll)(2), and physical therapy services and speech-language pathology services of such type which are furnished by a physician or as incident to physicians’ services, with respect to expenses incurred in any calendar year, any amount that is more than the amount specified in paragraph (2) for the year shall not be considered as incurred expenses for purposes of subsections (a) and (b) unless the applicable requirements of paragraph (7) are met.”;

(2) in paragraph (3)—

(A) by striking “Subject to paragraphs (4) and (5)” and inserting “(A) Subject to paragraphs (4) and (5)”;

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(B) in the subparagraph (A), as inserted and designated by subparagraph (A) of this paragraph, by adding at the end the following new sentence: “The preceding sentence shall not apply to expenses incurred with respect to services furnished after December 31, 2017.”; and

(C) by adding at the end the following new subparagraph:

“(B) With respect to services furnished during 2018 or a subsequent year, in the case of occupational therapy services (of the type that are described in section 1861(p) through the operation of section 1861(g) and of such type which are furnished by a physician or as incident to physicians’ services), with respect to expenses incurred in any calendar year, any amount that is more than the amount specified in paragraph (2) for the year shall not be considered as incurred expenses for purposes of subsections (a) and (b) unless the applicable requirements of paragraph (7) are met.”;

(3) in paragraph (5)—

(A) by redesignating subparagraph (D) as paragraph (8) and moving such paragraph to immediately follow paragraph (7), as added by paragraph (4) of this section; and
(B) in subparagraph (E)(iv), by inserting

“, except as such process is applied under para-

graph (7)(B)” before the period at the end; and

(4) by adding at the end the following new para-

graph:

“(7) For purposes of paragraphs (1)(B) and (3)(B),

with respect to services described in such paragraphs, the

requirements described in this paragraph are as follows:

“(A) Inclusion of appropriate modifier.—

The claim for such services contains an appropriate

modifier (such as the KX modifier described in para-

graph (5)(B)) indicating that such services are medi-

cally necessary as justified by appropriate docu-

mentation in the medical record involved.

“(B) Targeted medical review for certain

services above threshold.—

“(i) In general.—In the case where ex-

penses that would be incurred for such services

would exceed the threshold described in clause

(ii) for the year, such services shall be subject to

the process for medical review implemented

under paragraph (5)(E).

“(ii) Threshold.—The threshold under

this clause for—

“(I) a year before 2028, is $3,000;
“(II) 2028, is the amount specified in
subclause (I) increased by the percentage in-
crease in the MEI (as defined in section
1842(i)(3)) for 2028; and

“(III) a subsequent year, is the amount
specified in this clause for the preceding
year increased by the percentage increase in
the MEI (as defined in section 1842(i)(3))
for such subsequent year;

except that if an increase under subclause (II) or
(III) for a year is not a multiple of $10, it shall
be rounded to the nearest multiple of $10.

“(iii) APPLICATION.—The threshold under
clause (ii) shall be applied separately—

“(I) for physical therapy services and
speech-language pathology services; and

“(II) for occupational therapy services.

“(iv) FUNDING.—For purposes of carrying
out this subparagraph, the Secretary shall pro-
vide for the transfer, from the Federal Supple-
mentary Medical Insurance Trust Fund under
section 1841 to the Centers for Medicare & Med-
icaid Services Program Management Account, of
$5,000,000 for each fiscal year beginning with
fiscal year 2018, to remain available until ex-
pended. Such funds may not be used by a contractor under section 1893(h) for medical reviews under this subparagraph.”.

Subtitle C—Miscellaneous

SEC. 2121. PROVIDING CONTINUED ACCESS TO MEDICARE ADVANTAGE SPECIAL NEEDS PLANS FOR VULNERABLE POPULATIONS.

(a) Extension.—Section 1859(f)(1) of the Social Security Act (42 U.S.C. 1395w–28(f)(1)) is amended by striking “and for periods before January 1, 2019”.

(b) Increased Integration of Dual SNPs.—

(1) In General.—Section 1859(f) of the Social Security Act (42 U.S.C. 1395w–28(f)) is amended—

(A) in paragraph (3), by adding at the end the following new subparagraph:

“(F) The plan meets the requirements applicable under paragraph (8).”; and

(B) by adding at the end the following new paragraph:

“(8) Increased Integration of Dual SNPs.—

“(A) Designated Contact.—The Secretary, acting through the Federal Coordinated Health Care Office established under section 2602 of Public Law 111–148, shall serve as a dedicated point of contact for States to address
misalignments that arise with the integration of specialized MA plans for special needs individuals described in subsection (b)(6)(B)(ii) under this paragraph and, consistent with such role, shall establish—

“(i) a uniform process for disseminating to State Medicaid agencies information under this title impacting contracts between such agencies and such plans under this subsection; and

“(ii) basic resources for States interested in exploring such plans as a platform for integration, such as a model contract or other tools to achieve those goals.

“(B) UNIFIED GRIEVANCES AND APPEALS PROCESS.—

“(i) IN GENERAL.—Not later than April 1, 2020, the Secretary shall establish procedures, to the extent feasible as determined by the Secretary, unifying grievances and appeals procedures under sections 1852(f), 1852(g), 1902(a)(3), 1902(a)(5), and 1932(b)(4) for items and services provided by specialized MA plans for special needs individuals described in subsection...
(b)(6)(B)(ii) under this title and title XIX. With respect to items and services described in the preceding sentence, procedures established under this clause shall apply in place of otherwise applicable grievances and appeals procedures. The Secretary shall solicit comment in developing such procedures from States, plans, beneficiaries and their representatives, and other relevant stakeholders.

“(ii) Procedures.—The procedures established under clause (i) shall be included in the plan contract under paragraph (3)(D) and shall—

“(I) adopt the provisions for the enrollee that are most protective for the enrollee and, to the extent feasible as determined by the Secretary, are compatible with unified timeframes and consolidated access to external review under an integrated process;

“(II) take into account differences in State plans under title XIX to the extent necessary;
“(III) be easily navigable by an enrollee; and

“(IV) include the elements described in clause (iii), as applicable.

“(iii) Elements described.—Both unified appeals and unified grievance procedures shall include, as applicable, the following elements described in this clause:

“(I) Single written notification of all applicable grievances and appeal rights under this title and title XIX. For purposes of this subparagraph, the Secretary may waive the requirements under section 1852(g)(1)(B) when the specialized MA plan covers items or services under this part or under title XIX.

“(II) Single pathways for resolution of any grievance or appeal related to a particular item or service provided by specialized MA plans for special needs individuals described in subsection (b)(6)(B)(ii) under this title and title XIX.
“(III) Notices written in plain language and available in a language and format that is accessible to the enrollee, including in non-English languages that are prevalent in the service area of the specialized MA plan.

“(IV) Unified timeframes for grievances and appeals processes, such as an individual’s filing of a grievance or appeal, a plan’s acknowledgment and resolution of a grievance or appeal, and notification of decisions with respect to a grievance or appeal.

“(V) Requirements for how the plan must process, track, and resolve grievances and appeals, to ensure beneficiaries are notified on a timely basis of decisions that are made throughout the grievance or appeals process and are able to easily determine the status of a grievance or appeal.

“(iv) CONTINUATION OF BENEFITS PENDING APPEAL.—The unified procedures under clause (i) shall, with respect to all benefits under parts A and B and title XIX
subject to appeal under such procedures, in-
corporate provisions under current law and
implementing regulations that provide con-
tinuation of benefits pending appeal under
this title and title XIX.

“(C) REQUIREMENT FOR UNIFIED GRIEV-
ANCES AND APPEALS.—For 2021 and subsequent
years, the contract of a specialized MA plan for
special needs individuals described in subsection
(b)(6)(B)(ii) with a State Medicaid agency
under paragraph (3)(D) shall require the use of
unified grievances and appeals procedures as de-
scribed in subparagraph (B).

“(D) REQUIREMENTS FOR INTEGRATION.—

“(i) IN GENERAL.—For 2021 and sub-
sequent years, a specialized MA plan for
special needs individuals described in sub-
section (b)(6)(B)(ii) shall meet one or more
of the following requirements, to the extent
permitted under State law, for integration
of benefits under this title and title XIX:

“(I) The specialized MA plan
must meet the requirements of con-
tracting with the State Medicaid agen-
cy described in paragraph (3)(D) in
addition to coordinating long-term services and supports or behavioral health services, or both, by meeting an additional minimum set of requirements determined by the Secretary through the Federal Coordinated Health Care Office established under section 2602 of the Patient Protection and Affordable Care Act based on input from stakeholders, such as notifying the State in a timely manner of hospitalizations, emergency room visits, and hospital or nursing home discharges of enrollees, assigning one primary care provider for each enrollee, or sharing data that would benefit the coordination of items and services under this title and the State plan under title XIX. Such minimum set of requirements must be included in the contract of the specialized MA plan with the State Medicaid agency under such paragraph.

“(II) The specialized MA plan must meet the requirements of a fully
integrated plan described in section 1853(a)(1)(B)(iv)(II) (other than the requirement that the plan have similar average levels of frailty, as determined by the Secretary, as the PACE program), or enter into a capitated contract with the State Medicaid agency to provide long-term services and supports or behavioral health services, or both.

“(III) In the case of a specialized MA plan that is offered by a parent organization that is also the parent organization of a Medicaid managed care organization providing long term services and supports or behavioral services under a contract under section 1903(m), the parent organization must assume clinical and financial responsibility for benefits provided under this title and title XIX with respect to any individual who is enrolled in both the specialized MA plan and the Medicaid managed care organization.
“(ii) Suspension of enrollment for failure to meet requirements during initial period.—During the period of plan years 2021 through 2025, if the Secretary determines that a specialized MA plan for special needs individuals described in subsection (b)(6)(B)(ii) has failed to comply with clause (i), the Secretary may provide for the application against the Medicare Advantage organization offering the plan of the remedy described in section 1857(g)(2)(B) in the same manner as the Secretary may apply such remedy, and in accordance with the same procedures as would apply, in the case of an MA organization determined by the Secretary to have engaged in conduct described in section 1857(g)(1). If the Secretary applies such remedy to a Medicare Advantage organization under the preceding sentence, the organization shall submit to the Secretary (at a time, and in a form and manner, specified by the Secretary) information describing how the plan will come into compliance with clause (i).
“(E) STUDY AND REPORT TO CONGRESS.—

“(i) IN GENERAL.—Not later than January 1, 2022, and, subject to clause (iii), biennially thereafter through 2032, the Medicare Payment Advisory Commission established under section 1805, in consultation with the Medicaid and CHIP Payment and Access Commission established under section 1900, shall conduct (and submit to the Secretary and the Committees on Ways and Means and Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate a report on) a study to determine how specialized MA plans for special needs individuals described in subsection (b)(6)(B)(ii) perform among each other based on data from Healthcare Effectiveness Data and Information Set (HEDIS) quality measures, reported on the plan level, as required under section 1852(e)(3) (or such other measures or data sources that are available and appropriate, such as encounter data and Consumer Assessment of Healthcare Providers and Systems data, as specified by such Commissions.
as enabling an accurate evaluation under this subparagraph). Such study shall include, as feasible, the following comparison groups of specialized MA plans for special needs individuals described in subsection (b)(6)(B)(ii):

“(I) A comparison group of such plans that are described in subparagraph (D)(i)(I).

“(II) A comparison group of such plans that are described in subparagraph (D)(i)(II).

“(III) A comparison group of such plans operating within the Financial Alignment Initiative demonstration for the period for which such plan is so operating and the demonstration is in effect, and, in the case that an integration option that is not with respect to specialized MA plans for special needs individuals is established after the conclusion of the demonstration involved.
“(IV) A comparison group of such plans that are described in subpara-
graph (D)(i)(III).

“(V) A comparison group of MA plans, as feasible, not described in a
previous subclause of this clause, with respect to the performance of such
plans for enrollees who are special needs individuals described in sub-
section (b)(6)(B)(ii).

“(ii) DISCRETIONARY ADDITIONAL RE-
PORTS.—Beginning with 2033 and every five years thereafter, the Medicare Payment
Advisory Commission, in consultation with the Medicaid and CHIP Payment and Ac-
cess Commission shall, at the discretion of the Secretary, conduct a study described in
clause (i).”.

(2) CONFORMING AMENDMENT TO RESPONSIBIL-
ITIES OF FEDERAL COORDINATED HEALTH CARE OF-
FICE.—Section 2602(d) of Public Law 111–148 (42 U.S.C. 1315b(d)) is amended by adding at the end the following new paragraphs:

“(6) To act as a designated contact for States under subsection (f)(8)(A) of section 1859 of the So-
social Security Act (42 U.S.C. 1395w–28) with respect to the integration of specialized MA plans for special needs individuals described in subsection (b)(6)(B)(ii) of such section.

“(7) To be responsible, subject to the final approval of the Secretary, for developing regulations and guidance related to the implementation of a unified grievance and appeals process as described in subparagraphs (B) and (C) of section 1859(f)(8) of the Social Security Act (42 U.S.C. 1395w–28(f)(8)).

“(8) To be responsible, subject to the final approval of the Secretary, for developing regulations and guidance related to the integration or alignment of policy and oversight under the Medicare program under title XVIII of such Act and the Medicaid program under title XIX of such Act regarding specialized MA plans for special needs individuals described in subsection (b)(6)(B)(ii) of such section 1859.”.

(c) IMPROVEMENTS TO SEVERE OR DISABLING CHRONIC CONDITION SNPs.—

(1) CARE MANAGEMENT REQUIREMENTS.—Section 1859(f)(5) of the Social Security Act (42 U.S.C. 1395w–28(f)(5)) is amended—

(A) by striking “ALL SNPS.—The requirements” and inserting “ALL SNPS.—
“(A) In general.—Subject to subparagraph (B), the requirements;”

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and indenting appropriately; and

(C) in clause (ii), as redesignated by subparagraph (B), by redesignating clauses (i) through (iii) as subclauses (I) through (III), respectively, and indenting appropriately; and

(D) by adding at the end the following new subparagraph:

“(B) Improvements to care management requirements for severe or disabling chronic condition SNPs.—For 2020 and subsequent years, in the case of a specialized MA plan for special needs individuals described in subsection (b)(6)(B)(iii), the requirements described in this paragraph include the following:

“(i) The interdisciplinary team under subparagraph (A)(ii)(III) includes a team of providers with demonstrated expertise, including training in an applicable specialty, in treating individuals similar to the targeted population of the plan.
“(ii) Requirements developed by the Secretary to provide face-to-face encounters with individuals enrolled in the plan not less frequently than on an annual basis.

“(iii) As part of the model of care under clause (i) of subparagraph (A), the results of the initial assessment and annual reassessment under clause (ii)(I) of such subparagraph of each individual enrolled in the plan are addressed in the individual’s individualized care plan under clause (ii)(II) of such subparagraph.

“(iv) As part of the annual evaluation and approval of such model of care, the Secretary shall take into account whether the plan fulfilled the previous year’s goals (as required under the model of care).

“(v) The Secretary shall establish a minimum benchmark for each element of the model of care of a plan. The Secretary shall only approve a plan’s model of care under this paragraph if each element of the model of care meets the minimum benchmark applicable under the preceding sentence.”.
(2) Revisions to the definition of a severe or disabling chronic conditions specialized needs individual.—

(A) In general.—Section 1859(b)(6)(B)(iii) of the Social Security Act (42 U.S.C. 1395w–28(b)(6)(B)(iii)) is amended—

(i) by striking “who have” and inserting “who—

“(I) before January 1, 2022, have”;

(ii) in subclause (I), as added by clause (i), by striking the period at the end and inserting “; and”; and

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

“(II) on or after January 1, 2022, have one or more comorbid and medically complex chronic conditions that is life threatening or significantly limits overall health or function, have a high risk of hospitalization or other adverse health outcomes, and require intensive care coordination and that is listed under subsection (f)(9)(A).”.
(B) PANEL OF CLINICAL ADVISORS.—Section 1859(f) of the Social Security Act (42 U.S.C. 1395w–28(f)), as amended by subsection (b), is amended by adding at the end the following new paragraph:

“(9) LIST OF CONDITIONS FOR CLARIFICATION OF THE DEFINITION OF A SEVERE OR DISABLING CHRONIC CONDITIONS SPECIALIZED NEEDS INDIVIDUAL.—

“(A) IN GENERAL.—Not later than December 31, 2020, and every 5 years thereafter, subject to subparagraphs (B) and (C), the Secretary shall convene a panel of clinical advisors to establish and update a list of conditions that meet each of the following criteria:

“(i) Conditions that meet the definition of a severe or disabling chronic condition under subsection (b)(6)(B)(iii) on or after January 1, 2022.

“(ii) Conditions that require prescription drugs, providers, and models of care that are unique to the specific population of enrollees in a specialized MA plan for special needs individuals described in such subsection on or after such date and—
“(I) as a result of access to, and enrollment in, such a specialized MA plan for special needs individuals, individuals with such condition would have a reasonable expectation of slowing or halting the progression of the disease, improving health outcomes and decreasing overall costs for individuals diagnosed with such condition compared to available options of care other than through such a specialized MA plan for special needs individuals; or

“(II) have a low prevalence in the general population of beneficiaries under this title or a disproportionally high per-beneficiary cost under this title.

“(B) INCLUSION OF CERTAIN CONDITIONS.—The conditions listed under subparagraph (A) shall include HIV/AIDS, end stage renal disease, and chronic and disabling mental illness.

“(C) REQUIREMENT.—In establishing and updating the list under subparagraph (A), the panel shall take into account the availability of varied benefits, cost-sharing, and supplemental
benefits under the model described in paragraph (2) of section 1859(h), including the expansion under paragraph (1) of such section.”.

(d) QUALITY MEASUREMENT AT THE PLAN LEVEL FOR SNPS AND DETERMINATION OF FEASABILITY OF QUALITY MEASUREMENT AT THE PLAN LEVEL FOR ALL MA PLANS.—Section 1853(o) of the Social Security Act (42 U.S.C. 1395w–23(o)) is amended by adding at the end the following new paragraphs:

“(6) QUALITY MEASUREMENT AT THE PLAN LEVEL FOR SNPS.—

“(A) IN GENERAL.—Subject to subparagraph (B), the Secretary may require reporting of data under section 1852(e) for, and apply under this subsection, quality measures at the plan level for specialized MA plans for special needs individuals instead of at the contract level.

“(B) CONSIDERATIONS.—Prior to applying quality measurement at the plan level under this paragraph, the Secretary shall—

“(i) take into consideration the minimum number of enrollees in a specialized MA plan for special needs individuals in order to determine if a statistically signifi-
cant or valid measurement of quality at the plan level is possible under this paragraph;

“(ii) take into consideration the impact of such application on plans that serve a disproportionate number of individuals dually eligible for benefits under this title and under title XIX;

“(iii) if quality measures are reported at the plan level, ensure that MA plans are not required to provide duplicative information; and

“(iv) ensure that such reporting does not interfere with the collection of encounter data submitted by MA organizations or the administration of any changes to the program under this part as a result of the collection of such data.

“(C) APPLICATION.—If the Secretary applies quality measurement at the plan level under this paragraph—

“(i) such quality measurement may include Medicare Health Outcomes Survey (HOS), Healthcare Effectiveness Data and Information Set (HEDIS), Consumer Assessment of Healthcare Providers and Sys-
tems (CAHPS) measures and quality measures under part D; and

“(ii) the Secretary shall consider applying administrative actions, such as remedies described in section 1857(g)(2), at the plan level.

“(7) DETERMINATION OF FEASIBILITY OF QUALITY MEASUREMENT AT THE PLAN LEVEL FOR ALL MA PLANS.—

“(A) DETERMINATION OF FEASIBILITY.—

The Secretary shall determine the feasibility of requiring reporting of data under section 1852(e) for, and applying under this subsection, quality measures at the plan level for all MA plans under this part.

“(B) CONSIDERATION OF CHANGE.—After making a determination under subparagraph (A), the Secretary shall consider requiring such reporting and applying such quality measures at the plan level as described in such subparagraph”.

(e) GAO STUDY AND REPORT ON STATE-LEVEL INTEGRATION BETWEEN DUAL SNPs AND MEDICAID.—

(1) STUDY.—The Comptroller General of the United States (in this subsection referred to as the
“Comptroller General”) shall conduct a study on State-level integration between specialized MA plans for special needs individuals described in subsection (b)(6) (B)(ii) of section 1859 of the Social Security Act (42 U.S.C. 1395w–28) and the Medicaid program under title XIX of such Act (42 U.S.C. 1396 et seq.). Such study shall include an analysis of the following:

(A) The characteristics of States in which the State agency responsible for administering the State plan under such title XIX has a contract with such a specialized MA plan and that delivers long-term services and supports under the State plan under such title XIX through a managed care program, including the requirements under such State plan with respect to long-term services and supports.

(B) The types of such specialized MA plans, which may include the following:

(i) A plan described in section 1853(a)(1)(B)(iv)(II) of such Act (42 U.S.C. 1395w–23(a)(1)(B)(iv)(II)).

(ii) A plan that meets the requirements described in subsection (f)(3)(D) of such section 1859.
(iii) A plan described in clause (ii) that also meets additional requirements established by the State.

(C) The characteristics of individuals enrolled in such specialized MA plans.

(D) As practicable, the following with respect to State programs for the delivery of long-term services and supports under such title XIX through a managed care program:

    (i) Which populations of individuals are eligible to receive such services and supports.

    (ii) Whether all such services and supports are provided on a capitated basis or if any of such services and supports are carved out and provided through fee-for-service.

(E) As practicable, how the availability and variation of integration arrangements of such specialized MA plans offered in States affects spending, service delivery options, access to community-based care, and utilization of care.

(F) The efforts of State Medicaid programs to transition dually-eligible beneficiaries receiving long-term services and supports (LTSS)
from institutional settings to home and community-based settings and related financial impacts of such transitions.

(G) Barriers and opportunities for making further progress on dual integration, as well as recommendations for legislation or administrative action to expedite or refine pathways toward fully integrated care.

(2) REPORT.—Not later than 2 years after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report containing the results of the study conducted under paragraph (1), together with recommendations for such legislation and administrative action as the Comptroller General determines appropriate.

SEC. 2122. EXTENSION OF CERTAIN MIPPA FUNDING PROVISIONS; STATE HEALTH INSURANCE ASSISTANCE PROGRAM REPORTING REQUIREMENTS.

(a) FUNDING EXTENSIONS.—Section 119 of the Medicare Improvements for Patients and Providers Act of 2008 (42 U.S.C. 1395b–3 note) is amended—

(1) in subsection (a)(1)(B)—

(A) in clause (vi), by striking “and” at the end;
(B) in clause (vii), by striking the period at the end and inserting “; and”; and

(C) by inserting after clause (vii) the following new clause:

“(viii) for each of fiscal years 2018 and 2019, of $13,000,000.”;

(2) in subsection (b)(1)(B)—

(A) in clause (vi), by striking “and” at the end;

(B) in clause (vii), by striking the period at the end and inserting “; and”; and

(C) by inserting after clause (vii) the following new clause:

“(viii) for each of fiscal years 2018 and 2019, of $7,500,000.”;

(3) in subsection (c)(1)(B)—

(A) in clause (vi), by striking “and” at the end;

(B) in clause (vii), by striking the period at the end and inserting “; and”; and

(C) by inserting after clause (vii) the following new clause:

“(viii) for each of fiscal years 2018 and 2019, of $5,000,000.”; and

(4) in subsection (d)(2)—
(A) in clause (vi), by striking “and” at the end;

(B) in clause (vii), by striking the period at the end and inserting “; and”; and

(C) by inserting after clause (vii) the following new clause:

“(viii) for each of fiscal years 2018 and 2019, of $12,000,000.”.

(b) State Health Insurance Assistance Program Reporting Requirements.—Beginning not later than April 1, 2019, and biennially thereafter, the Agency for Community Living shall electronically post on its website the following information, with respect to grants to States for State health insurance assistance programs, (such information to be presented by State and by entity receiving funds from the State to carry out such a program funded by such grant):

(1) The amount of Federal funding provided to each such State for such program for the period involved and the amount of Federal funding provided by each such State for such program to each such entity for the period involved.

(2) Information as the Secretary may specify, with respect to such programs carried out through
such grants, consistent with the terms and conditions
for receipt of such grants.

SEC. 2123. EXTENSION OF FUNDING FOR QUALITY MEAS-
URE ENDORSEMENT, INPUT, AND SELECTION;
REPORTING REQUIREMENTS.

(a) In General.—Section 1890(d) of the Social Secu-

rity Act (42 U.S.C. 1395aaa(d)) is amended—

(1) in paragraph (2), by adding at the end the
following new sentence: “Any of such amounts re-
maining available as of the date of the enactment of
the SUSTAIN Care Act of 2018 shall be used only for
purposes under this section that are purposes other
than funding a contract entered into under subsection
(a).”; and

(2) by adding at the end the following new para-
graph:

“(3) For purposes of carrying out this section,
the Secretary shall provide for the transfer, from the
Federal Hospital Insurance Trust Fund under section
1817 and the Federal Supplemental Medical Insur-
ance Trust Fund under 1841, in such proportion as
Secretary deems appropriate, to the Centers for Medi-
care & Medicaid Services Program Management Ac-
count of $7,500,000 for each of fiscal years 2018 and
2019. Of the amount transferred under the previous
sentence for a fiscal year, there shall be used for the purpose of funding a contract entered into under subsection (a) with respect to carrying out section 1890A (other than subsections (e) and (f)) for such fiscal year an amount that is not less than the amount used for such purpose for fiscal year 2017.”.

(b) ANNUAL REPORT BY SECRETARY TO CONGRESS.—
Section 1890 of the Social Security Act (42 U.S.C. 1395aaa) is amended by adding at the end the following new subsection:

“'(c) ANNUAL REPORT BY SECRETARY TO CONGRESS.—By not later than March 1 of each year (beginning with 2018), the Secretary shall submit to Congress a report containing the following:

‘'(1) A comprehensive plan that identifies the quality measurement needs of programs and initiatives of the Secretary and provides a strategy for using the work performed by the entity with a contract under subsection (a) and the work of any other entity the Secretary has contracted with to perform work associated with this section or section 1890A to help meet those needs, specifically with respect to the programs under this title and title XIX.

‘'(2) The amount of mandatory funding provided under subsection (d) for purposes of carrying out this
section and section 1890A that has been obligated by
the Secretary, the amount of funding provided that
has been expended, and the amount of funding pro-
vided that remains unobligated.

“(3) A description of how the funds provided
that are obligated have been allocated, including how
much of that funding has been allocated for work per-
formed by the Secretary, the entity with a contract
under subsection (a), and any other entity the Sec-
retary has contracted with to perform work related to
this section or section 1890A, respectively.

“(4) A description of the activities for which the
obligated funds have been or will be used, including
any activities performed by the Secretary, task orders,
specific projects, and activities assigned to the entity
with a contract under subsection (a), and task orders,
specific projects, and activities assigned to any other
entity the Secretary has contracted with to perform
work related to carrying out this section or section
1890A.

“(5) The amount of funding allocated to each of
the activities described in paragraph (4).

“(6) Estimates for, and descriptions of, obliga-
tions and expenditures that the Secretary anticipates
will be needed in the succeeding two year period to
carry out each of the quality measurement activities required under this section and section 1890A, including any obligations that will require funds to be expended in a future year.”.

(c) Revisions to Annual Report From Consensus-Based Entity to Congress and the Secretary.—

(1) In general.—Section 1890(b)(5)(A) of the Social Security Act (42 U.S.C. 1395aaa(b)(5)(A)) is amended—

(A) by redesignating clauses (i) through (vi) as subclauses (I) through (VI), respectively, and moving the margins accordingly;

(B) in the matter preceding subclause (I), as redesignated by clause (i), by striking “containing a description of—” and inserting “containing the following:

“(i) A description of—”; and

(C) by adding at the end the following new clauses:

“(ii) An itemization of financial information for the fiscal year ending September 30 of the preceding year, including—

“(I) annual revenues of the entity (including any government funding,
private sector contributions, grants, membership revenues, and investment revenue);

“(II) annual expenses of the entity (including grants paid, benefits paid, salaries or other compensation, fundraising expenses, and overhead costs); and

“(III) a breakdown of the amount awarded per contracted task order and the specific projects funded in each task order assigned to the entity.

“(iii) Any updates or modifications of internal policies and procedures of the entity as they relate to the duties of the entity under this section, including—

“(I) specifically identifying any modifications to the disclosure of interests and conflicts of interests for committees, work groups, task forces, and advisory panels of the entity; and

“(II) information on external stakeholder participation in the duties of the entity under this section (including complete rosters for all committees,
work groups, task forces, and advisory panels funded through government contracts, descriptions of relevant interests and any conflicts of interest for members of all committees, work groups, task forces, and advisory panels, and the total percentage by health care sector of all convened committees, work groups, task forces, and advisory panels.”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to reports submitted for years beginning with 2018.

(d) GAO STUDY AND REPORT.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study on health care quality measurement efforts funded under sections 1890 and 1890A of the Social Security Act (42 U.S.C. 1395aaa; 1395aaa–1). Such study shall include an examination of the following:

(A) The extent to which the Secretary of Health and Human Services (in this subsection referred to as the “Secretary”) has set and prioritized objectives to be achieved for each of
the quality measurement activities required
under such sections 1890 and 1890A.

(B) The efforts that the Secretary has un-
dertaken to meet quality measurement objectives
associated with such sections 1890 and 1890A,
including division of responsibilities for those ef-
forts within the Department of Health and
Human Services and through contracts with a
consensus-based entity under subsection (a) of
such section 1890 (in this subsection referred to
as the “consensus-based entity”) and other enti-
ties, and the extent of any overlap among the
work performed by the Secretary, the consensus-
based entity, the Measure Application Partner-
ship (MAP) convened by such entity to provide
input to the Secretary on the selection of quality
and efficiency measures, and any other entities
the Secretary has contracted with to perform
work related to carrying out such sections 1890
and 1890A.

(C) The total amount of mandatory funding
provided to the Secretary for purposes of car-
rying out such sections 1890 and 1890A, the
amount of such funding that has been obligated
by the Secretary, and the amount of such fund-
ing that remains unobligated.

(D) How the obligated funds have been allo-
cated, including how much of the obligated fund-
ing has been allocated for work performed by the
Secretary, the consensus-based entity, and any
other entity the Secretary has contracted with to
perform work related to carrying out such sec-
tions 1890 and 1890A, respectively, and descrip-
tions of such work.

(E) The extent to which the Secretary has
developed a comprehensive and long-term plan to
ensure that it can achieve quality measurement
objectives related to carrying out such sections
1890 and 1890A in a timely manner and with
efficient use of available resources, including the
roles of the consensus-based entity, the Measure
Application Partnership (MAP), and any other
entity the Secretary has contracted with to per-
form work related to such sections 1890 and
1890A in helping the Secretary achieve those ob-
jectives.

(2) REPORT.—Not later than 18 months after the
date of enactment of this Act, the Comptroller General
of the United States shall submit to Congress a report
containing the results of the study conducted under paragraph (1), together with recommendations for such legislation and administrative action as the Comptroller General determines appropriate.

TITLE II—ADDITIONAL MEDICARE POLICIES RELATING TO EXTENDERS

SEC. 2201. HOME HEALTH PAYMENT REFORM.

(a) Budget Neutral Transition to a 30-Day Unit of Payment for Home Health Services.—Section 1895(b) of the Social Security Act (42 U.S.C. 1395fff(b)) is amended—

(1) in paragraph (2)—

(A) by striking “PAYMENT.—In defining” and inserting “PAYMENT.—

“(A) In general.—In defining”; and

(B) by adding at the end the following new subparagraph:

“(B) 30-DAY UNIT OF SERVICE.—For purposes of implementing the prospective payment system with respect to home health units of service furnished during a year beginning with 2020, the Secretary shall apply a 30-day unit of service as the unit of service applied under this paragraph.”;}
(2) in paragraph (3)—

(A) in subparagraph (A), by adding at the end the following new clause:

“(iv) BUDGET NEUTRALITY FOR 2020.—

With respect to payments for home health units of service furnished that end during the 12-month period beginning January 1, 2020, the Secretary shall calculate a standard prospective payment amount (or amounts) for 30-day units of service (as described in paragraph (2)(B)) for the prospective payment system under this subsection. Such standard prospective payment amount (or amounts) shall be calculated in a manner such that the estimated aggregate amount of expenditures under the system during such period with application of paragraph (2)(B) is equal to the estimated aggregate amount of expenditures that otherwise would have been made under the system during such period if paragraph (2)(B) had not been enacted. The previous sentence shall be applied before (and not affect the application of) paragraph (3)(B). In calculating such amount (or amounts), the Sec-
Secretary shall make assumptions about behavior changes that could occur as a result of the implementation of paragraph (2)(B) and the case-mix adjustment factors established under paragraph (4)(B) and shall provide a description of such assumptions in the notice and comment rulemaking used to implement this clause.”; and (B) by adding at the end the following new subparagraph:

“(D) Behavior assumptions and adjustments.—

“(i) In general.—The Secretary shall annually determine the impact of differences between assumed behavior changes (as described in paragraph (3)(A)(iv)) and actual behavior changes on estimated aggregate expenditures under this subsection with respect to years beginning with 2020 and ending with 2026.

“(ii) Permanent adjustments.—The Secretary shall, at a time and in a manner determined appropriate, through notice and comment rulemaking, provide for one or more permanent increases or decreases to
the standard prospective payment amount
(or amounts) for applicable years, on a pro-
spective basis, to offset for such increases or
decreases in estimated aggregate expendi-
tures (as determined under clause (i)).

“(iii) TEMPORARY ADJUSTMENTS FOR
RETROSPECTIVE BEHAVIOR.—The Secretary
shall, at a time and in a manner deter-
mimed appropriate, through notice and
comment rulemaking, provide for one or
more temporary increases or decreases to
the payment amount for a unit of home
health services (as determined under para-
graph (4)) for applicable years, on a pro-
spective basis, to offset for such increases or
decreases in estimated aggregate expendi-
tures (as determined under clause (i)). Such
a temporary increase or decrease shall
apply only with respect to the year for
which such temporary increase or decrease
is made, and the Secretary shall not take
into account such a temporary increase or
decrease in computing such amount under
this subsection for a subsequent year.”; and

(3) in paragraph (4)(B)
(A) by striking “FACTORS.—The Secretary” and inserting “FACTORS.—

“(i) IN GENERAL.—The Secretary”;

and

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

“(ii) TREATMENT OF THERAPY THRESHOLDS.—For 2020 and subsequent years, the Secretary shall eliminate the use of therapy thresholds (established by the Secretary) in case mix adjustment factors established under clause (i) for calculating payments under the prospective payment system under this subsection.”.

(b) TECHNICAL EXPERT PANEL.—

(1) IN GENERAL.—During the period beginning on January 1, 2018, and ending on December 31, 2018, the Secretary of Health and Human Services shall hold at least one session of a technical expert panel, the participants of which shall include home health providers, patient representatives, and other relevant stakeholders. The technical expert panel shall identify and prioritize recommendations with respect to the prospective payment system for home health
services under section 1895(b) of the Social Security Act (42 U.S.C. 1395fff(b)), on the following:

(A) The Home Health Groupings Model, as described in the proposed rule “Medicare and Medicaid Programs; CY 2018 Home Health Prospective Payment System Rate Update and Proposed CY 2019 Case-Mix Adjustment Methodology Refinements; Home Health Value-Based Purchasing Model; and Home Health Quality Reporting Requirements” (82 Fed. Reg. 35294 through 35332 (July 28, 2017)).

(B) Alternative case-mix models to the Home Health Groupings Model that were submitted during 2017 as comments in response to proposed rule making, including patient-focused factors that consider the risks of hospitalization and readmission to a hospital, improvement or maintenance of functionality of individuals to increase the capacity for self-care, quality of care, and resource utilization.

(2) INAPPLICABILITY OF FACA.—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the technical expert panel under paragraph (1).
(3) REPORT.—Not later than April 1, 2019, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate a report on the recommendations of such panel described in such paragraph.

(4) NOTICE AND COMMENT RULEMAKING.—Not later than December 31, 2019, the Secretary of Health and Human Services shall pursue notice and comment rulemaking on a case-mix system with respect to the prospective payment system for home health services under section 1895(b) of the Social Security Act (42 U.S.C. 1395fff(b)).

(c) REPORTS.—

(1) INTERIM REPORT.—Not later than March 15, 2022, the Medicare Payment Advisory Commission shall submit to Congress an interim report on the application of a 30-day unit of service as the unit of service applied under section 1895(b)(2) of the Social Security Act (42 U.S.C. 1395fff(b)(2)), as amended by subsection (a), including an analysis of the level of payments provided to home health agencies as compared to the cost of delivering home health services,
and any unintended consequences, including with respect to behavioral changes and quality.

(2) **Final Report.**—Not later than March 15, 2026, such Commission shall submit to Congress a final report on such application and any such consequences.

**SEC. 2202. INFORMATION TO SATISFY DOCUMENTATION OF MEDICARE ELIGIBILITY FOR HOME HEALTH SERVICES.**

(a) **Part A.**—Section 1814(a) of the Social Security Act (42 U.S.C. 1395f(a)) is amended by inserting before “For purposes of paragraph (2)(C),” the following new sentence: “For purposes of documentation for physician certification and recertification made under paragraph (2) on or after January 1, 2019, and made with respect to home health services furnished by a home health agency, in addition to using documentation in the medical record of the physician who so certifies or the medical record of the acute or post-acute care facility (in the case that home health services were furnished to an individual who was directly admitted to the home health agency from such a facility), the Secretary may use documentation in the medical record of the home health agency as supporting material, as appropriate to the case involved.”.
(b) PART B.—Section 1835(a) of the Social Security Act (42 U.S.C. 1395n(a)) is amended by inserting before “For purposes of paragraph (2)(A),” the following new sentence: “For purposes of documentation for physician certification and recertification made under paragraph (2) on or after January 1, 2019, and made with respect to home health services furnished by a home health agency, in addition to using documentation in the medical record of the physician who so certifies or the medical record of the acute or post-acute care facility (in the case that home health services were furnished to an individual who was directly admitted to the home health agency from such a facility), the Secretary may use documentation in the medical record of the home health agency as supporting material, as appropriate to the case involved.”.

SEC. 2203. VOLUNTARY SETTLEMENT OF HOME HEALTH CLAIMS.

(a) Settlemeng Process for Home Health Claims.—

(1) In General.—Not later than one year after the date of enactment of this Act, the Secretary of Health and Human Services shall establish a settlement process under which a home health agency entitled to an eligible administrative appeal has the option to enter into a settlement with the Secretary that
is reached in a manner consistent with the succeeding paragraphs of this subsection.

(2) PROCESS AND CONSIDERATION OF HOME HEALTH CLAIMS.—A settlement under paragraph (1) with a home health agency that is with respect to an eligible administrative appeal may only be reached in accordance with the following process:

(A) A settlement under such paragraph with the home health agency shall be with respect to all claims by such agency, subject to paragraph (4), that, as of the date of such settlement, are under an eligible administrative appeal.

(B) For the duration of the settlement process with such agency, an eligible administrative appeal that is with respect to any such claim by such agency shall be suspended.

(C) Under the settlement process, the Secretary shall determine an aggregate amount to be paid to the home health agency with respect to all claims by such agency that are under an eligible administrative appeal in the following manner:

   (i) The Secretary shall, for purposes of applying clause (ii) with respect to all settlements under paragraph (1), select a per-
percentage. In selecting such percentage, the Secretary shall consider the percentage used under the Centers for Medicare & Medicaid Services hospital appeals settlement that began on August 29, 2014.

(ii) The Secretary shall, with respect to each denied claim for such agency that is under an eligible administrative appeal, calculate an amount (referred to in this subparagraph as an “individual claim amount”) by multiplying the net payable amount for such claim by the percentage selected under clause (i).

(iii) Such aggregate amount with respect to such agency shall be determined by calculating the total sum of all the individual claim amounts calculated under clause (ii) with respect to such agency.

(3) Effect of process.—

(A) Effect of settlement.—

(i) Further appeal.—As part of any settlement under paragraph (1) between a home health agency and the Secretary, such home health agency shall be required to forego the right to an administrative appeal
under section 1869 of the Social Security Act (42 U.S.C. 1395ff) or section 1878 of such Act (42 U.S.C. 1395oo) (including any redetermination, reconsideration, hearing, or review) with respect to any claims for home health services that are subject to the settlement.

(ii) JUDICIAL REVIEW.—There shall be no administrative or judicial review under such section 1869 or otherwise of a settlement under paragraph (1) and the claims covered by the settlement.

(B) EFFECT OF NO SETTLEMENT.—In the event that the process described in paragraph (2) does not, with respect to a home health agency, result in a settlement under paragraph (1) with such agency, any appeal under such section 1869 that is with respect to a claim by such agency that was suspended pursuant to paragraph (2)(B) shall resume under such section.

(4) COORDINATION WITH LAW ENFORCEMENT.—The Secretary of Health and Human Services shall establish a process to coordinate with appropriate law enforcement agencies in order to avoid the inadvertent
settlement of cases that involve fraud or other criminal activity.

(b) No Entitlement to Settlement Process.—Nothing in this section shall be construed as creating an entitlement to enter into a settlement process established pursuant to subsection (a).

(c) Eligible Administrative Appeal Defined.—For purposes of this section, the term “eligible administrative appeal” means an appeal under section 1869 of the Social Security Act (42 U.S.C. 1395ff) (including any redetermination, reconsideration, hearing, or review)—

(1) that is with respect to one or more claims that—

(A) are for home health services that were furnished on or after January 1, 2011, and before January 1, 2015; and

(B) were timely filed consistent with section 1814(a)(1) of such Act (42 U.S.C. 1395ff(a)(1)) or sections 1835(a)(1) and 1842(b)(3) of such Act (42 U.S.C. 1395n(a)(1), 1395u(b)(3)); and

(2) either—

(A) was timely filed consistent with section 1869 of such Act (42 U.S.C. 1395ff) and is pending; or
(B) for which the applicable time frame to file an appeal has not expired.

(d) CONFORMING AMENDMENT.—Section 1869 of the Social Security Act (42 U.S.C. 1395ff) is amended by adding at the end the following new subsection:

“(j) APPLICATION WITH RESPECT TO CERTAIN HOME HEALTH CLAIMS.—For the application of the provisions of this section with respect to certain claims for home health services that were furnished on or after January 1, 2011, and before January 1, 2015, see section 106 of the Healthcare Extension, Reauthorization, and Opportunities Act of 2017.”.

SEC. 2204. EXTENSION OF ENFORCEMENT INSTRUCTION ON MEDICARE SUPERVISION REQUIREMENTS FOR OUTPATIENT THERAPEUTIC SERVICES IN CRITICAL ACCESS AND SMALL RURAL HOSPITALS.

Section 1834 of the Social Security Act (42 U.S.C. 1395m) is amended by adding at the end the following new subsection:

“(v) EXTENSION OF ENFORCEMENT INSTRUCTION ON SUPERVISION REQUIREMENTS FOR OUTPATIENT THERAPEUTIC SERVICES IN CRITICAL ACCESS AND SMALL RURAL HOSPITALS.—For calendar year 2017, the Secretary shall continue to apply the enforcement instruction described in
the notice of the Centers for Medicare & Medicaid Services entitled ‘Enforcement Instruction on Supervision Requirements for Outpatient Therapeutic Services in Critical Access and Small Rural Hospitals for CY 2013’, dated November 1, 2012 (providing for an exception to the restatement and clarification under the final rulemaking changes to the Medicare hospital outpatient prospective payment system and calendar year 2009 payment rates (published in the Federal Register on November 18, 2008, 73 Fed. Reg. 68702 through 68704) with respect to requirements for direct supervision by physicians for therapeutic hospital outpatient services), as previously extended under section 1 of Public Law 113-198, as amended by section 1 of Public Law 114-112 and section 16004(a) of the 21st Century Cures Act (Public Law 114-255).”.

SEC. 2205. TECHNICAL AMENDMENTS TO PUBLIC LAW 114–10.

(a) MIPS TRANSITION.—Section 1848 of the Social Security Act (42 U.S.C. 1395w–4) is amended—

(1) in subsection (q)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking “items and services” and inserting “covered professional services (as defined in subsection (k)(3)(A))”; and
(ii) in subparagraph (C)(iv)—

(I) by amending subclause (I) to read as follows:

“(I) The minimum number (as determined by the Secretary) of—

“(aa) for performance periods beginning before January 1, 2018, individuals enrolled under this part who are treated by the eligible professional for the performance period involved; and

“(bb) for performance periods beginning on or after January 1, 2018, individuals enrolled under this part who are furnished covered professional services (as defined in subsection (k)(3)(A)) by the eligible professional for the performance period involved.”;

(II) in subclause (II), by striking “items and services” and inserting “covered professional services (as defined in subsection (k)(3)(A))”; and

(III) by amending subclause (III) to read as follows:
“(III) The minimum amount (as determined by the Secretary) of—

“(aa) for performance periods beginning before January 1, 2018, allowed charges billed by such professional under this part for such performance period; and

“(bb) for performance periods beginning on or after January 1, 2018, allowed charges for covered professional services (as defined in subsection (k)(3)(A)) billed by such professional for such performance period.”;

(B) in paragraph (5)(D)—

(i) in clause (i)(I), by inserting “subject to clause (iii),” after “clauses (i) and (ii) of paragraph (2)(A),”; and

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

“(iii) TRANSITION YEARS.—For each of the second, third, fourth, and fifth years for which the MIPS applies to payments, the performance score for the performance category described in paragraph (2)(A)(ii)
shall not take into account the improvement of the professional involved.”;

(C) in paragraph (5)(E)—

(i) in clause (i)(I)(bb)—

(I) in the heading by striking “FIRST 2 YEARS” and inserting “FIRST 5 YEARS”; and

(II) by striking “the first and second years” and inserting “each of the first through fifth years”;

(ii) in clause (i)(II)(bb)—

(I) in the heading, by striking “2 YEARS” and inserting “5 YEARS”; and

(II) by striking the second sentence and inserting the following new sentences: “For each of the second, third, fourth, and fifth years for which the MIPS applies to payments, not less than 10 percent and not more than 30 percent of such score shall be based on performance with respect to the category described in clause (ii) of paragraph (2)(A). Nothing in the previous sentence shall be construed, with respect to a performance period for a
year described in the previous sentence, as preventing the Secretary from basing 30 percent of such score for such year with respect to the category described in such clause (ii), if the Secretary determines, based on information posted under subsection (r)(2)(I) that sufficient resource use measures are ready for adoption for use under the performance category under paragraph (2)(A)(ii) for such performance period.”;

(D) in paragraph (6)(D)—

(i) in clause (i), in the second sentence, by striking “Such performance threshold” and inserting “Subject to clauses (iii) and (iv), such performance threshold”;

(ii) in clause (ii)—

(I) in the first sentence, by inserting “(beginning with 2019 and ending with 2024)” after “for each year of the MIPS”; and

(II) in the second sentence, by inserting “subject to clause (iii),” after “For each such year,”;
(iii) in clause (iii)—

(I) in the heading, by striking “2”
and inserting “5”; and

(II) in the first sentence, by strik-
ing “two years” and inserting “five
years”; and

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

“(iv) ADDITIONAL SPECIAL RULE FOR
THIRD, FOURTH AND FIFTH YEARS OF
MIPS.—For purposes of determining MIPS
adjustment factors under subparagraph (A),
in addition to the requirements specified in
clause (iii), the Secretary shall increase the
performance threshold with respect to each
of the third, fourth, and fifth years to which
the MIPS applies to ensure a gradual and
incremental transition to the performance
threshold described in clause (i) (as esti-
mated by the Secretary) with respect to the
sixth year to which the MIPS applies.”;

(E) in paragraph (6)(E)—

(i) by striking “In the case of items
and services” and inserting “In the case of
covered professional services (as defined in subsection (k)(3)(A))’’; and

(ii) by striking ‘‘under this part with respect to such items and services’’ and inserting ‘‘under this part with respect to such covered professional services’’; and

(F) in paragraph (7), in the first sentence, by striking ‘‘items and services’’ and inserting ‘‘covered professional services (as defined in subsection (k)(3)(A))’’;

(2) in subsection (r)(2), by adding at the end the following new subparagraph:

‘‘(I) INFORMATION.—The Secretary shall, not later than December 31st of each year (beginning with 2018), post on the Internet website of the Centers for Medicare & Medicaid Services information on resource use measures in use under subsection (q), resource use measures under development and the time-frame for such development, potential future resource use measure topics, a description of stakeholder engagement, and the percent of expenditures under part A and this part that are covered by resource use measures.’’; and
(3) in subsection (s)(5)(B), by striking “section 1833(z)(2)(C)” and inserting “section 1833(z)(3)(D)”.

(b) **Physician-focused Payment Model Technical Advisory Committee Provision of Initial Proposal Feedback.**—Section 1868(c)(2)(C) of the Social Security Act (42 U.S.C. 1395ee(c)(2)(C)) is amended to read as follows:

“(C) Committee review of models submitted.

“The Committee, on a periodic basis—

“(i) shall review models submitted under subparagraph (B);”

“(ii) may provide individuals and stakeholder entities who submitted such models with—

“(I) initial feedback on such models regarding the extent to which such models meet the criteria described in subparagraph (A); and

“(II) an explanation of the basis for the feedback provided under subclause (I); and

“(iii) shall prepare comments and recommendations regarding whether such models meet the criteria described in subpara-
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SEC. 2206. REVISED REQUIREMENTS FOR MEDICARE INTENSIVE CARDIAC REHABILITATION PROGRAMS.

(a) In General.—Section 1861(eee)(4)(B) of the Social Security Act (42 U.S.C. 1395x(eee)(4)(B)) is amended—

(1) in clause (v), by striking “or” at the end;

(2) in clause (vi), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new clauses:

“(vii) stable, chronic heart failure (defined as patients with left ventricular ejection fraction of 35 percent or less and New York Heart Association (NYHA) class II to IV symptoms despite being on optimal heart failure therapy for at least 6 weeks); or

“(viii) any additional condition for which the Secretary has determined that a cardiac rehabilitation program shall be covered, unless the Secretary determines, using the same process used to determine that the condition is covered for a cardiac rehabilitation program, that such
coverage is not supported by the clinical evidence.”.

(b) Ensuring Future Supervision Level Parity With Cardiac Rehabilitation Programs.—Section 1861(eee)(4)(A) of the Social Security Act (42 U.S.C. 1395x(eee)(4)(A)) is amended, in the matter preceding clause (i), by striking “physician-supervised program (as described in paragraph (2))” and inserting “program (supervised as described in paragraph (2))”.

TITLE III—CREATING HIGH-QUALITY RESULTS AND OUTCOMES NECESSARY TO IMPROVE CHRONIC (CHRONIC) CARE

Subtitle A—Receiving High Quality Care in the Home

SEC. 2301. EXTENDING THE INDEPENDENCE AT HOME DEMONSTRATION PROGRAM.

(a) In General.—Section 1866E of the Social Security Act (42 U.S.C. 1395cc–5) is amended—

(1) in subsection (e)—

(A) in paragraph (1)—

(i) by striking “An agreement” and inserting “Agreements”; and
(ii) by striking “5-year” and inserting “7-year”; and

(B) in paragraph (5)—

(i) by striking “10,000” and inserting “15,000”; and

(ii) by adding at the end the following new sentence: “An applicable beneficiary that participates in the demonstration program by reason of the increase from 10,000 to 15,000 in the preceding sentence pursuant to the amendment made by section 2301(a)(1)(B) of the SUSTAIN Care Act of 2018 shall be considered in the spending target estimates under paragraph (1) of subsection (c) and the incentive payment calculations under paragraph (2) of such subsection for the sixth and seventh years of such program.”;

(2) in subsection (g), in the first sentence, by inserting “; including, to the extent practicable, with respect to the use of electronic health information systems, as described in subsection (b)(1)(A)(vi)” after “under the demonstration program”; and
(3) in subsection (i)(1)(A), by striking “will not receive an incentive payment for the second of 2” and inserting “did not achieve savings for the third of 3”.

(b) Effective Date.—The amendment made by subsection (a)(3) shall take effect as if included in the enactment of Public Law 111–148.

SEC. 2302. EXPANDING ACCESS TO HOME DIALYSIS THERAPY.

(a) In General.—Section 1881(b)(3) of the Social Security Act (42 U.S.C. 1395rr(b)(3)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) in clause (ii), as redesignated by paragraph (1), by striking “on a comprehensive” and inserting “subject to subparagraph (B), on a comprehensive”;

(3) by striking “With respect to” and inserting “(A) With respect to”; and

(4) by adding at the end the following new subparagraph:

“(B)(i) For purposes of subparagraph (A)(ii), subject to clause (ii), an individual determined to have end stage renal disease receiving home dialysis may choose to receive monthly end stage renal disease-related clinical assessments furnished on or after January 1, 2019, via telehealth.
“(ii) Clause (i) shall apply to an individual only if the individual receives a face-to-face clinical assessment, without the use of telehealth—

“(I) in the case of the initial 3 months of home dialysis of such individual, at least monthly; and

“(II) after such initial 3 months, at least once every 3 consecutive months.”.

(b) ORIGINATING SITE REQUIREMENTS.—

(1) IN GENERAL.—Section 1834(m) of the Social Security Act (42 U.S.C. 1395m(m)) is amended—

(A) in paragraph (4)(C)(ii), by adding at the end the following new subclauses:

“(IX) A renal dialysis facility, but only for purposes of section 1881(b)(3)(B).

“(X) The home of an individual, but only for purposes of section 1881(b)(3)(B).”; and

(B) by adding at the end the following new paragraph:

“(5) TREATMENT OF HOME DIALYSIS MONTHLY ESRD-RELATED VISIT.—The geographic requirements described in paragraph (4)(C)(i) shall not apply with respect to telehealth services furnished on or after January 1, 2019, for purposes of section
1881(b)(3)(B), at an originating site described in subclause (VI), (IX), or (X) of paragraph (4)(C)(ii).”.

(2) No facility fee if originating site for home dialysis therapy is the home.—Section 1834(m)(2)(B) of the Social Security (42 U.S.C. 1395m(m)(2)(B)) is amended—

(A) by redesignating clauses (i) and (ii) as subclauses (I) and (II), and indenting appropriately;

(B) in subclause (II), as redesignated by subparagraph (A), by striking “clause (i) or this clause” and inserting “subclause (I) or this subclause”;

(C) by striking “SITE.—With respect to” and inserting “SITE.—

“(i) In general.—Subject to clause (ii), with respect to”; and

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

“(ii) No facility fee if originating site for home dialysis therapy is the home.—No facility fee shall be paid under this subparagraph to an originating site described in paragraph (4)(C)(ii)(X).”.
(c) Clarification Regarding Telehealth Provided to Beneficiaries.—Section 1128A(i)(6) of the Social Security Act (42 U.S.C. 1320a–7a(i)(6)) is amended—

(1) in subparagraph (H), by striking “or” at the end;

(2) in subparagraph (I), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following new sub-

paragraph:

“(J) the provision of telehealth technologies (as defined by the Secretary) on or after January 1, 2019, by a provider of services or a renal dialysis facility (as such terms are defined for purposes of title XVIII) to an individual with end stage renal disease who is receiving home dialysis for which payment is being made under part B of such title, if—

“(i) the telehealth technologies are not offered as part of any advertisement or solicitation;

“(ii) the telehealth technologies are provided for the purpose of furnishing telehealth services related to the individual’s end stage renal disease; and
“(iii) the provision of the telehealth technologies meets any other requirements set forth in regulations promulgated by the Secretary.”.

(d) CONFORMING AMENDMENT.—Section 1881(b)(1) of the Social Security Act (42 U.S.C. 1395rr(b)(1)) is amended by striking “paragraph (3)(A)” and inserting “paragraph (3)(A)(i)”.

Subtitle B—Expanding Innovation and Technology

SEC. 2311. ADAPTING BENEFITS TO MEET THE NEEDS OF CHRONICALLY ILL MEDICARE ADVANTAGE ENROLLEES.

Section 1859 of the Social Security Act (42 U.S.C. 1395w–28) is amended by adding at the end the following new subsection:

“(h) NATIONAL TESTING OF MEDICARE ADVANTAGE VALUE-BASED INSURANCE DESIGN MODEL.—

“(1) IN GENERAL.—In implementing the Medicare Advantage Value-Based Insurance Design model that is being tested under section 1115A(b), the Secretary shall revise the testing of the model under such section to cover, effective not later than January 1, 2020, all States.
“(2) TERMINATION AND MODIFICATION PROVISION NOT APPLICABLE UNTIL JANUARY 1, 2022.—The provisions of section 1115A(b)(3)(B) shall apply to the Medicare Advantage Value-Based Insurance Design model, including such model as revised under paragraph (1), beginning January 1, 2022, but shall not apply to such model, as so revised, prior to such date.

“(3) FUNDING.—The Secretary shall allocate funds made available under section 1115A(f)(1) to design, implement, and evaluate the Medicare Advantage Value-Based Insurance Design model, as revised under paragraph (1).”.

SEC. 2312. EXPANDING SUPPLEMENTAL BENEFITS TO MEET THE NEEDS OF CHRONICALLY ILL MEDICARE ADVANTAGE ENROLLEES.

(a) IN GENERAL.—Section 1852(a)(3) of the Social Security Act (42 U.S.C. 1395w–22(a)(3)) is amended—

(1) in subparagraph (A), by striking “Each” and inserting “Subject to subparagraph (D), each”; and

(2) by adding at the end the following new subparagraph:
“(D) Expanding supplemental benefits to meet the needs of chronically ill enrollees.—

“(i) In general.—For plan year 2020 and subsequent plan years, in addition to any supplemental health care benefits otherwise provided under this paragraph, an MA plan, including a specialized MA plan for special needs individuals (as defined in section 1859(b)(6)), may provide supplemental benefits described in clause (ii) to a chronically ill enrollee (as defined in clause (iii)).

“(ii) Supplemental benefits described.—

“(I) In general.—Supplemental benefits described in this clause are supplemental benefits that, with respect to a chronically ill enrollee, have a reasonable expectation of improving or maintaining the health or overall function of the chronically ill enrollee and may not be limited to being primarily health related benefits.

“(II) Authority to waive uniformity requirements.—The Sec-
retary may, only with respect to sup-
plemental benefits provided to a chron-
ically ill enrollee under this subpara-
graph, waive the uniformity require-
ments under this part, as determined
appropriate by the Secretary.

“(iii) **Chronically ill enrollee**

**Defined.**—In this subparagraph, the term
‘chronically ill enrollee’ means an enrollee
in an MA plan that the Secretary deter-
mines—

“(I) has one or more comorbid
and medically complex chronic condi-
tions that is life threatening or signifi-
cantly limits the overall health or func-
tion of the enrollee;

“(II) has a high risk of hos-
pitalization or other adverse health
outcomes; and

“(III) requires intensive care co-
ordination.”.

(b) **GAO Study and Report.**—

(1) **Study.**—The Comptroller General of the
United States (in this subsection referred to as the
“Comptroller General”) shall conduct a study on sup-
plemental benefits provided to enrollees in Medicare Advantage plans under part C of title XVIII of the Social Security Act, including specialized MA plans for special needs individuals (as defined in section 1859(b)(6) of such Act (42 U.S.C. 1395w–28(b)(6))). To the extend data are available, such study shall include an analysis of the following:

(A) The type of supplemental benefits provided to such enrollees, the total number of enrollees receiving each supplemental benefit, and whether the supplemental benefit is covered by the standard benchmark cost of the benefit or with an additional premium.

(B) The frequency in which supplemental benefits are utilized by such enrollees.

(C) The impact supplemental benefits have on—

(i) indicators of the quality of care received by such enrollees, including overall health and function of the enrollees;

(ii) the utilization of items and services for which benefits are available under the original Medicare fee-for-service program option under parts A and B of such title XVIII by such enrollees; and
(iii) the amount of the bids submitted
by Medicare Advantage Organizations for
Medicare Advantage plans under such part
C.

(2) CONSULTATION.—In conducting the study
under paragraph (1), the Comptroller General shall,
as necessary, consult with the Centers for Medicare &
Medicaid Services and Medicare Advantage organiza-
tions offering Medicare Advantage plans.

(3) REPORT.—Not later than 5 years after the
date of the enactment of this Act, the Comptroller
General shall submit to Congress a report containing
the results of the study conducted under paragraph
(1), together with recommendations for such legisla-
tion and administrative action as the Comptroller
General determines appropriate.

SEC. 2313. INCREASING CONVENIENCE FOR MEDICARE AD-
VANTAGE ENROLLEES THROUGH TEL-
HEALTH.

(a) IN GENERAL.—Section 1852 of the Social Security
Act (42 U.S.C. 1395w–22) is amended—

(1) in subsection (a)(1)(B)(i), by inserting “,
subject to subsection (m),” after “means”; and

(2) by adding at the end the following new sub-
section:
“(m) Provision of Additional Telehealth Benefits.—

“(1) MA Plan Option.—For plan year 2020
and subsequent plan years, subject to the requirements
of paragraph (3), an MA plan may provide addi-
tional telehealth benefits (as defined in paragraph
(2)) to individuals enrolled under this part.

“(2) Additional Telehealth Benefits Defined.—

“(A) In General.—For purposes of this
subsection and section 1854:

“(i) Definition.—The term ‘addi-
tional telehealth benefits’ means services—

“(I) for which benefits are avail-
able under part B, including services
for which payment is not made under
section 1834(m) due to the conditions
for payment under such section; and

“(II) that are identified for the
year involved by the Secretary as clini-
cally appropriate to furnish using elec-
tronic information and telecommu-
ications technology when a physician
(as defined in section 1861(r)) or prac-
titioner (described in section
1842(b)(18)(C)) providing the service is not at the same location as the plan enrollee.

“(ii) Exclusion of capital and infrastructure costs and investments.—The term ‘additional telehealth benefits’ does not include capital and infrastructure costs and investments relating to such benefits.

“(B) Public comment.—Not later than November 30, 2018, the Secretary shall solicit comments on—

“(i) what types of items and services (including those provided through supplemental health care benefits, such as remote patient monitoring, secure messaging, store and forward technologies, and other non-face-to-face communication) should be considered to be additional telehealth benefits; and

“(ii) the requirements for the provision or furnishing of such benefits (such as licensure, training, and coordination requirements).
“(3) Requirements for additional telehealth benefits.—The Secretary shall specify requirements for the provision or furnishing of additional telehealth benefits, including with respect to the following:

“(A) Physician or practitioner qualifications (other than licensure) and other requirements such as specific training.

“(B) Factors necessary for the coordination of such benefits with other items and services, including those furnished in-person.

“(C) Such other areas as determined by the Secretary.

“(4) Enrollee choice.—If an MA plan provides a service as an additional telehealth benefit (as defined in paragraph (2))—

“(A) the MA plan shall also provide access to such benefit through an in-person visit (and not only as an additional telehealth benefit); and

“(B) an individual enrollee shall have discretion as to whether to receive such service through the in-person visit or as an additional telehealth benefit.

“(5) Treatment under MA.—For purposes of this subsection and section 1854, if a plan provides
additional telehealth benefits, such additional telehealth benefits shall be treated as if they were benefits under the original Medicare fee-for-service program option.

“(6) CONSTRUCTION.—Nothing in this subsection shall be construed as affecting the requirement under subsection (a)(1) that MA plans provide enrollees with items and services (other than hospice care) for which benefits are available under parts A and B, including benefits available under section 1834(m).”.

(b) CLARIFICATION REGARDING INCLUSION IN BID AMOUNT.—Section 1854(a)(6)(A)(ii)(I) of the Social Security Act (42 U.S.C. 1395w–24(a)(6)(A)(ii)(I)) is amended by inserting “, including, for plan year 2020 and subsequent plan years, the provision of additional telehealth benefits as described in section 1852(m)” before the semicolon at the end.

SEC. 2314. PROVIDING ACCOUNTABLE CARE ORGANIZATIONS THE ABILITY TO EXPAND THE USE OF TELEHEALTH.

(a) IN GENERAL.—Section 1899 of the Social Security Act (42 U.S.C. 1395jjjj) is amended by adding at the end the following new subsection:

“(l) PROVIDING ACOs THE ABILITY TO EXPAND THE USE OF TELEHEALTH SERVICES.—
“(1) IN GENERAL.—In the case of telehealth services for which payment would otherwise be made under this title furnished on or after January 1, 2020, for purposes of this subsection only, the following shall apply with respect to such services furnished by a physician or practitioner participating in an applicable ACO (as defined in paragraph (2)) to a Medicare fee-for-service beneficiary assigned to the applicable ACO:

“(A) INCLUSION OF HOME AS ORIGINATING SITE.—Subject to paragraph (3), the home of a beneficiary shall be treated as an originating site described in section 1834(m)(4)(C)(ii).

“(B) NO APPLICATION OF GEOGRAPHIC LIMITATION.—The geographic limitation under section 1834(m)(4)(C)(i) shall not apply with respect to an originating site described in section 1834(m)(4)(C)(ii) (including the home of a beneficiary under subparagraph (A)), subject to State licensing requirements.

“(2) DEFINITIONS.—In this subsection:

“(A) APPLICABLE ACO.—The term ‘applicable ACO’ means an ACO participating in a model tested or expanded under section 1115A or under this section—
“(i) that operates under a two-sided model—

“(I) described in section 425.600(a) of title 42, Code of Federal Regulations; or

“(II) tested or expanded under section 1115A; and

“(ii) for which Medicare fee-for-service beneficiaries are assigned to the ACO using a prospective assignment method, as determined appropriate by the Secretary.

“(B) HOME.—The term ‘home’ means, with respect to a Medicare fee-for-service beneficiary, the place of residence used as the home of the beneficiary.

“(3) TELEHEALTH SERVICES RECEIVED IN THE HOME.—In the case of telehealth services described in paragraph (1) where the home of a Medicare fee-for-service beneficiary is the originating site, the following shall apply:

“(A) NO FACILITY FEE.—There shall be no facility fee paid to the originating site under section 1834(m)(2)(B).

“(B) EXCLUSION OF CERTAIN SERVICES.—No payment may be made for such services that
are inappropriate to furnish in the home setting such as services that are typically furnished in inpatient settings such as a hospital.”.

(b) **STUDY AND REPORT.**—

(1) **STUDY.**—

(A) **IN GENERAL.**—The Secretary of Health and Human Services (in this subsection referred to as the “Secretary”) shall conduct a study on the implementation of section 1899(l) of the Social Security Act, as added by subsection (a). Such study shall include an analysis of the utilization of, and expenditures for, telehealth services under such section.

(B) **COLLECTION OF DATA.**—The Secretary may collect such data as the Secretary determines necessary to carry out the study under this paragraph.

(2) **REPORT.**—Not later than January 1, 2026, the Secretary shall submit to Congress a report containing the results of the study conducted under paragraph (1), together with recommendations for such legislation and administrative action as the Secretary determines appropriate.
SEC. 2315. EXPANDING THE USE OF TELEHEALTH FOR INDIVIDUALS WITH STROKE.

Section 1834(m) of the Social Security Act (42 U.S.C. 1395m(m)), as amended by section 2302(b), is amended—

(1) in paragraph (4)(C)(i), in the matter preceding subclause (I), by striking “The term” and inserting “Except as provided in paragraph (6), the term”; and

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

“(6) TREATMENT OF STROKE TELEHEALTH SERVICES.—

“(A) NON-APPLICATION OF ORIGINATING SITE REQUIREMENTS.—The requirements described in paragraph (4)(C) shall not apply with respect to telehealth services furnished on or after January 1, 2021, for purposes of diagnosis, evaluation, or treatment of symptoms of an acute stroke, as determined by the Secretary.

“(B) INCLUSION OF CERTAIN SITES.—With respect to telehealth services described in subparagraph (A), the term ‘originating site’ shall include any hospital (as defined in section 1861(e)) or critical access hospital (as defined in section 1861(mm)(1)), any mobile stroke unit (as defined by the Secretary), or any other site deter-
mined appropriate by the Secretary, at which the eligible telehealth individual is located at the time the service is furnished via a telecommunications system.

“(C) No originating site facility fee for new sites.—No facility fee shall be paid under paragraph (2)(B) to an originating site with respect to a telehealth service described in subparagraph (A) if the originating site does not otherwise meet the requirements for an originating site under paragraph (4)(C).”.

Subtitle C—Identifying the Chronically Ill Population

SEC. 2321. PROVIDING FLEXIBILITY FOR BENEFICIARIES TO BE PART OF AN ACCOUNTABLE CARE ORGANIZATION.

Section 1899(c) of the Social Security Act (42 U.S.C. 1395jjjj(c)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and indenting appropriately;

(2) by striking “ACOS.—The Secretary” and inserting “ACOS.—

“(1) IN GENERAL.—Subject to paragraph (2), the Secretary”; and
(3) by adding at the end the following new paragraph:

“(2) PROVIDING FLEXIBILITY.—

“(A) CHOICE OF PROSPECTIVE ASSIGNMENT.—For each agreement period (effective for agreements entered into or renewed on or after January 1, 2020), in the case where an ACO established under the program is in a Track that provides for the retrospective assignment of Medicare fee-for-service beneficiaries to the ACO, the Secretary shall permit the ACO to choose to have Medicare fee-for-service beneficiaries assigned prospectively, rather than retrospectively, to the ACO for an agreement period.

“(B) ASSIGNMENT BASED ON VOLUNTARY IDENTIFICATION BY MEDICARE FEE-FOR-SERVICE BENEFICIARIES.—

“(i) IN GENERAL.—For performance year 2018 and each subsequent performance year, if a system is available for electronic designation, the Secretary shall permit a Medicare fee-for-service beneficiary to voluntarily identify an ACO professional as the primary care provider of the beneficiary for
purposes of assigning such beneficiary to an ACO, as determined by the Secretary.

“(ii) NOTIFICATION PROCESS.—The Secretary shall establish a process under which a Medicare fee-for-service beneficiary is—

“(I) notified of their ability to make an identification described in clause (i); and

“(II) informed of the process by which they may make and change such identification.

“(iii) SUPERSEDING CLAIMS-BASED ASSIGNMENT.—A voluntary identification by a Medicare fee-for-service beneficiary under this subparagraph shall supersede any claims-based assignment otherwise determined by the Secretary.”.
Subtitle D—Empowering Individuals and Caregivers in Care Delivery

SEC. 2331. ELIMINATING BARRIERS TO CARE COORDINATION UNDER ACCOUNTABLE CARE ORGANIZATIONS.

(a) IN GENERAL.—Section 1899 of the Social Security Act (42 U.S.C. 1395jjj), as amended by section 2314(a), is amended—

(1) in subsection (b)(2), by adding at the end the following new subparagraph:

“(I) An ACO that seeks to operate an ACO Beneficiary Incentive Program pursuant to subsection (m) shall apply to the Secretary at such time, in such manner, and with such information as the Secretary may require.”;

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

“(m) AUTHORITY TO PROVIDE INCENTIVE PAYMENTS TO BENEFICIARIES WITH RESPECT TO QUALIFYING PRIMARY CARE SERVICES.—

“(1) PROGRAM.—

“(A) IN GENERAL.—In order to encourage Medicare fee-for-service beneficiaries to obtain medically necessary primary care services, an
ACO participating under this section under a payment model described in clause (i) or (ii) of paragraph (2)(B) may apply to establish an ACO Beneficiary Incentive Program to provide incentive payments to such beneficiaries who are furnished qualifying services in accordance with this subsection. The Secretary shall permit such an ACO to establish such a program at the Secretary’s discretion and subject to such requirements, including program integrity requirements, as the Secretary determines necessary.

“(B) IMPLEMENTATION.—The Secretary shall implement this subsection on a date determined appropriate by the Secretary. Such date shall be no earlier than January 1, 2019, and no later than January 1, 2020.

“(2) CONDUCT OF PROGRAM.—

“(A) DURATION.—Subject to subparagraph (H), an ACO Beneficiary Incentive Program established under this subsection shall be conducted for such period (of not less than 1 year) as the Secretary may approve.

“(B) SCOPE.—An ACO Beneficiary Incentive Program established under this subsection shall provide incentive payments to all of the fol-
lowing Medicare fee-for-service beneficiaries who are furnished qualifying services by the ACO:

“(i) With respect to the Track 2 and Track 3 payment models described in section 425.600(a) of title 42, Code of Federal Regulations (or in any successor regulation), Medicare fee-for-service beneficiaries who are preliminarily prospectively or prospectively assigned (or otherwise assigned, as determined by the Secretary) to the ACO.

“(ii) With respect to any future payment models involving two-sided risk, Medicare fee-for-service beneficiaries who are assigned to the ACO, as determined by the Secretary.

“(C) QUALIFYING SERVICE.—For purposes of this subsection, a qualifying service is a primary care service, as defined in section 425.20 of title 42, Code of Federal Regulations (or in any successor regulation), with respect to which coinsurance applies under part B, furnished through an ACO by—

“(i) an ACO professional described in subsection (h)(1)(A) who has a primary care specialty designation included in the
definition of primary care physician under section 425.20 of title 42, Code of Federal Regulations (or any successor regulation);

“(ii) an ACO professional described in subsection (h)(1)(B); or

“(iii) a Federally qualified health center or rural health clinic (as such terms are defined in section 1861(aa)).

“(D) INCENTIVE PAYMENTS.—An incentive payment made by an ACO pursuant to an ACO Beneficiary Incentive Program established under this subsection shall be—

“(i) in an amount up to $20, with such maximum amount updated annually by the percentage increase in the consumer price index for all urban consumers (United States city average) for the 12-month period ending with June of the previous year;

“(ii) in the same amount for each Medicare fee-for-service beneficiary described in clause (i) or (ii) of subparagraph (B) without regard to enrollment of such a beneficiary in a medicare supplemental policy (described in section 1882(g)(1)), in a State Medicaid plan under title XIX or a waiver
of such a plan, or in any other health in-
surance policy or health benefit plan;

“(iii) made for each qualifying service
furnished to such a beneficiary described in
clause (i) or (ii) of subparagraph (B) dur-
ing a period specified by the Secretary; and

“(iv) made no later than 30 days after
a qualifying service is furnished to such a
beneficiary described in clause (i) or (ii) of
subparagraph (B).

“(E) NO SEPARATE PAYMENTS FROM THE
SECRETARY.—The Secretary shall not make any
separate payment to an ACO for the costs, in-
cluding incentive payments, of carrying out an
ACO Beneficiary Incentive Program established
under this subsection. Nothing in this subpara-
graph shall be construed as prohibiting an ACO
from using shared savings received under this
section to carry out an ACO Beneficiary Incen-
tive Program.

“(F) NO APPLICATION TO SHARED SAVINGS
CALCULATION.—Incentive payments made by an
ACO under this subsection shall be disregarded
for purposes of calculating benchmarks, esti-
mated average per capita Medicare expenditures, and shared savings under this section.

“(G) Reporting Requirements.—An ACO conducting an ACO Beneficiary Incentive Program under this subsection shall, at such times and in such format as the Secretary may require, report to the Secretary such information and retain such documentation as the Secretary may require, including the amount and frequency of incentive payments made and the number of Medicare fee-for-service beneficiaries receiving such payments.

“(H) Termination.—The Secretary may terminate an ACO Beneficiary Incentive Program established under this subsection at any time for reasons determined appropriate by the Secretary.

“(3) Exclusion of Incentive Payments.—Any payment made under an ACO Beneficiary Incentive Program established under this subsection shall not be considered income or resources or otherwise taken into account for purposes of—

“(A) determining eligibility for benefits or assistance (or the amount or extent of benefits or assistance) under any Federal program or under
any State or local program financed in whole or in part with Federal funds; or

“(B) any Federal or State laws relating to taxation.”;

(3) in subsection (e), by inserting “, including an ACO Beneficiary Incentive Program under subsections (b)(2)(I) and (m)” after “the program”; and

(4) in subsection (g)(6), by inserting “or of an ACO Beneficiary Incentive Program under subsections (b)(2)(I) and (m)” after “under subsection (d)(4)”.

(b) AMENDMENT TO SECTION 1128B.—Section 1128B(b)(3) of the Social Security Act (42 U.S.C. 1320a–7b(b)(3)) is amended—

(1) by striking “and” at the end of subparagraph (I);

(2) by striking the period at the end of subparagraph (J) and inserting “; and”; and

(3) by adding at the end the following new subparagraph:

“(K) an incentive payment made to a Medicare fee-for-service beneficiary by an ACO under an ACO Beneficiary Incentive Program established under subsection (m) of section 1899, if the payment is made in accordance with the re-
quirements of such subsection and meets such other conditions as the Secretary may estab-
lish.”.

(c) Evaluation and Report.—

(1) Evaluation.—The Secretary of Health and Human Services (in this subsection referred to as the “Secretary”) shall conduct an evaluation of the ACO Beneficiary Incentive Program established under sub-
sections (b)(2)(I) and (m) of section 1899 of the So-
cial Security Act (42 U.S.C. 1395jjjj), as added by subsection (a). The evaluation shall include an anal-
ysis of the impact of the implementation of the Pro-
gram on expenditures and beneficiary health outcomes under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

(2) Report.—Not later than October 1, 2023, the Secretary shall submit to Congress a report con-
taining the results of the evaluation under paragraph (1), together with recommendations for such legisla-
tion and administrative action as the Secretary deter-
mines appropriate.
SEC. 2332. GAO STUDY AND REPORT ON LONGITUDINAL COMPREHENSIVE CARE PLANNING SERVICES UNDER MEDICARE PART B.

(a) STUDY.—The Comptroller General shall conduct a study on the establishment under part B of the Medicare program under title XVIII of the Social Security Act of a payment code for a visit for longitudinal comprehensive care planning services. Such study shall include an analysis of the following to the extent such information is available:

(1) The frequency with which services similar to longitudinal comprehensive care planning services are furnished to Medicare beneficiaries, which providers of services and suppliers are furnishing those services, whether Medicare reimbursement is being received for those services, and, if so, through which codes those services are being reimbursed.

(2) Whether, and the extent to which, longitudinal comprehensive care planning services would overlap, and could therefore result in duplicative payment, with services covered under the hospice benefit as well as the chronic care management code, evaluation and management codes, or other codes that already exist under part B of the Medicare program.

(3) Any barriers to hospitals, skilled nursing facilities, hospice programs, home health agencies, and
other applicable providers working with a Medicare beneficiary to engage in the care planning process and complete the necessary documentation to support the treatment and care plan of the beneficiary and provide such documentation to other providers and the beneficiary or the beneficiary’s representative.

(4) Any barriers to providers, other than the provider furnishing longitudinal comprehensive care planning services, accessing the care plan and associated documentation for use related to the care of the Medicare beneficiary.

(5) Potential options for ensuring that applicable providers are notified of a patient’s existing longitudinal care plan and that applicable providers consider that plan in making their treatment decisions, and what the challenges might be in implementing such options.

(6) Stakeholder’s views on the need for the development of quality metrics with respect to longitudinal comprehensive care planning services, such as measures related to—

(A) the process of eliciting input from the Medicare beneficiary or from a legally authorized representative and documenting in the medical record the patient-directed care plan;
(B) the effectiveness and patient-centeredness of the care plan in organizing delivery of services consistent with the plan;

(C) the availability of the care plan and associated documentation to other providers that care for the beneficiary; and

(D) the extent to which the beneficiary received services and support that is free from discrimination based on advanced age, disability status, or advanced illness.

(7) Stakeholder’s views on how such quality metrics would provide information on—

(A) the goals, values, and preferences of the beneficiary;

(B) the documentation of the care plan;

(C) services furnished to the beneficiary; and

(D) outcomes of treatment.

(8) Stakeholder’s views on—

(A) the type of training and education needed for applicable providers, individuals, and caregivers in order to facilitate longitudinal comprehensive care planning services;
(B) the types of providers of services and suppliers that should be included in the interdisciplinary team of an applicable provider; and

(C) the characteristics of Medicare beneficiaries that would be most appropriate to receive longitudinal comprehensive care planning services, such as individuals with advanced disease and individuals who need assistance with multiple activities of daily living.

(9) Stakeholder’s views on the frequency with which longitudinal comprehensive care planning services should be furnished.

(b) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report containing the results of the study conducted under subsection (a), together with recommendations for such legislation and administrative action as the Comptroller General determines appropriate.

(c) DEFINITIONS.—In this section:

(1) APPLICABLE PROVIDER.—The term “applicable provider” means a hospice program (as defined in subsection (dd)(2) of section 1861 of the Social Security Act (42 U.S.C. 1395ww)) or other provider of services (as defined in subsection (u) of such section)
or supplier (as defined in subsection (d) of such section) that—

(A) furnishes longitudinal comprehensive care planning services through an interdisciplinary team; and

(B) meets such other requirements as the Secretary may determine to be appropriate.

(2) **Comptroller General**.—The term “Comptroller General” means the Comptroller General of the United States.

(3) **Interdisciplinary Team**.—The term “interdisciplinary team” means a group that—

(A) includes the personnel described in subsection (dd)(2)(B)(i) of such section 1861;

(B) may include a chaplain, minister, or other clergy; and

(C) may include other direct care personnel.

(4) **Longitudinal Comprehensive Care Planning Services**.—The term “longitudinal comprehensive care planning services” means a voluntary shared decisionmaking process that is furnished by an applicable provider through an interdisciplinary team and includes a conversation with Medicare beneficiaries who have received a diagnosis of a serious or life-threatening illness. The purpose of such services is
to discuss a longitudinal care plan that addresses the
progression of the disease, treatment options, the
goals, values, and preferences of the beneficiary, and
the availability of other resources and social supports
that may reduce the beneficiary’s health risks and
promote self-management and shared decisionmaking.

(5) SECRETARY.—The term “Secretary” means
the Secretary of Health and Human Services.

Subtitle E—Other Policies to Improve Care for the Chronically Ill

SEC. 2341. GAO STUDY AND REPORT ON IMPROVING MEDICATION SYNCHRONIZATION.

(a) STUDY.—The Comptroller General of the United States (in this section referred to as the “Comptroller General”) shall conduct a study on the extent to which Medicare prescription drug plans (MA–PD plans and stand alone prescription drug plans) under part D of title XVIII of the Social Security Act and private payors use programs that synchronize pharmacy dispensing so that individuals may receive multiple prescriptions on the same day to facilitate comprehensive counseling and promote medication adherence. The study shall include a analysis of the following:

(1) The extent to which pharmacies have adopted such programs.
(2) The common characteristics of such programs, including how pharmacies structure counseling sessions under such programs and the types of payment and other arrangements that Medicare prescription drug plans and private payors employ under such programs to support the efforts of pharmacies.

(3) How such programs compare for Medicare prescription drug plans and private payors.

(4) What is known about how such programs affect patient medication adherence and overall patient health outcomes, including if adherence and outcomes vary by patient subpopulations, such as disease state and socioeconomic status.

(5) What is known about overall patient satisfaction with such programs and satisfaction with such programs, including within patient subpopulations, such as disease state and socioeconomic status.

(6) The extent to which laws and regulations of the Medicare program support such programs.

(7) Barriers to the use of medication synchronization programs by Medicare prescription drug plans.

(b) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report containing the results of the
study under subsection (a), together with recommendations for such legislation and administrative action as the Comptroller General determines appropriate.

SEC. 2342. GAO STUDY AND REPORT ON IMPACT OF OBESITY DRUGS ON PATIENT HEALTH AND SPENDING.

(a) STUDY.—The Comptroller General of the United States (in this section referred to as the “Comptroller General”) shall, to the extent data are available, conduct a study on the use of prescription drugs to manage the weight of obese patients and the impact of coverage of such drugs on patient health and on health care spending. Such study shall examine the use and impact of these obesity drugs in the non-Medicare population and for Medicare beneficiaries who have such drugs covered through an MA–PD plan (as defined in section 1860D–1(a)(3)(C) of the Social Security Act (42 U.S.C. 1395w–101(a)(3)(C))) as a supplemental health care benefit. The study shall include an analysis of the following:

(1) The prevalence of obesity in the Medicare and non-Medicare population.

(2) The utilization of obesity drugs.

(3) The distribution of Body Mass Index by individuals taking obesity drugs, to the extent practicable.
(4) What is known about the use of obesity drugs in conjunction with the receipt of other items or services, such as behavioral counseling, and how these compare to items and services received by obese individuals who do not take obesity drugs.

(5) Physician considerations and attitudes related to prescribing obesity drugs.

(6) The extent to which coverage policies cease or limit coverage for individuals who fail to receive clinical benefit.

(7) What is known about the extent to which individuals who take obesity drugs adhere to the prescribed regimen.

(8) What is known about the extent to which individuals who take obesity drugs maintain weight loss over time.

(9) What is known about the subsequent impact such drugs have on medical services that are directly related to obesity, including with respect to sub-populations determined based on the extent of obesity.

(10) What is known about the spending associated with the care of individuals who take obesity drugs, compared to the spending associated with the care of individuals who do not take such drugs.
(b) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report containing the results of the study under subsection (a), together with recommendations for such legislation and administrative action as the Comptroller General determines appropriate.

SEC. 2343. HHS STUDY AND REPORT ON LONG-TERM RISK FACTORS FOR CHRONIC CONDITIONS AMONG MEDICARE BENEFICIARIES.

(a) STUDY.—The Secretary of Health and Human Services (in this section referred to as the “Secretary”) shall conduct a study on long-term cost drivers to the Medicare program, including obesity, tobacco use, mental health conditions, and other factors that may contribute to the deterioration of health conditions among individuals with chronic conditions in the Medicare population. The study shall include an analysis of any barriers to collecting and analyzing such information and how to remove any such barriers (including through legislation and administrative actions).

(b) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Secretary shall submit to Congress a report containing the results of the study under subsection (a), together with recommendations for such legislation and administrative action as the Secretary deter-
mines appropriate. The Secretary shall also post such re-
port on the Internet website of the Department of Health
and Human Services.

**TITLE IV—MEDICARE PART B**

**MISCELLANEOUS POLICIES**

**Subtitle A—Medicare Part B**

**Improvement Act**

**SEC. 2401. HOME INFUSION THERAPY SERVICES TEM-
PORARY TRANSITIONAL PAYMENT.**

(a) **IN GENERAL.**—Section 1834(u) of the Social Secu-

rity Act (42 U.S.C. 1395m(u)) is amended by adding at

the end the following new paragraph:

“(7) **HOME INFUSION THERAPY SERVICES TEM-
PORARY TRANSITIONAL PAYMENT.**—

“(A) **TEMPORARY TRANSITIONAL PAY-
MENT.**—

“(i) **IN GENERAL.**—The Secretary

shall, in accordance with the payment

methodology described in subparagraph (B)

and subject to the provisions of this para-

graph, provide a home infusion therapy

services temporary transitional payment

under this part to an eligible home infusion

supplier (as defined in subparagraph (F))

for items and services described in subpara-
graphs (A) and (B) of section 1861(iii)(2))

furnished during the period specified in
clause (ii) by such supplier in coordination
with the furnishing of transitional home in-
fusion drugs (as defined in clause (iii)).

“(ii) Period specified.—For pur-
poses of clause (i), the period specified in
this clause is the period beginning on Janu-
ary 1, 2019, and ending on the day before
the date of the implementation of the pay-
ment system under paragraph (1)(A).

“(iii) Transitional home infusion
drug defined.—For purposes of this para-
graph, the term ‘transitional home infusion
drug’ has the meaning given to the term
‘home infusion drug’ under section
1861(iii)(3)(C)), except that clause (ii) of
such section shall not apply if a drug de-
scribed in such clause is identified in
clauses (i), (ii), (iii) or (iv) of subpara-
graph (C) as of the date of the enactment of
this paragraph.

“(B) Payment methodology.—For pur-
poses of this paragraph, the Secretary shall es-
establish a payment methodology, with respect to
items and services described in subparagraph (A)(i). Under such payment methodology the Secretary shall—

“(i) create the three payment categories described in clauses (i), (ii), and (iii) of subparagraph (C);

“(ii) assign drugs to such categories, in accordance with such clauses;

“(iii) assign appropriate Healthcare Common Procedure Coding System (HCPCS) codes to each payment category; and

“(iv) establish a single payment amount for each such payment category, in accordance with subparagraph (D), for each infusion drug administration calendar day in the individual’s home for drugs assigned to such category.

“(C) PAYMENT CATEGORIES.—

“(i) PAYMENT CATEGORY 1.—The Secretary shall create a payment category 1 and assign to such category drugs which are covered under the Local Coverage Determination on External Infusion Pumps (LCD number L33794) and billed with the
following HCPCS codes (as identified as of January 1, 2018, and as subsequently modified by the Secretary): J0133, J0285, J0287, J0288, J0289, J0895, J1170, J1250, J1265, J1325, J1455, J1457, J1570, J2175, J2260, J2270, J2274, J2278, J3010, or J3285.

“(ii) PAYMENT CATEGORY 2.—The Secretary shall create a payment category 2 and assign to such category drugs which are covered under such local coverage determination and billed with the following HCPCS codes (as identified as of January 1, 2018, and as subsequently modified by the Secretary): J1555 JB, J1559 JB, J1561 JB, J1562 JB, J1569 JB, or J1575 JB.

“(iii) PAYMENT CATEGORY 3.—The Secretary shall create a payment category 3 and assign to such category drugs which are covered under such local coverage determination and billed with the following HCPCS codes (as identified as of January 1, 2018, and as subsequently modified by the Secretary): J9000, J9039, J9040,
J9065, J9100, J9190, J9200, J9360, or J9370.

“(iv) INFUSION DRUGS NOT OTHERWISE INCLUDED.—With respect to drugs that are not included in payment category 1, 2, or 3 under clause (i), (ii), or (iii), respectively, the Secretary shall assign to the most appropriate of such categories, as determined by the Secretary, drugs which are—

“(I) covered under such local coverage determination and billed under HCPCS codes J7799 or J7999 (as identified as of July 1, 2017, and as subsequently modified by the Secretary); or

“(II) billed under any code that is implemented after the date of the enactment of this paragraph and included in such local coverage determination or included in subregulatory guidance as a home infusion drug described in subparagraph (A)(i).

“(D) PAYMENT AMOUNTS.—
“(i) IN GENERAL.—Under the payment methodology, the Secretary shall pay eligible home infusion suppliers, with respect to items and services described in subparagraph (A)(i) furnished during the period described in subparagraph (A)(ii) by such supplier to an individual, at amounts equal to the amounts determined under the physician fee schedule established under section 1848 for services furnished during the year for codes and units of such codes described in clauses (ii), (iii), and (iv) with respect to drugs included in the payment category under subparagraph (C) specified in the respective clause, determined without application of the geographic adjustment under subsection (e) of such section.

“(ii) PAYMENT AMOUNT FOR CATEGORY 1.—For purposes of clause (i), the codes and units described in this clause, with respect to drugs included in payment category 1 described in subparagraph (C)(i), are one unit of HCPCS code 96365 plus three units of HCPCS code 96366 (as identified as of
January 1, 2018, and as subsequently modified by the Secretary).

“(iii) PAYMENT AMOUNT FOR CATEGORY 2.—For purposes of clause (i), the codes and units described in this clause, with respect to drugs included in payment category 2 described in subparagraph (C)(i), are one unit of HCPCS code 96369 plus three units of HCPCS code 96370 (as identified as of January 1, 2018, and as subsequently modified by the Secretary).

“(iv) PAYMENT AMOUNT FOR CATEGORY 3.—For purposes of clause (i), the codes and units described in this clause, with respect to drugs included in payment category 3 described in subparagraph (C)(i), are one unit of HCPCS code 96413 plus three units of HCPCS code 96415 (as identified as of January 1, 2018, and as subsequently modified by the Secretary).

“(E) CLARIFICATIONS.—

“(i) INFUSION DRUG ADMINISTRATION DAY.—For purposes of this subsection, with respect to the furnishing of transitional home infusion drugs or home infusion drugs
to an individual by an eligible home infusion supplier or a qualified home infusion therapy supplier, a reference to payment to such supplier for an infusion drug administration calendar day in the individual’s home shall refer to payment only for the date on which professional services (as described in section 1861(iii)(2)(A)) were furnished to administer such drugs to such individual. For purposes of the previous sentence, an infusion drug administration calendar day shall include all such drugs administered to such individual on such day.

“(ii) Treatment of Multiple Drugs Administered on Same Infusion Drug Administration Day.—In the case that an eligible home infusion supplier, with respect to an infusion drug administration calendar day in an individual’s home, furnishes to such individual transitional home infusion drugs which are not all assigned to the same payment category under subparagraph (C), payment to such supplier for such infusion drug administration calendar day in the individual’s home shall be a sin-
gle payment equal to the amount of payment under this paragraph for the drug, among all such drugs so furnished to such individual during such calendar day, for which the highest payment would be made under this paragraph.

“(F) Eligible home infusion suppliers.—In this paragraph, the term ‘eligible home infusion supplier’ means a supplier that is enrolled under this part as a pharmacy that provides external infusion pumps and external infusion pump supplies and that maintains all pharmacy licensure requirements in the State in which the applicable infusion drugs are administered.

“(G) Implementation.—Notwithstanding any other provision of law, the Secretary may implement this paragraph by program instruction or otherwise.”.

(b) Conforming Amendment.—

(1) Section 1842(b)(6)(I) of the Social Security Act (42 U.S.C. 1395u(b)(6)(I)) is amended by inserting “or, in the case of items and services described in clause (i) of section 1834(u)(7)(A) furnished to an individual during the period described in clause (ii) of
such section, payment shall be made to the eligible
home infusion therapy supplier” after “payment shall
be made to the qualified home infusion therapy sup-
plier”.

(2) Section 5012(d) of the 21st Century Cures
Act is amended by inserting the following before the
period at the end the following: “, except that the
amendments made by paragraphs (1) and (2) of sub-
section (c) shall apply to items and services furnished
on or after January 1, 2019”.

SEC. 2402. ORTHOTIST’S AND PROSTHETIST’S CLINICAL
NOTES AS PART OF THE PATIENT’S MEDICAL
RECORD.

Section 1834(h) of the Social Security Act (42 U.S.C.
1395m(h)) is amended by adding at the end the following
new paragraph:

“(5) Documentation created by orthotists
and prosthetists.—For purposes of determining
the reasonableness and medical necessity of orthotics
and prosthetics, documentation created by an
orthotist or prosthetist shall be considered part of the
individual’s medical record to support documentation
created by eligible professionals described in section
1848(k)(3)(B).”.
SEC. 2403. INDEPENDENT ACCREDITATION FOR DIALYSIS

FACILITIES AND ASSURANCE OF HIGH QUALITY SURVEYS.

(a) ACCREDITATION AND SURVEYS.—

(1) IN GENERAL.—Section 1865 of the Social Security Act (42 U.S.C. 1395bb) is amended—

(A) in subsection (a)—

(i) in paragraph (1), in the matter preceding subparagraph (A), by striking “or the conditions and requirements under section 1881(b)”;

(ii) in paragraph (4), by inserting “(including a renal dialysis facility)” after “facility”; and

(B) by adding at the end the following new subsection:

“(e) With respect to an accreditation body that has received approval from the Secretary under subsection (a)(3)(A) for accreditation of provider entities that are required to meet the conditions and requirements under section 1881(b), in addition to review and oversight authorities otherwise applicable under this title, the Secretary shall (as the Secretary determines appropriate) conduct, with respect to such accreditation body and provider entities, any or all of the following as frequently as is otherwise required
to be conducted under this title with respect to other accreditation bodies or other provider entities:

“(1) Validation surveys referred to in subsection (d).

“(2) Accreditation program reviews (as defined in section 488.8(c) of title 42 of the Code of Federal Regulations, or a successor regulation).

“(3) Performance reviews (as defined in section 488.8(a) of title 42 of the Code of Federal Regulations, or a successor regulation).”.

(2) **Timing for Acceptance of Requests from Accreditation Organizations.**—Not later than 90 days after the date of enactment of this Act, the Secretary of Health and Human Services shall begin accepting requests from national accreditation bodies for a finding described in section 1865(a)(3)(A) of the Social Security Act (42 U.S.C. 1395bb(a)(3)(A)) for purposes of accrediting provider entities that are required to meet the conditions and requirements under section 1881(b) of such Act (42 U.S.C. 1395rr(b)).

(b) **Requirement for Timing of Surveys of New Dialysis Facilities.**—Section 1881(b)(1) of the Social Security Act (42 U.S.C. 1395rr(b)(1)) is amended by adding at the end the following new sentence: “Beginning 180 days
after the date of the enactment of this sentence, an initial
survey of a provider of services or a renal dialysis facility
to determine if the conditions and requirements under this
paragraph are met shall be initiated not later than 90 days
after such date on which both the provider enrollment form
(without regard to whether such form is submitted prior
to or after such date of enactment) has been determined by
the Secretary to be complete and the provider’s enrollment
status indicates approval is pending the results of such sur-
vey.”.

SEC. 2404. MODERNIZING THE APPLICATION OF THE STARK
RULE UNDER MEDICARE.

(a) CLARIFICATION OF THE WRITING REQUIREMENT
AND SIGNATURE REQUIREMENT FOR ARRANGEMENTS PUR-
SUANT TO THE STARK RULE.—

(1) WRITING REQUIREMENT.—Section
1877(h)(1) of the Social Security Act (42 U.S.C.
1395nn(h)(1)) is amended by adding at the end the
following new subparagraph:

“(D) WRITTEN REQUIREMENT CLARIFIED.—In
the case of any requirement pursuant to this section
for a compensation arrangement to be in writing,
such requirement shall be satisfied by such means as
determined by the Secretary, including by a collection
of documents, including contemporaneous documents
evidencing the course of conduct between the parties involved.”.

(2) Signature Requirement.—Section 1877(h)(1) of the Social Security Act (42 U.S.C. 1395nn(h)(1)), as amended by paragraph (1), is further amended by adding at the end the following new subparagraph:

“(E) Special rule for signature requirements.—In the case of any requirement pursuant to this section for a compensation arrangement to be in writing and signed by the parties, such signature requirement shall be met if—

“(i) not later than 90 consecutive calendar days immediately following the date on which the compensation arrangement became noncompliant, the parties obtain the required signatures; and

“(ii) the compensation arrangement otherwise complies with all criteria of the applicable exception.”.

(b) Indefinite Holdover for Lease Arrangements and Personal Services Arrangements Pursuant to the Stark Rule.—Section 1877(e) of the Social Security Act (42 U.S.C. 1395nn(e)) is amended—
(1) in paragraph (1), by adding at the end the following new subparagraph:

“(C) HOLDOVER LEASE ARRANGEMENTS.—

In the case of a holdover lease arrangement for the lease of office space or equipment, which immediately follows a lease arrangement described in subparagraph (A) for the use of such office space or subparagraph (B) for the use of such equipment and that expired after a term of at least 1 year, payments made by the lessee to the lessor pursuant to such holdover lease arrangement, if—

“(i) the lease arrangement met the conditions of subparagraph (A) for the lease of office space or subparagraph (B) for the use of equipment when the arrangement expired;

“(ii) the holdover lease arrangement is on the same terms and conditions as the immediately preceding arrangement; and

“(iii) the holdover arrangement continues to satisfy the conditions of subparagraph (A) for the lease of office space or subparagraph (B) for the use of equipment.”; and
(2) in paragraph (3), by adding at the end the following new subparagraph:

“(C) HOLDOVER PERSONAL SERVICE ARRANGEMENT.—In the case of a holdover personal service arrangement, which immediately follows an arrangement described in subparagraph (A) that expired after a term of at least 1 year, remuneration from an entity pursuant to such holdover personal service arrangement, if—

“(i) the personal service arrangement met the conditions of subparagraph (A) when the arrangement expired;

“(ii) the holdover personal service arrangement is on the same terms and conditions as the immediately preceding arrangement; and

“(iii) the holdover arrangement continues to satisfy the conditions of subparagraph (A).”.
Subtitle B—Additional Provisions

SEC. 2411. MAKING PERMANENT THE REMOVAL OF THE RENTAL CAP FOR DURABLE MEDICAL EQUIPMENT UNDER MEDICARE WITH RESPECT TO SPEECH GENERATING DEVICES.

Section 1834(a)(2)(A)(iv) of the Social Security Act (42 U.S.C. 1395m(a)(2)(A)(iv)) is amended by striking “and before October 1, 2018,”.

SEC. 2412. INCREASED CIVIL AND CRIMINAL PENALTIES AND INCREASED SENTENCES FOR FEDERAL HEALTH CARE PROGRAM FRAUD AND ABUSE.

(a) INCREASED CIVIL MONEY PENALTIES AND CRIMINAL FINES.—

(1) INCREASED CIVIL MONEY PENALTIES.—Section 1128A of the Social Security Act (42 U.S.C. 1320a–7a) is amended—

(A) in subsection (a), in the matter following paragraph (10)—

(i) by striking “$10,000” and inserting “$20,000” each place it appears;

(ii) by striking “$15,000” and inserting “$30,000”; and

(iii) by striking “$50,000” and inserting “$100,000” each place it appears; and

(B) in subsection (b)—
(i) in paragraph (1), in the flush text following subparagraph (B), by striking "$2,000" and inserting "$5,000";

(ii) in paragraph (2), by striking "$2,000" and inserting "$5,000"; and

(iii) in paragraph (3)(A)(i), by striking "$5,000" and inserting "$10,000".

(2) **INCREASED CRIMINAL FINES.**—Section 1128B of such Act (42 U.S.C. 1320a–7b) is amended—

(A) in subsection (a), in the matter following paragraph (6)—

(i) by striking "$25,000" and inserting "$100,000"; and

(ii) by striking "$10,000" and inserting "$20,000";

(B) in subsection (b)—

(i) in paragraph (1), in the flush text following subparagraph (B), by striking "$25,000" and inserting "$100,000"; and

(ii) in paragraph (2), in the flush text following subparagraph (B), by striking "$25,000" and inserting "$100,000";

(C) in subsection (c), by striking "$25,000" and inserting "$100,000";
(D) in subsection (d), in the flush text following paragraph (2), by striking “$25,000” and inserting “$100,000”; and

(E) in subsection (e), by striking “$2,000” and inserting “$4,000”.

(b) INCREASED SENTENCES FOR FELONIES INVOLVING FEDERAL HEALTH CARE PROGRAM FRAUD AND ABUSE.—

(1) FALSE STATEMENTS AND REPRESENTATIONS.—Section 1128B(a) of the Social Security Act (42 U.S.C. 1320a–7b(a)) is amended, in the matter following paragraph (6), by striking “not more than five years or both, or (ii)” and inserting “not more than 10 years or both, or (ii)”.

(2) ANTIKICKBACK.—Section 1128B(b) of such Act (42 U.S.C. 1320a–7b(b)) is amended—

(A) in paragraph (1), in the flush text following subparagraph (B), by striking “not more than five years” and inserting “not more than 10 years”; and

(B) in paragraph (2), in the flush text following subparagraph (B), by striking “not more than five years” and inserting “not more than 10 years”.

(3) FALSE STATEMENT OR REPRESENTATION WITH RESPECT TO CONDITIONS OR OPERATIONS OF
FACILITIES.—Section 1128B(c) of such Act (42 U.S.C. 1320a–7b(c)) is amended by striking “not more than five years” and inserting “not more than 10 years”.

(4) Excess Charges.—Section 1128B(d) of such Act (42 U.S.C. 1320a–7b(d)) is amended, in the flush text following paragraph (2), by striking “not more than five years” and inserting “not more than 10 years”.

(c) Effective Date.—The amendments made by this section shall apply to acts committed after the date of the enactment of this Act.

SEC. 2413. REDUCING THE VOLUME OF FUTURE EHR-RELATED SIGNIFICANT HARDSHIP REQUESTS.

Section 1848(o)(2)(A) of the Social Security Act (42 U.S.C. 1395w–4(o)(2)(A)) and section 1886(n)(3)(A) of such Act (42 U.S.C. 1395ww(n)(3)(A)) are each amended in the last sentence by striking “by requiring” and all that follows through “this paragraph”.

SEC. 2414. COVERAGE OF CERTAIN DNA SPECIMEN PROVENANCE ASSAY TESTS UNDER MEDICARE.

(a) Benefit.—

(1) Coverage.—Section 1861 of the Social Security Act (42 U.S.C. 1395x) is amended—

(A) in subsection (s)(2)—
(i) in subparagraph (FF), by striking “and” at the end;

(ii) in subparagraph (GG), by inserting “and” at the end; and

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

“(HH) a prostate cancer DNA Specimen Provenance Assay test (DSPA test) (as defined in subsection (jjj)); and”; and

(B) by adding at the end the following new subsection:

“(jjj) PROSTATE CANCER DNA SPECIMEN PROVENANCE ASSAY TEST.—The term ‘prostate cancer DNA Specimen Provenance Assay Test’ (DSPA test) means a test that, after a determination of cancer in one or more prostate biopsy specimens obtained from an individual, assesses the identity of the DNA in such specimens by comparing such DNA with the DNA that was separately taken from such individual at the time of the biopsy.”.

(2) EXCLUSION FROM COVERAGE.—Section 1862(a)(1) of the Social Security Act (42 U.S.C. 1395y(a)(1)) is amended—

(A) in subparagraph (O), by striking “and” at the end;
(B) in subparagraph (P), by striking the semicolon at the end and inserting “, and”; and

(C) by adding at the end the following new subparagraph:

“(Q) in the case of a prostate cancer DNA Specimen Provenance Assay test (DSPA test) (as defined in section 1861(jjj)), unless such test is furnished on or after January 1, 2019, and before January 1, 2024, and such test is ordered by the physician who furnished the prostate cancer biopsy that obtained the specimen tested;”.

(b) PAYMENT AMOUNT AND RELATED REQUIREMENTS.—Section 1834 of the Social Security Act (42 U.S.C. 1395m), as amended by section 2204, is further amended by adding at the end the following new subsection:

“(w) PROSTATE CANCER DNA SPECIMEN PROVENANCE ASSAY TESTS.—

“(1) PAYMENT FOR COVERED TESTS.—

“(A) IN GENERAL.—Subject to subparagraph (B), the payment amount for a prostate cancer DNA Specimen Provenance Assay test (DSPA test) (as defined in section 1861(jjj)) shall be $200. Such payment shall be payment for all of the specimens obtained from the biopsy furnished to an individual that are tested.
“(B) LIMITATION.—Payment for a DSPA test under subparagraph (A) may only be made on an assignment-related basis.

“(C) PROHIBITION ON SEPARATE PAYMENT.—No separate payment shall be made for obtaining DNA that was separately taken from an individual at the time of a biopsy described in subparagraph (A).

“(2) HCPCS CODE AND MODIFIER ASSIGNMENT.—

“(A) IN GENERAL.—The Secretary shall assign one or more HCPCS codes to a prostate cancer DNA Specimen Provenance Assay test and may use a modifier to facilitate making payment under this section for such test.

“(B) IDENTIFICATION OF DNA MATCH ON CLAIM.—The Secretary shall require an indication on a claim for a prostate cancer DNA Specimen Provenance Assay test of whether the DNA of the prostate biopsy specimens match the DNA of the individual diagnosed with prostate cancer. Such indication may be made through use of a HCPCS code, a modifier, or other means, as determined appropriate by the Secretary.

“(3) DNA MATCH REVIEW.—
“(A) IN GENERAL.—The Secretary shall re-
view at least three years of claims under part B
for prostate cancer DNA Specimen Provenance
Assay tests to identify whether the DNA of the
prostate biopsy specimens match the DNA of the
individuals diagnosed with prostate cancer.

“(B) POSTING ON INTERNET WEBSITE.—Not
later than July 1, 2022, the Secretary shall post
on the Internet website of the Centers for Medi-
care & Medicaid Services the findings of the re-
view conducted under subparagraph (A).”.

(c) COST-SHARING.—Section 1833(a)(1) of the Social
Security Act (42 U.S.C. 1395l(a)(1)) is amended—

(1) by striking “and (BB)” and inserting
“(BB)”; and

(2) by inserting before the semicolon at the end
the following: “, and (CC) with respect to a prostate
cancer DNA Specimen Provenance Assay test (DSPA
test) (as defined in section 1861(jj)), the amount
paid shall be an amount equal to 80 percent of the
lesser of the actual charge for the test or the amount
specified under section 1834(w)”.
SEC. 2415. STRENGTHENING RULES IN CASE OF COMPETITION FOR DIABETIC TESTING STRIPS.

(a) Special Rule in Case of Competition for Diabetic Testing Strips.—

(1) In General.—Paragraph (10) of section 1847(b) of the Social Security Act (42 U.S.C. 1395w–3(b)) is amended—

(A) in subparagraph (A), by striking the second sentence and inserting the following new sentence: “With respect to bids to furnish such types of products on or after January 1, 2019, the volume for such types of products shall be determined by the Secretary through the use of multiple sources of data (from mail order and non-mail order Medicare markets), including market-based data measuring sales of diabetic testing strip products that are not exclusively sold by a single retailer from such markets.”;

and

(B) by adding at the end the following new subparagraphs:

“(C) Demonstration of Ability to Furnish Types of Diabetic Testing Strip Products.—With respect to bids to furnish diabetic testing strip products on or after January 1, 2019, an entity shall attest to the Secretary that
the entity has the ability to obtain an inventory
of the types and quantities of diabetic testing
strip products that will allow the entity to fur-
nish such products in a manner consistent with
its bid and—

“(i) demonstrate to the Secretary,
through letters of intent with manufactur-
ers, wholesalers, or other suppliers, or other
evidence as the Secretary may specify, such
ability; or

“(ii) demonstrate to the Secretary that
it made a good faith attempt to obtain such
a letter of intent or such other evidence.

“(D) USE OF UNLISTED TYPES IN CALCULA-
TION OF PERCENTAGE.—With respect to bids to
furnish diabetic testing strip products on or after
January 1, 2019, in determining under subpara-
graph (A) whether a bid submitted by an entity
under such subparagraph covers 50 percent (or
such higher percentage as the Secretary may
specify) of all types of diabetic testing strip
products, the Secretary may not attribute a per-
centage to types of diabetic testing strip products
that the Secretary does not identify by brand,
model, and market share volume.
“(E) ADHERENCE TO DEMONSTRATION.—

“(i) In general.—In the case of an entity that is furnishing diabetic testing strip products on or after January 1, 2019, under a contract entered into under the competition conducted pursuant to paragraph (1), the Secretary shall establish a process to monitor, on an ongoing basis, the extent to which such entity continues to cover the product types included in the entity’s bid.

“(ii) Termination.—If the Secretary determines that an entity described in clause (i) fails to maintain in inventory, or otherwise maintain ready access to (through requirements, contracts, or otherwise) a type of product included in the entity’s bid, the Secretary may terminate such contract unless the Secretary finds that the failure of the entity to maintain inventory of, or ready access to, the product is the result of the discontinuation of the product by the product manufacturer, a market-wide shortage of the product, or the introduction of a
newer model or version of the product in the market involved.”.

(b) CODIFYING AND EXPANDING ANTI-SWITCHING RULE.—Section 1847(b) of the Social Security Act (42 U.S.C. 1395w–3(b)), as amended by subsection (a)(1), is further amended—

(1) by redesignating paragraph (11) as paragraph (12); and

(2) by inserting after paragraph (10) the following new paragraph:

“(11) ADDITIONAL SPECIAL RULES IN CASE OF COMPETITION FOR DIABETIC TESTING STRIPS.—

“(A) IN GENERAL.—With respect to an entity that is furnishing diabetic testing strip products to individuals under a contract entered into under the competitive acquisition program established under this section, the entity shall furnish to each individual a brand of such products that is compatible with the home blood glucose monitor selected by the individual.

“(B) PROHIBITION ON INFLUENCING AND INCENTIVIZING.—An entity described in subparagraph (A) may not attempt to influence or incentivize an individual to switch the brand of
glucose monitor or diabetic testing strip product selected by the individual, including by—

“(i) persuading, pressuring, or advising the individual to switch; or

“(ii) furnishing information about alternative brands to the individual where the individual has not requested such information.

“(C) PROVISION OF INFORMATION.—

“(i) STANDARDIZED INFORMATION.—

Not later than January 1, 2019, the Secretary shall develop and make available to entities described in subparagraph (A) standardized information that describes the rights of an individual with respect to such an entity. The information described in the preceding sentence shall include information regarding—

“(I) the requirements established under subparagraphs (A) and (B);

“(II) the right of the individual to purchase diabetic testing strip products from another mail order supplier of such products or a retail pharmacy if the entity is not able to furnish the
brand of such product that is compatible with the home blood glucose monitor selected by the individual; and

“(III) the right of the individual to return diabetic testing strip products furnished to the individual by the entity.

“(ii) REQUIREMENT.—With respect to diabetic testing strip products furnished on or after the date on which the Secretary develops the standardized information under clause (i), an entity described in subparagraph (A) may not communicate directly to an individual until the entity has verbally provided the individual with such standardized information.

“(D) ORDER REFILLS.—With respect to diabetic testing strip products furnished on or after January 1, 2019, the Secretary shall require an entity furnishing diabetic testing strip products to an individual to contact and receive a request from the individual for such products not more than 14 days prior to dispensing a refill of such products to the individual.”.
(c) IMPLEMENTATION; NON-APPLICATION OF THE PAPERWORK REDUCTION ACT.—

(1) IMPLEMENTATION.—Notwithstanding any other provision of law, the Secretary of Health and Human Services may implement the provisions of, and amendments made by, this section by program instruction or otherwise.

(2) NON-APPLICATION OF THE PAPERWORK REDUCTION ACT.—Chapter 35 of title 44, United States Code (commonly referred to as the “Paperwork Reduction Act of 1995”), shall not apply to this section or the amendments made by this section.

TITLE V—OTHER HEALTH EXTENDERS

SEC. 2501. EXTENSION FOR COMMUNITY HEALTH CENTERS, THE NATIONAL HEALTH SERVICE CORPS, AND TEACHING HEALTH CENTERS THAT OPERATE GME PROGRAMS.

(a) COMMUNITY HEALTH CENTERS FUNDING.—Section 10503(b)(1) of the Patient Protection and Affordable Care Act (42 U.S.C. 254b–2(b)(1)), as amended by section 3101 of Public Law 115–96, is amended by amending subparagraph (F) to read as follows:

“(F) $3,600,000,000 for each of fiscal years 2018 and 2019.”
(b) Other Community Health Centers Provisions.—Section 330 of the Public Health Service Act (42 U.S.C. 254b) is amended—

(1) in subsection (b)(1)(A)(ii), by striking “abuse” and inserting “use disorder”; 

(2) in subsection (b)(2)(A), by striking “abuse” and inserting “use disorder”; 

(3) in subsection (c)—

(A) in paragraph (1), by striking subparagraphs (B) through (D); 

(B) by striking “(1) in general” and all that follows through “The Secretary” and inserting the following: 

“(1) Centers.—The Secretary”; and 

(C) in paragraph (1), as amended, by redesignating clauses (i) through (v) as subparagraphs (A) through (E) and moving the margin of each of such redesignated subparagraph 2 ems to the left; 

(4) by striking subsection (d) and inserting the following:

“(d) Improving Quality of Care.—

“(1) Supplemental Awards.—The Secretary may award supplemental grant funds to health centers funded under this section to implement evidence-
based models for increasing access to high-quality primary care services, which may include models related to—

“(A) improving the delivery of care for individuals with multiple chronic conditions;

“(B) workforce configuration;

“(C) reducing the cost of care;

“(D) enhancing care coordination;

“(E) expanding the use of telehealth and technology-enabled collaborative learning and capacity building models;

“(F) care integration, including integration of behavioral health, mental health, or substance use disorder services; and

“(G) addressing emerging public health or substance use disorder issues to meet the health needs of the population served by the health center.

“(2) SUSTAINABILITY.—In making supplemental awards under this subsection, the Secretary may consider whether the health center involved has submitted a plan for continuing the activities funded under this subsection after supplemental funding is expended.

“(3) SPECIAL CONSIDERATION.—The Secretary may give special consideration to applications for
supplemental funding under this subsection that seek
to address significant barriers to access to care in
areas with a greater shortage of health care providers
and health services relative to the national average.”;

(5) in subsection (e)(1)—

(A) in subparagraph (B)—

(i) by striking “2 years” and inserting

“1 year”; and

(ii) by adding at the end the following:

“The Secretary shall not make a grant
under this paragraph unless the applicant
provides assurances to the Secretary that
within 120 days of receiving grant funding
for the operation of the health center, the
applicant will submit, for approval by the
Secretary, an implementation plan to meet
the requirements of subsection (k)(3). The
Secretary may extend such 120-day period
for achieving compliance upon a demonstra-
tion of good cause by the health center.”;

and

(B) in subparagraph (C)—

(i) in the subparagraph heading, by

striking “AND PLANS”;
(ii) by striking “or plan (as described in subparagraphs (B) and (C) of subsection (c)(1))”;

(iii) by striking “or plan, including the purchase” and inserting the following: “including—

“(i) the purchase”;

(iv) by inserting “, which may include data and information systems” after “of equipment”;

(v) by striking the period at the end and inserting a semicolon; and

(vi) by adding at the end the following: “(ii) the provision of training and technical assistance; and

“(iii) other activities that—

“(I) reduce costs associated with the provision of health services;

“(II) improve access to, and availability of, health services provided to individuals served by the centers;

“(III) enhance the quality and coordination of health services; or

“(IV) improve the health status of communities.”;
(6) in subsection (e)(5)(B)—

  (A) in the heading of subparagraph (B), by striking “AND PLANS”; and

  (B) by striking “and subparagraphs (B) and (C) of subsection (c)(1) to a health center or to a network or plan” and inserting “to a health center or to a network”;

(7) in subsection (e), by adding at the end the following:

“(6) NEW ACCESS POINTS AND EXPANDED SERVICES.—

“(A) APPROVAL OF NEW ACCESS POINTS.—

“(i) IN GENERAL.—The Secretary may approve applications for grants under subparagraph (A) or (B) of paragraph (1) to establish new delivery sites.

“(ii) SPECIAL CONSIDERATION.—In carrying out clause (i), the Secretary may give special consideration to applicants that have demonstrated the new delivery site will be located within a sparsely populated area, or an area which has a level of unmet need that is higher relative to other applicants.

“(iii) CONSIDERATION OF APPLICATIONS.—In carrying out clause (i), the Sec-
Secretary shall approve applications for grants in such a manner that the ratio of the medically underserved populations in rural areas which may be expected to use the services provided by the applicants involved to the medically underserved populations in urban areas which may be expected to use the services provided by the applicants is not less than two to three or greater than three to two.

“(iv) Service area overlap.—If in carrying out clause (i) the applicant proposes to serve an area that is currently served by another health center funded under this section, the Secretary may consider whether the award of funding to an additional health center in the area can be justified based on the unmet need for additional services within the catchment area.

“(B) Approval of expanded service applications.—

“(i) In general.—The Secretary may approve applications for grants under sub-paragraph (A) or (B) of paragraph (1) to expand the capacity of the applicant to pro-
vide required primary health services described in subsection (b)(1) or additional health services described in subsection (b)(2).

“(ii) PRIORITY EXPANSION PROJECTS.—In carrying out clause (i), the Secretary may give special consideration to expanded service applications that seek to address emerging public health or behavioral health, mental health, or substance abuse issues through increasing the availability of additional health services described in subsection (b)(2) in an area in which there are significant barriers to accessing care.

“(iii) CONSIDERATION OF APPLICATIONS.—In carrying out clause (i), the Secretary shall approve applications for grants in such a manner that the ratio of the medically underserved populations in rural areas which may be expected to use the services provided by the applicants involved to the medically underserved populations in urban areas which may be expected to use the services provided by such applicants is
not less than two to three or greater than three to two.”;

(8) in subsection (h)—

(A) in paragraph (1), by striking “and children and youth at risk of homelessness” and inserting “, children and youth at risk of homelessness, homeless veterans, and veterans at risk of homelessness”; and

(B) in paragraph (5)—

(i) by striking subparagraph (B);

(ii) by redesignating subparagraph (C) as subparagraph (B); and

(iii) in subparagraph (B) (as so redesignated)—

(I) in the subparagraph heading, by striking “ABUSE” and inserting “USE DISORDER”; and

(II) by striking “abuse” and inserting “use disorder”;

(9) in subsection (k)—

(A) in paragraph (2)—

(i) in the paragraph heading, by inserting “UNMET” before “NEED”;

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(ii) in the matter preceding subparagraph (A), by inserting “or subsection (e)(6)” after “subsection (e)(1)”; 

(iii) in subparagraph (A), by inserting “unmet” before “need for health services”; 

(iv) in subparagraph (B), by striking “and” at the end; 

(v) in subparagraph (C), by striking the period at the end and inserting “; and”; and 

(vi) by adding after subparagraph (C) the following: 

“(D) in the case of an application for a grant pursuant to subsection (e)(6), a demonstration that the applicant has consulted with appropriate State and local government agencies, and health care providers regarding the need for the health services to be provided at the proposed delivery site.”; 

(B) in paragraph (3)— 

(i) in the matter preceding subparagraph (A), by inserting “or subsection (e)(6)” after “subsection (e)(1)(B)”; 

(ii) in subparagraph (B), by striking “in the catchment area of the center” and
inserting “, including other health care providers that provide care within the catchment area, local hospitals, and specialty providers in the catchment area of the center, to provide access to services not available through the health center and to reduce the non-urgent use of hospital emergency departments”;

(iii) in subparagraph (H)(ii), by inserting “who shall be directly employed by the center” after “approves the selection of a director for the center”;

(iv) in subparagraph (L), by striking “and” at the end;

(v) in subparagraph (M), by striking the period and inserting “; and”; and

(vi) by inserting after subparagraph (M), the following:

“(N) the center has written policies and procedures in place to ensure the appropriate use of Federal funds in compliance with applicable Federal statutes, regulations, and the terms and conditions of the Federal award.”; and

(C) by striking paragraph (4);
(10) in subsection (l), by adding at the end the following: “Funds expended to carry out activities under this subsection and operational support activities under subsection (m) shall not exceed 3 percent of the amount appropriated for this section for the fiscal year involved.”;

(11) in subsection (q)(4), by adding at the end the following: “A waiver provided by the Secretary under this paragraph may not remain in effect for more than 1 year and may not be extended after such period. An entity may not receive more than one waiver under this paragraph in consecutive years.”;

(12) in subsection (r)(3)—

(A) by striking “appropriate committees of Congress a report concerning the distribution of funds under this section” and inserting the following: “Committee on Health, Education, Labor, and Pensions of the Senate, and the Committee on Energy and Commerce of the House of Representatives, a report including, at a minimum—

“(A) the distribution of funds for carrying out this section”;
(B) by striking “populations. Such report shall include an assessment” and inserting the following: “populations;

“(B) an assessment”;

(C) by striking “and the rationale for any substantial changes in the distribution of funds.” and inserting a semicolon; and

(D) by adding at the end the following:

“(C) the distribution of awards and funding for new or expanded services in each of rural areas and urban areas;

“(D) the distribution of awards and funding for establishing new access points, and the number of new access points created;

“(E) the amount of unexpended funding for loan guarantees and loan guarantee authority under title XVI;

“(F) the rationale for any substantial changes in the distribution of funds;

“(G) the rate of closures for health centers and access points;

“(H) the number and reason for any grants awarded pursuant to subsection (e)(1)(B); and

“(I) the number and reason for any waivers provided pursuant to subsection (q)(4).”;}
(13) in subsection (r), by adding at the end the following new paragraph:

“(5) FUNDING FOR PARTICIPATION OF HEALTH CENTERS IN ALL OF US RESEARCH PROGRAM.—In addition to any amounts made available pursuant to paragraph (1) of this subsection, section 402A of this Act, or section 10503 of the Patient Protection and Affordable Care Act, there is authorized to be appropriated, and there is appropriated, out of any monies in the Treasury not otherwise appropriated, to the Secretary $25,000,000 for fiscal year 2018 to support the participation of health centers in the All of Us Research Program under the Precision Medicine Initiative under section 498E of this Act.”; and

(14) by striking subsection (s).

(c) NATIONAL HEALTH SERVICE CORPS.—Section 10503(b)(2) of the Patient Protection and Affordable Care Act (42 U.S.C. 254b–2(b)(2)), as amended by section 3101 of Public Law 115–96, is amended by amending subparagraph (F) to read as follows:

“(F) $310,000,000 for each of fiscal years 2018 and 2019.”.

(d) TEACHING HEALTH CENTERS THAT OPERATE GRADUATE MEDICAL EDUCATION PROGRAMS.—
(1) PAYMENTS.—Subsection (a) of section 340H of the Public Health Service Act (42 U.S.C. 256h) is amended to read as follows:

“(a) PAYMENTS.—

“(1) IN GENERAL.—Subject to subsection (h)(2), the Secretary shall make payments under this section for direct expenses and indirect expenses to qualified teaching health centers that are listed as sponsoring institutions by the relevant accrediting body for, as appropriate—

“(A) maintenance of filled positions at existing approved graduate medical residency training programs;

“(B) expansion of existing approved graduate medical residency training programs; and

“(C) establishment of new approved graduate medical residency training programs.

“(2) PER RESIDENT AMOUNT.—In making payments under paragraph (1), the Secretary shall consider the cost of training residents at teaching health centers and the implications of the per resident amount on approved graduate medical residency training programs at teaching health centers.
“(3) PRIORITY.—In making payments under paragraph (1)(C), the Secretary shall give priority to qualified teaching health centers that—

“(A) serve a health professional shortage area with a designation in effect under section 332 or a medically underserved community (as defined in section 799B); or

“(B) are located in a rural area (as defined in section 1886(d)(2)(D) of the Social Security Act).”.

(2) FUNDING.—Paragraph (1) of section 340H(g) of the Public Health Service Act (42 U.S.C. 256h(g)), as amended by section 3101 of Public Law 115–96, is amended by striking “and $30,000,000 for the period of the first and second quarters of fiscal year 2018” and inserting “and $126,500,000 for each of fiscal years 2018 and 2019”.

(3) ANNUAL REPORTING.—Subsection (h)(1) of section 340H of the Public Health Service Act (42 U.S.C. 256h) is amended—

(A) by redesignating subparagraph (D) as subparagraph (H); and

(B) by inserting after subparagraph (C) the following:
“(D) The number of patients treated by residents described in paragraph (4).

“(E) The number of visits by patients treated by residents described in paragraph (4).

“(F) Of the number of residents described in paragraph (4) who completed their residency training at the end of such residency academic year, the number and percentage of such residents entering primary care practice (meaning any of the areas of practice listed in the definition of a primary care residency program in section 749A).

“(G) Of the number of residents described in paragraph (4) who completed their residency training at the end of such residency academic year, the number and percentage of such residents who entered practice at a health care facility—

“(i) primarily serving a health professional shortage area with a designation in effect under section 332 or a medically underserved community (as defined in section 799B); or
“(ii) located in a rural area (as defined in section 1886(d)(2)(D) of the Social Security Act).”.

(4) REPORT ON TRAINING COSTS.—Not later than March 31, 2019, the Secretary of Health and Human Services shall submit to the Congress a report on the direct graduate expenses of approved graduate medical residency training programs, and the indirect expenses associated with the additional costs of teaching residents, of qualified teaching health centers (as such terms are used or defined in section 340H of the Public Health Service Act (42 U.S.C. 256h)).

(5) DEFINITION.—Subsection (j) of section 340H of the Public Health Service Act (42 U.S.C. 256h) is amended—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(B) by inserting after paragraph (1) the following:

“(2) NEW APPROVED GRADUATE MEDICAL RESIDENCY TRAINING PROGRAM.—The term ‘new approved graduate medical residency training program’ means an approved graduate medical residency training program for which the sponsoring qualified teaching health center has not received a payment under this
section for a previous fiscal year (other than pursuant to subsection (a)(1)(C)).”.

(6) TECHNICAL CORRECTION.—Subsection (f) of section 340H (42 U.S.C. 256h) is amended by striking “hospital” each place it appears and inserting “teaching health center”.

(7) PAYMENTS FOR PREVIOUS FISCAL YEARS.—
The provisions of section 340H of the Public Health Service Act (42 U.S.C. 256h), as in effect on the day before the date of enactment of Public Law 115–96, shall continue to apply with respect to payments under such section for fiscal years before fiscal year 2018.

(e) APPLICATION.—Amounts appropriated pursuant to this section for fiscal year 2018 or 2019 are subject to the requirements contained in Public Law 115–31 for funds for programs authorized under sections 330 through 340 of the Public Health Service Act (42 U.S.C. 254b–256).

(f) CONFORMING AMENDMENT.—Paragraph (4) of section 3014(h) of title 18, United States Code, as amended by section 3101 of Public Law 115–96, is amended by striking “and section 3101(d) of the CHIP and Public Health Funding Extension Act” and inserting “and section 2501(e) of the SUSTAIN Care Act of 2018”.

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SEC. 2502. EXTENSION FOR SPECIAL DIABETES PROGRAMS.

(a) Special Diabetes Program for Type I Diabetes.—Subparagraph (D) of section 330B(b)(2) of the Public Health Service Act (42 U.S.C. 254c–2(b)(2)), as amended by section 3102 of Public Law 115–96, is amended to read as follows:

“(D) $150,000,000 for each of fiscal years 2018 and 2019, to remain available until expended.”.

(b) Special Diabetes Program for Indians.—Subparagraph (D) of section 330C(c)(2) of the Public Health Service Act (42 U.S.C. 254c–3(c)(2)), as amended by section 3102 of Public Law 115–96, is amended to read as follows:

“(D) $150,000,000 for each of fiscal years 2018 and 2019, to remain available until expended.”.

SEC. 2503. EXTENSION FOR FAMILY-TO-FAMILY HEALTH INFORMATION CENTERS.

Section 501(c) of the Social Security Act (42 U.S.C. 701(c)) is amended—

(1) in paragraph (1)(A)—

(A) in clause (v), by striking “and” at the end;

(B) in clause (vi), by striking the period at the end and inserting “; and”;

and
(C) by adding at the end the following new clause:

“(vii) $6,000,000 for each of fiscal years 2018 and 2019.”;

(2) in paragraph (3)(C), by inserting before the period the following: “, and with respect to fiscal years 2018 and 2019, such centers shall also be developed in all territories and at least one such center shall be developed for Indian Tribes”; and

(3) by amending paragraph (5) to read as follows:

“(5) For purposes of this subsection—

“(A) the term ‘Indian Tribe’ has the meaning given to the term ‘Indian tribe’ in section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1603);

“(B) the term ‘State’ means each of the 50 States and the District of Columbia; and

“(C) the term ‘territory’ means Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Northern Mariana Islands.”.

SEC. 2504. EXTENSION FOR SEXUAL RISK AVOIDANCE EDUCATION.

(a) In General.—Section 510 of the Social Security Act (42 U.S.C. 710) is amended to read as follows:
“SEC. 510. SEXUAL RISK AVOIDANCE EDUCATION.

“(a) In General.—

“(1) Allotments to States.—For the purpose described in subsection (b), the Secretary shall, for each of fiscal years 2018 and 2019, allot to each State which has transmitted an application for the fiscal year under section 505(a) an amount equal to the product of—

“(A) the amount appropriated pursuant to subsection (e)(1) for the fiscal year, minus the amount reserved under subsection (e)(2) for the fiscal year; and

“(B) the proportion that the number of low-income children in the State bears to the total of such numbers of children for all the States.

“(2) Other allotments.—

“(A) Other entities.—For the purpose described in subsection (b), the Secretary shall, for each of fiscal years 2018 and 2019, for any State which has not transmitted an application for the fiscal year under section 505(a), allot to one or more entities in the State the amount that would have been allotted to the State under paragraph (1) if the State had submitted such an application.
“(B) PROCESS.—The Secretary shall select
the recipients of allotments under subparagraph
(A) by means of a competitive grant process
under which—

“(i) not later than 30 days after the
deadline for the State involved to submit an
application for the fiscal year under section
505(a), the Secretary publishes a notice so-
licting grant applications; and

“(ii) not later than 120 days after such
deadline, all such applications must be sub-
mited.

“(b) PURPOSE.—

“(1) IN GENERAL.—Except for research under
paragraph (5) and information collection and report-
ing under paragraph (6), the purpose of an allotment
under subsection (a) to a State (or to another entity
in the State pursuant to subsection (a)(2)) is to en-
able the State or other entity to implement education
exclusively on sexual risk avoidance (meaning volun-
tarily refraining from sexual activity).

“(2) REQUIRED COMPONENTS.—Education on
sexual risk avoidance pursuant to an allotment under
this section shall—
“(A) ensure that the unambiguous and primary emphasis and context for each topic described in paragraph (3) is a message to youth that normalizes the optimal health behavior of avoiding nonmarital sexual activity;

“(B) be medically accurate and complete;

“(C) be age-appropriate;

“(D) be based on adolescent learning and developmental theories for the age group receiving the education; and

“(E) be culturally appropriate, recognizing the experiences of youth from diverse communities, backgrounds, and experiences.

“(3) TOPICS.—Education on sexual risk avoidance pursuant to an allotment under this section shall address each of the following topics:

“(A) The holistic individual and societal benefits associated with personal responsibility, self-regulation, goal setting, healthy decision-making, and a focus on the future.

“(B) The advantage of refraining from nonmarital sexual activity in order to improve the future prospects and physical and emotional health of youth.
“(C) The increased likelihood of avoiding poverty when youth attain self-sufficiency and emotional maturity before engaging in sexual activity.

“(D) The foundational components of healthy relationships and their impact on the formation of healthy marriages and safe and stable families.

“(E) How other youth risk behaviors, such as drug and alcohol usage, increase the risk for teen sex.

“(F) How to resist and avoid, and receive help regarding, sexual coercion and dating violence, recognizing that even with consent teen sex remains a youth risk behavior.

“(4) CONTRACEPTION.—Education on sexual risk avoidance pursuant to an allotment under this section shall ensure that—

“(A) any information provided on contraception is medically accurate and complete and ensures that students understand that contraception offers physical risk reduction, but not risk elimination; and
“(B) the education does not include demonstrations, simulations, or distribution of contraceptive devices.

“(5) Research.—

“(A) In general.—A State or other entity receiving an allotment pursuant to subsection (a) may use up to 20 percent of such allotment to build the evidence base for sexual risk avoidance education by conducting or supporting research.

“(B) Requirements.—Any research conducted or supported pursuant to subparagraph (A) shall be—

“(i) rigorous;

“(ii) evidence-based; and

“(iii) designed and conducted by independent researchers who have experience in conducting and publishing research in peer-reviewed outlets.

“(6) Information collection and reporting.—A State or other entity receiving an allotment pursuant to subsection (a) shall, as specified by the Secretary—

“(A) collect information on the programs and activities funded through the allotment; and
“(B) submit reports to the Secretary on the data from such programs and activities.

“(c) NATIONAL EVALUATION.—

“(1) IN GENERAL.—The Secretary shall—

“(A) in consultation with appropriate State and local agencies, conduct one or more rigorous evaluations of the education funded through this section and associated data; and

“(B) submit a report to the Congress on the results of such evaluations, together with a summary of the information collected pursuant to subsection (b)(6).

“(2) CONSULTATION.—In conducting the evaluations required by paragraph (1), including the establishment of rigorous evaluation methodologies, the Secretary shall consult with relevant stakeholders and evaluation experts.

“(d) APPLICABILITY OF CERTAIN PROVISIONS.—

“(1) Sections 503, 507, and 508 apply to allotments under subsection (a) to the same extent and in the same manner as such sections apply to allotments under section 502(c).

“(2) Sections 505 and 506 apply to allotments under subsection (a) to the extent determined by the Secretary to be appropriate.
“(e) DEFINITIONS.—In this section:

“(1) The term ‘age-appropriate’ means suitable (in terms of topics, messages, and teaching methods) to the developmental and social maturity of the particular age or age group of children or adolescents, based on developing cognitive, emotional, and behavioral capacity typical for the age or age group.

“(2) The term ‘medically accurate and complete’ means verified or supported by the weight of research conducted in compliance with accepted scientific methods and—

“(A) published in peer-reviewed journals, where applicable; or

“(B) comprising information that leading professional organizations and agencies with relevant expertise in the field recognize as accurate, objective, and complete.

“(3) The term ‘rigorous’, with respect to research or evaluation, means using—

“(A) established scientific methods for measuring the impact of an intervention or program model in changing behavior (specifically sexual activity or other sexual risk behaviors), or reducing pregnancy, among youth; or
“(B) other evidence-based methodologies established by the Secretary for purposes of this section.

“(4) The term ‘youth’ refers to one or more individuals who have attained age 10 but not age 20.

“(f) FUNDING.—

“(1) IN GENERAL.—To carry out this section, there is appropriated, out of any money in the Treasury not otherwise appropriated, $75,000,000 for each of fiscal years 2018 and 2019.

“(2) RESERVATION.—The Secretary shall reserve, for each of fiscal years 2018 and 2019, not more than 20 percent of the amount appropriated pursuant to paragraph (1) for administering the program under this section, including the conducting of national evaluations and the provision of technical assistance to the recipients of allotments.”.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on October 1, 2017.

SEC. 2505. EXTENSION FOR PERSONAL RESPONSIBILITY EDUCATION.

(a) IN GENERAL.—Section 513 of the Social Security Act (42 U.S.C. 713) is amended—

(1) in subsection (a)(1)(A), by striking “2017” and inserting “2019”; and
(2) in subsection (a)(4)—

(A) in subparagraph (A), by striking “2017” each place it appears and inserting “2019”; and

(B) in subparagraph (B)—

(i) in the subparagraph heading, by striking “3-YEAR GRANTS” and inserting “COMPETITIVE PREP GRANTS”; and

(ii) in clause (i), by striking “solicit applications to award 3-year grants in each of fiscal years 2012 through 2017” and inserting “continue through fiscal year 2019 grants awarded for any of fiscal years 2015 through 2017”;

(3) in subsection (c)(1), by inserting after “youth with HIV/AIDS,” the following: “victims of human trafficking,”; and

(4) in subsection (f), by striking “2017” and inserting “2019”.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2017.
TITLE VI—CHILD AND FAMILY SERVICES AND SUPPORT
Subtitle A—Family First Prevention Services Act

SEC. 2601. SHORT TITLE.

This subtitle may be cited as the “Family First Prevention Services Act”.

CHAPTER 1—INVESTING IN PREVENTION AND FAMILY SERVICES

SEC. 2611. PURPOSE.

The purpose of this chapter is to enable States to use Federal funds available under parts B and E of title IV of the Social Security Act to provide enhanced support to children and families and prevent foster care placements through the provision of mental health and substance abuse prevention and treatment services, in-home parent skill-based programs, and kinship navigator services.

Subchapter A—Prevention Activities Under Title IV–E

SEC. 2621. FOSTER CARE PREVENTION SERVICES AND PROGRAMS.

(a) STATE OPTION.—Section 471 of the Social Security Act (42 U.S.C. 671) is amended—

(1) in subsection (a)(1), by striking “and” and all that follows through the semicolon and inserting “,
adoption assistance in accordance with section 473, and, at the option of the State, services or programs specified in subsection (e)(1) of this section for children who are candidates for foster care or who are pregnant or parenting foster youth and the parents or kin caregivers of the children, in accordance with the requirements of that subsection;” and

(2) by adding at the end the following:

“(e) PREVENTION AND FAMILY SERVICES AND PROGRAMS.—

“(1) IN GENERAL.—Subject to the succeeding provisions of this subsection, the Secretary may make a payment to a State for providing the following services or programs for a child described in paragraph (2) and the parents or kin caregivers of the child when the need of the child, such a parent, or such a caregiver for the services or programs are directly related to the safety, permanence, or well-being of the child or to preventing the child from entering foster care:

“(A) MENTAL HEALTH AND SUBSTANCE ABUSE PREVENTION AND TREATMENT SERVICES.—Mental health and substance abuse prevention and treatment services provided by a qualified clinician for not more than a 12-month
period that begins on any date described in paragraph (3) with respect to the child.

“(B) In-home parent skill-based programs.—In-home parent skill-based programs for not more than a 12-month period that begins on any date described in paragraph (3) with respect to the child and that include parenting skills training, parent education, and individual and family counseling.

“(2) Child described.—For purposes of paragraph (1), a child described in this paragraph is the following:

“(A) A child who is a candidate for foster care (as defined in section 475(13)) but can remain safely at home or in a kinship placement with receipt of services or programs specified in paragraph (1).

“(B) A child in foster care who is a pregnant or parenting foster youth.

“(3) Date described.—For purposes of paragraph (1), the dates described in this paragraph are the following:

“(A) The date on which a child is identified in a prevention plan maintained under para-
graph (4) as a child who is a candidate for foster care (as defined in section 475(13)).

“(B) The date on which a child is identified in a prevention plan maintained under paragraph (4) as a pregnant or parenting foster youth in need of services or programs specified in paragraph (1).

“(4) REQUIREMENTS RELATED TO PROVIDING SERVICES AND PROGRAMS.—Services and programs specified in paragraph (1) may be provided under this subsection only if specified in advance in the child’s prevention plan described in subparagraph (A) and the requirements in subparagraphs (B) through (E) are met:

“(A) PREVENTION PLAN.—The State maintains a written prevention plan for the child that meets the following requirements (as applicable):

“(i) CANDIDATES.—In the case of a child who is a candidate for foster care described in paragraph (2)(A), the prevention plan shall—

“(I) identify the foster care prevention strategy for the child so that the child may remain safely at home, live temporarily with a kin caregiver
until reunification can be safely achieved, or live permanently with a kin caregiver;

“(II) list the services or programs to be provided to or on behalf of the child to ensure the success of that prevention strategy; and

“(III) comply with such other requirements as the Secretary shall establish.

“(ii) PREGNANT OR PARENTING FOSTER YOUTH.—In the case of a child who is a pregnant or parenting foster youth described in paragraph (2)(B), the prevention plan shall—

“(I) be included in the child’s case plan required under section 475(1);

“(II) list the services or programs to be provided to or on behalf of the youth to ensure that the youth is prepared (in the case of a pregnant foster youth) or able (in the case of a parenting foster youth) to be a parent;
“(III) describe the foster care prevention strategy for any child born to the youth; and

“(IV) comply with such other requirements as the Secretary shall establish.

“(B) TRAUMA-INFORMED.—The services or programs to be provided to or on behalf of a child are provided under an organizational structure and treatment framework that involves understanding, recognizing, and responding to the effects of all types of trauma and in accordance with recognized principles of a trauma-informed approach and trauma-specific interventions to address trauma’s consequences and facilitate healing.

“(C) ONLY SERVICES AND PROGRAMS PROVIDED IN ACCORDANCE WITH PROMISING, SUPPORTED, OR WELL-SUPPORTED PRACTICES PERMITTED.—

“(i) IN GENERAL.—Only State expenditures for services or programs specified in subparagraph (A) or (B) of paragraph (1) that are provided in accordance with practices that meet the requirements specified in
clause (ii) of this subparagraph and that meet the requirements specified in clause (iii), (iv), or (v), respectively, for being a promising, supported, or well-supported practice, shall be eligible for a Federal matching payment under section 474(a)(6)(A).

“(ii) General practice requirements.—The general practice requirements specified in this clause are the following:

“(I) The practice has a book, manual, or other available writings that specify the components of the practice protocol and describe how to administer the practice.

“(II) There is no empirical basis suggesting that, compared to its likely benefits, the practice constitutes a risk of harm to those receiving it.

“(III) If multiple outcome studies have been conducted, the overall weight of evidence supports the benefits of the practice.

“(IV) Outcome measures are reliable and valid, and are administrated
consistently and accurately across all those receiving the practice.

“(V) There is no case data suggesting a risk of harm that was probably caused by the treatment and that was severe or frequent.

“(iii) PROMISING PRACTICE.—A practice shall be considered to be a ‘promising practice’ if the practice is superior to an appropriate comparison practice using conventional standards of statistical significance (in terms of demonstrated meaningful improvements in validated measures of important child and parent outcomes, such as mental health, substance abuse, and child safety and well-being), as established by the results or outcomes of at least one study that—

“(I) was rated by an independent systematic review for the quality of the study design and execution and determined to be well-designed and well-executed; and
“(II) utilized some form of control (such as an untreated group, a placebo group, or a wait list study).

“(iv) SUPPORTED PRACTICE.—A practice shall be considered to be a ‘supported practice’ if—

“(I) the practice is superior to an appropriate comparison practice using conventional standards of statistical significance (in terms of demonstrated meaningful improvements in validated measures of important child and parent outcomes, such as mental health, substance abuse, and child safety and well-being), as established by the results or outcomes of at least one study that—

“(aa) was rated by an independent systematic review for the quality of the study design and execution and determined to be well-designed and well-executed;

“(bb) was a rigorous random-controlled trial (or, if not available, a study using a rig-
orous quasi-experimental research design); and

“(cc) was carried out in a usual care or practice setting; and

“(II) the study described in sub-clause (I) established that the practice has a sustained effect (when compared to a control group) for at least 6 months beyond the end of the treatment.

“(v) WELL-SUPPORTED PRACTICE.—A practice shall be considered to be a ‘well-supported practice’ if—

“(I) the practice is superior to an appropriate comparison practice using conventional standards of statistical significance (in terms of demonstrated meaningful improvements in validated measures of important child and parent outcomes, such as mental health, substance abuse, and child safety and well-being), as established by the results or outcomes of at least two studies that—
“(aa) were rated by an independent systematic review for the quality of the study design and execution and determined to be well-designed and well-executed;

“(bb) were rigorous randomized controlled trials (or, if not available, studies using a rigorous quasi-experimental research design); and

“(cc) were carried out in a usual care or practice setting; and

“(II) at least one of the studies described in subclause (I) established that the practice has a sustained effect (when compared to a control group) for at least 1 year beyond the end of treatment.

“(D) GUIDANCE ON PRACTICES CRITERIA AND PRE-APPROVED SERVICES AND PROGRAMS.—

“(i) In general.—Not later than October 1, 2018, the Secretary shall issue guidance to States regarding the practices criteria required for services or programs to satisfy the requirements of subparagraph
(C). The guidance shall include a pre-approved list of services and programs that satisfy the requirements.

“(ii) UPDATES.—The Secretary shall issue updates to the guidance required by clause (i) as often as the Secretary determines necessary.

“(E) OUTCOME ASSESSMENT AND REPORTING.—The State shall collect and report to the Secretary the following information with respect to each child for whom, or on whose behalf mental health and substance abuse prevention and treatment services or in-home parent skill-based programs are provided during a 12-month period beginning on the date the child is determined by the State to be a child described in paragraph (2):

“(i) The specific services or programs provided and the total expenditures for each of the services or programs.

“(ii) The duration of the services or programs provided.

“(iii) In the case of a child described in paragraph (2)(A), the child’s placement status at the beginning, and at the end, of
the 1-year period, respectively, and whether
the child entered foster care within 2 years
after being determined a candidate for fos-
ter care.

“(5) STATE PLAN COMPONENT.—

“(A) IN GENERAL.—A State electing to pro-
vide services or programs specified in paragraph
(1) shall submit as part of the State plan re-
quired by subsection (a) a prevention services
and programs plan component that meets the re-
quirements of subparagraph (B).

“(B) PREVENTION SERVICES AND PRO-
GRAMS PLAN COMPONENT.—In order to meet the
requirements of this subparagraph, a prevention
services and programs plan component, with re-
spect to each 5-year period for which the plan
component is in operation in the State, shall in-
clude the following:

“(i) How providing services and pro-
grams specified in paragraph (1) is ex-
pected to improve specific outcomes for chil-
dren and families.

“(ii) How the State will monitor and
oversee the safety of children who receive
services and programs specified in para-
graph (1), including through periodic risk assessments throughout the period in which the services and programs are provided on behalf of a child and reexamination of the prevention plan maintained for the child under paragraph (4) for the provision of the services or programs if the State determines the risk of the child entering foster care remains high despite the provision of the services or programs.

“(iii) With respect to the services and programs specified in subparagraphs (A) and (B) of paragraph (1), information on the specific promising, supported, or well-supported practices the State plans to use to provide the services or programs, including a description of—

“(I) the services or programs and whether the practices used are promising, supported, or well-supported;

“(II) how the State plans to implement the services or programs, including how implementation of the services or programs will be continuously monitored to ensure fidelity to
the practice model and to determine outcomes achieved and how information learned from the monitoring will be used to refine and improve practices;

“(III) how the State selected the services or programs;

“(IV) the target population for the services or programs; and

“(V) how each service or program provided will be evaluated through a well-designed and rigorous process, which may consist of an ongoing, cross-site evaluation approved by the Secretary.

“(iv) A description of the consultation that the State agencies responsible for administering the State plans under this part and part B engage in with other State agencies responsible for administering health programs, including mental health and substance abuse prevention and treatment services, and with other public and private agencies with experience in administering child and family services, including
community-based organizations, in order to foster a continuum of care for children described in paragraph (2) and their parents or kin caregivers.

“(v) A description of how the State shall assess children and their parents or kin caregivers to determine eligibility for services or programs specified in paragraph (1).

“(vi) A description of how the services or programs specified in paragraph (1) that are provided for or on behalf of a child and the parents or kin caregivers of the child will be coordinated with other child and family services provided to the child and the parents or kin caregivers of the child under the State plans in effect under subparts 1 and 2 of part B.

“(vii) Descriptions of steps the State is taking to support and enhance a competent, skilled, and professional child welfare workforce to deliver trauma-informed and evidence-based services, including—

“(I) ensuring that staff is qualified to provide services or programs
that are consistent with the promising, supported, or well-supported practice models selected; and

“(II) developing appropriate prevention plans, and conducting the risk assessments required under clause (iii).

“(viii) A description of how the State will provide training and support for caseworkers in assessing what children and their families need, connecting to the families served, knowing how to access and deliver the needed trauma-informed and evidence-based services, and overseeing and evaluating the continuing appropriateness of the services.

“(ix) A description of how caseload size and type for prevention caseworkers will be determined, managed, and overseen.

“(x) An assurance that the State will report to the Secretary such information and data as the Secretary may require with respect to the provision of services and programs specified in paragraph (1), including information and data necessary to determine the performance measures for the
State under paragraph (6) and compliance with paragraph (7).

“(C) Reimbursement for services under the prevention plan component.—

“(i) Limitation.—Except as provided in subclause (ii), a State may not receive a Federal payment under this part for a given promising, supported, or well-supported practice unless (in accordance with subparagraph (B)(iii)(V)) the plan includes a well-designed and rigorous evaluation strategy for that practice.

“(ii) Waiver of limitation.—The Secretary may waive the requirement for a well-designed and rigorous evaluation of any well-supported practice if the Secretary deems the evidence of the effectiveness of the practice to be compelling and the State meets the continuous quality improvement requirements included in subparagraph (B)(iii)(II) with regard to the practice.

“(6) Prevention services measures.—

“(A) Establishment; annual updates.—

Beginning with fiscal year 2021, and annually thereafter, the Secretary shall establish the fol-
lowing prevention services measures based on in-
formation and data reported by States that elect
to provide services and programs specified in
paragraph (1):

“(i) **PERCENTAGE OF CANDIDATES FOR**

**FOSTER CARE WHO DO NOT ENTER FOSTER**

**CARE.**—The percentage of candidates for
foster care for whom, or on whose behalf, the
services or programs are provided who do
not enter foster care, including those placed
with a kin caregiver outside of foster care,
during the 12-month period in which the
services or programs are provided and
through the end of the succeeding 12-month
period.

“(ii) **PER-CHILD SPENDING.**—The total
amount of expenditures made for mental
health and substance abuse prevention and
treatment services or in-home parent skill-
based programs, respectively, for, or on be-
half of, each child described in paragraph
(2).

“(B) **DATA.**—The Secretary shall establish
and annually update the prevention services
measures—
“(i) based on the median State values of the information reported under each clause of subparagraph (A) for the 3 then most recent years; and

“(ii) taking into account State differences in the price levels of consumption goods and services using the most recent regional price parities published by the Bureau of Economic Analysis of the Department of Commerce or such other data as the Secretary determines appropriate.

“(C) PUBLICATION OF STATE PREVENTION SERVICES MEASURES.—The Secretary shall annually make available to the public the prevention services measures of each State.

“(7) MAINTENANCE OF EFFORT FOR STATE FOSTER CARE PREVENTION EXPENDITURES.—

“(A) IN GENERAL.—If a State elects to provide services and programs specified in paragraph (1) for a fiscal year, the State foster care prevention expenditures for the fiscal year shall not be less than the amount of the expenditures for fiscal year 2014 (or, at the option of a State described in subparagraph (E), fiscal year 2015 or fiscal year 2016 (whichever the State elects)).
“(B) STATE FOSTER CARE PREVENTION EXPENDITURES.—The term ‘State foster care prevention expenditures’ means the following:

“(i) TANF; IV–B; SSBG.—State expenditures for foster care prevention services and activities under the State program funded under part A (including from amounts made available by the Federal Government), under the State plan developed under part B (including any such amounts), or under the Social Services Block Grant Programs under subtitle A of title XX (including any such amounts).

“(ii) OTHER STATE PROGRAMS.—State expenditures for foster care prevention services and activities under any State program that is not described in clause (i) (other than any State expenditures for foster care prevention services and activities under the State program under this part (including under a waiver of the program)).

“(C) STATE EXPENDITURES.—The term ‘State expenditures’ means all State or local funds that are expended by the State or a local agency including State or local funds that are
matched or reimbursed by the Federal Government and State or local funds that are not matched or reimbursed by the Federal Government.

“(D) DETERMINATION OF PREVENTION SERVICES AND ACTIVITIES.—The Secretary shall require each State that elects to provide services and programs specified in paragraph (1) to report the expenditures specified in subparagraph (B) for fiscal year 2014 and for such fiscal years thereafter as are necessary to determine whether the State is complying with the maintenance of effort requirement in subparagraph (A). The Secretary shall specify the specific services and activities under each program referred to in subparagraph (B) that are ‘prevention services and activities’ for purposes of the reports.

“(E) STATE DESCRIBED.—For purposes of subparagraph (A), a State is described in this subparagraph if the population of children in the State in 2014 was less than 200,000 (as determined by the Bureau of the Census).

“(8) PROHIBITION AGAINST USE OF STATE FOSTER CARE PREVENTION EXPENDITURES AND FEDERAL IV–E PREVENTION FUNDS FOR MATCHING OR EXPENDITURES.
ITURE REQUIREMENT.—A State that elects to provide
services and programs specified in paragraph (1)
shall not use any State foster care prevention expend-
itures for a fiscal year for the State share of expendi-
tures under section 474(a)(6) for a fiscal year.

“(9) ADMINISTRATIVE COSTS.—Expenditures de-
scribed in section 474(a)(6)(B)—

“(A) shall not be eligible for payment under
subparagraph (A), (B), or (E) of section
474(a)(3); and

“(B) shall be eligible for payment under sec-
tion 474(a)(6)(B) without regard to whether the
expenditures are incurred on behalf of a child
who is, or is potentially, eligible for foster care
maintenance payments under this part.

“(10) APPLICATION.—

“(A) IN GENERAL.—The provision of serv-
ices or programs under this subsection to or on
behalf of a child described in paragraph (2) shall
not be considered to be receipt of aid or assist-
ance under the State plan under this part for
purposes of eligibility for any other program es-
stablished under this Act.

“(B) CANDIDATES IN KINSHIP CARE.—A
child described in paragraph (2) for whom such
services or programs under this subsection are provided for more than 6 months while in the home of a kin caregiver, and who would satisfy the AFDC eligibility requirement of section 472(a)(3)(A)(ii)(II) but for residing in the home of the caregiver for more than 6 months, is deemed to satisfy that requirement for purposes of determining whether the child is eligible for foster care maintenance payments under section 472.”.

(b) DEFINITION.—Section 475 of such Act (42 U.S.C. 675) is amended by adding at the end the following:

“(13) The term ‘child who is a candidate for foster care’ means, a child who is identified in a prevention plan under section 471(e)(4)(A) as being at imminent risk of entering foster care (without regard to whether the child would be eligible for foster care maintenance payments under section 472 or is or would be eligible for adoption assistance or kinship guardianship assistance payments under section 473) but who can remain safely in the child’s home or in a kinship placement as long as services or programs specified in section 471(e)(1) that are necessary to prevent the entry of the child into foster care are provided. The term includes a child whose adoption or
guardianship arrangement is at risk of a disruption or dissolution that would result in a foster care placement.”.

(c) Payments Under Title IV–E.—Section 474(a) of such Act (42 U.S.C. 674(a)) is amended—

(1) in paragraph (5), by striking the period at the end and inserting “; plus”; and

(2) by adding at the end the following:

“(6) subject to section 471(e)—

“(A) for each quarter—

“(i) subject to clause (ii)—

“(I) beginning after September 30, 2019, and before October 1, 2026, an amount equal to 50 percent of the total amount expended during the quarter for the provision of services or programs specified in subparagraph (A) or (B) of section 471(e)(1) that are provided in accordance with promising, supported, or well-supported practices that meet the applicable criteria specified for the practices in section 471(e)(4)(C); and

“(II) beginning after September 30, 2026, an amount equal to the Fed-
eral medical assistance percentage
(which shall be as defined in section
1905(b), in the case of a State other
than the District of Columbia, or 70
percent, in the case of the District of
Columbia) of the total amount ex-
pended during the quarter for the pro-
vision of services or programs specified
in subparagraph (A) or (B) of section
471(e)(1) that are provided in accord-
ance with promising, supported, or
well-supported practices that meet the
applicable criteria specified for the
practices in section 471(e)(4)(C) (or,
with respect to the payments made
during the quarter under a cooperative
agreement or contract entered into by
the State and an Indian tribe, tribal
organization, or tribal consortium for
the administration or payment of
funds under this part, an amount
equal to the Federal medical assistance
percentage that would apply under sec-
tion 479B(d) (in this paragraph re-
ferred to as the ‘tribal FMAP’) if the
Indian tribe, tribal organization, or tribal consortium made the payments under a program operated under that section, unless the tribal FMAP is less than the Federal medical assistance percentage that applies to the State; except that

“(ii) not less than 50 percent of the total amount expended by a State under clause (i) for a fiscal year shall be for the provision of services or programs specified in subparagraph (A) or (B) of section 471(e)(1) that are provided in accordance with well-supported practices; plus

“(B) for each quarter specified in subparagraph (A), an amount equal to the sum of the following proportions of the total amount expended during the quarter—

“(i) 50 percent of so much of the expenditures as are found necessary by the Secretary for the proper and efficient administration of the State plan for the provision of services or programs specified in section 471(e)(1), including expenditures for activities approved by the Secretary that
promote the development of necessary processes and procedures to establish and implement the provision of the services and programs for individuals who are eligible for the services and programs and expenditures attributable to data collection and reporting; and

“(ii) 50 percent of so much of the expenditures with respect to the provision of services and programs specified in section 471(e)(1) as are for training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision and of the members of the staff of State-licensed or State-approved child welfare agencies providing services to children described in section 471(e)(2) and their parents or kin caregivers, including on how to determine who are individuals eligible for the services or programs, how to identify and provide appropriate services and programs, and how to oversee and evaluate the ongoing appropriateness of the services and programs.”.
(d) TECHNICAL ASSISTANCE AND BEST PRACTICES,
CLEARINGHOUSE, AND DATA COLLECTION AND EVALUATIONS.—Section 476 of such Act (42 U.S.C. 676) is amended by adding at the end the following:

“(d) TECHNICAL ASSISTANCE AND BEST PRACTICES,
CLEARINGHOUSE, DATA COLLECTION, AND EVALUATIONS RELATING TO PREVENTION SERVICES AND PROGRAMS.—

“(1) TECHNICAL ASSISTANCE AND BEST PRACTICES.—The Secretary shall provide to States and, as applicable, to Indian tribes, tribal organizations, and tribal consortia, technical assistance regarding the provision of services and programs described in section 471(e)(1) and shall disseminate best practices with respect to the provision of the services and programs, including how to plan and implement a well-designed and rigorous evaluation of a promising, supported, or well-supported practice.

“(2) CLEARINGHOUSE OF PROMISING, SUPPORTED, AND WELL-SUPPORTED PRACTICES.—The Secretary shall, directly or through grants, contracts, or interagency agreements, evaluate research on the practices specified in clauses (iii), (iv), and (v), respectively, of section 471(e)(4)(C), and programs that meet the requirements described in section 427(a)(1), including culturally specific, or location- or popu-
lation-based adaptations of the practices, to identify
and establish a public clearinghouse of the practices
that satisfy each category described by such clauses.
In addition, the clearinghouse shall include informa-
tion on the specific outcomes associated with each
practice, including whether the practice has been
shown to prevent child abuse and neglect and reduce
the likelihood of foster care placement by supporting
birth families and kinship families and improving
targeted supports for pregnant and parenting youth
and their children.

“(3) DATA COLLECTION AND EVALUATIONS.—The
Secretary, directly or through grants, contracts, or
interagency agreements, may collect data and conduct
evaluations with respect to the provision of services
and programs described in section 471(e)(1) for pur-
poses of assessing the extent to which the provision of
the services and programs—

“(A) reduces the likelihood of foster care
placement;

“(B) increases use of kinship care arrange-
ments; or

“(C) improves child well-being.

“(4) REPORTS TO CONGRESS.—
“(A) In general.—The Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives periodic reports based on the provision of services and programs described in section 471(e)(1) and the activities carried out under this subsection.

“(B) Public availability.—The Secretary shall make the reports to the Congress submitted under this paragraph publicly available.

“(5) Appropriation.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Secretary $1,000,000 for fiscal year 2018 and each fiscal year thereafter to carry out this subsection.”.

(e) Application to Programs Operated by Indian Tribal Organizations.—

(1) In general.—Section 479B of such Act (42 U.S.C. 679c) is amended—

(A) in subsection (c)(1)—

(i) in subparagraph (C)(i)—

(I) in subclause (II), by striking “and” after the semicolon;
(II) in subclause (III), by striking the period at the end and inserting “; and

(III) by adding at the end the following:

“(IV) at the option of the tribe, organization, or consortium, services and programs specified in section 471(e)(1) to children described in section 471(e)(2) and their parents or kin caregivers, in accordance with section 471(e) and subparagraph (E).”; and

(ii) by adding at the end the following:

“(E) PREVENTION SERVICES AND PROGRAMS FOR CHILDREN AND THEIR PARENTS AND KIN CAREGIVERS.—

“(i) In general.—In the case of a tribe, organization, or consortium that elects to provide services and programs specified in section 471(e)(1) to children described in section 471(e)(2) and their parents or kin caregivers under the plan, the Secretary shall specify the requirements applicable to the provision of the services and programs. The requirements shall, to the
greatest extent practicable, be consistent
with the requirements applicable to States
under section 471(e) and shall permit the
provision of the services and programs in
the form of services and programs that are
adapted to the culture and context of the
tribal communities served.

“(ii) PERFORMANCE MEASURES.—The
Secretary shall establish specific perform-
ance measures for each tribe, organization,
or consortium that elects to provide services
and programs specified in section 471(e)(1).
The performance measures shall, to the
greatest extent practicable, be consistent
with the prevention services measures re-
quired for States under section 471(e)(6)
but shall allow for consideration of factors
unique to the provision of the services by
tribes, organizations, or consortia.”; and

(B) in subsection (d)(1), by striking “and
(5)” and inserting “(5), and (6)(A)”.

(2) CONFORMING AMENDMENT.—The heading for
subsection (d) of section 479B of such Act (42 U.S.C.
679c) is amended by striking “FOR FOSTER CARE
MAINTENANCE AND ADOPTION ASSISTANCE PAYMENTS”.

(f) APPLICATION TO PROGRAMS OPERATED BY TERRITORIES.—Section 1108(a)(2) of the Social Security Act (42 U.S.C. 1308(a)(2)) is amended by striking “or 413(f)” and inserting “413(f), or 474(a)(6)”.

SEC. 2622. FOSTER CARE MAINTENANCE PAYMENTS FOR CHILDREN WITH PARENTS IN A LICENSED RESIDENTIAL FAMILY-BASED TREATMENT FACILITY FOR SUBSTANCE ABUSE.

(a) IN GENERAL.—Section 472 of the Social Security Act (42 U.S.C. 672) is amended—

(1) in subsection (a)(2)(C), by striking “or” and inserting “, with a parent residing in a licensed residential family-based treatment facility, but only to the extent permitted under subsection (j), or in a”; and

(2) by adding at the end the following:

“(j) CHILDREN PLACED WITH A PARENT RESIDING IN A LICENSED RESIDENTIAL FAMILY-BASED TREATMENT FACILITY FOR SUBSTANCE ABUSE.—

“(1) IN GENERAL.—Notwithstanding the preceding provisions of this section, a child who is eligible for foster care maintenance payments under this section, or who would be eligible for the payments if
the eligibility were determined without regard to paragraphs (1)(B) and (3) of subsection (a), shall be eligible for the payments for a period of not more than 12 months during which the child is placed with a parent who is in a licensed residential family-based treatment facility for substance abuse, but only if—

“(A) the recommendation for the placement is specified in the child’s case plan before the placement;

“(B) the treatment facility provides, as part of the treatment for substance abuse, parenting skills training, parent education, and individual and family counseling; and

“(C) the substance abuse treatment, parenting skills training, parent education, and individual and family counseling is provided under an organizational structure and treatment framework that involves understanding, recognizing, and responding to the effects of all types of trauma and in accordance with recognized principles of a trauma-informed approach and trauma-specific interventions to address the consequences of trauma and facilitate healing.

“(2) APPLICATION.—With respect to children for whom foster care maintenance payments are made
under paragraph (1), only the children who satisfy
the requirements of paragraphs (1)(B) and (3) of sub-
section (a) shall be considered to be children with re-
spect to whom foster care maintenance payments are
made under this section for purposes of subsection (h)
or section 473(b)(3)(B).”.

(b) CONFORMING AMENDMENT.—Section 474(a)(1) of
such Act (42 U.S.C. 674(a)(1)) is amended by inserting
“subject to section 472(j),” before “an amount equal to the
Federal” the first place it appears.

SEC. 2623. TITLE IV–E PAYMENTS FOR EVIDENCE-BASED

KINSHIP NAVIGATOR PROGRAMS.

Section 474(a) of the Social Security Act (42 U.S.C.
674(a)), as amended by section 2621(c) of this Act, is
amended—

(1) in paragraph (6), by striking the period at
the end and inserting “; plus”; and

(2) by adding at the end the following:

“(7) an amount equal to 50 percent of the
amounts expended by the State during the quarter as
the Secretary determines are for kinship navigator
programs that meet the requirements described in sec-
tion 427(a)(1) and that the Secretary determines are
operated in accordance with promising, supported, or
well-supported practices that meet the applicable cri-
teria specified for the practices in section 471(e)(4)(C), without regard to whether the expendi-
tures are incurred on behalf of children who are, or are potentially, eligible for foster care maintenance payments under this part.”.

Subchapter B—Enhanced Support Under

Title IV–B

SEC. 2631. ELIMINATION OF TIME LIMIT FOR FAMILY RE-
UNIFICATION SERVICES WHILE IN FOSTER CARE AND PERMITTING TIME-LIMITED FAM-
ILY REUNIFICATION SERVICES WHEN A CHILD RETURNS HOME FROM FOSTER CARE.

(a) IN GENERAL.—Section 431(a)(7) of the Social Se-
curity Act (42 U.S.C. 629a(a)(7)) is amended—

(1) in the paragraph heading, by striking “TIME-LIMITED FAMILY” and inserting “FAMILY”; and

(2) in subparagraph (A)—

(A) by striking “time-limited family” and inserting “family”;

(B) by inserting “or a child who has been returned home” after “child care institution”; and

(C) by striking “, but only during the 15-
month period that begins on the date that the
child, pursuant to section 475(5)(F), is considered to have entered foster care” and inserting “and to ensure the strength and stability of the reunification. In the case of a child who has been returned home, the services and activities shall only be provided during the 15-month period that begins on the date that the child returns home”.

(b) CONFORMING AMENDMENTS.—

(1) Section 430 of such Act (42 U.S.C. 629) is amended in the matter preceding paragraph (1), by striking “time-limited”.

(2) Subsections (a)(4), (a)(5)(A), and (b)(1) of section 432 of such Act (42 U.S.C. 629b) are amended by striking “time-limited” each place it appears.

SEC. 2632. REDUCING BUREAUCRACY AND UNNECESSARY DELAYS WHEN PLACING CHILDREN IN HOMES ACROSS STATE LINES.

(a) STATE PLAN REQUIREMENT.—

(1) IN GENERAL.—Section 471(a)(25) of the Social Security Act (42 U.S.C. 671(a)(25)) is amended—

(A) by striking “provide” and inserting “provides”; and
(B) by inserting “, which, in the case of a State other than the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa, not later than October 1, 2027, shall include the use of an electronic interstate case-processing system” before the first semicolon.

(2) Exemption of Indian tribes.—Section 479B(c) of such Act (42 U.S.C. 679c(c)) is amended by adding at the end the following:

“(4) Inapplicability of state plan requirement to have in effect procedures providing for the use of an electronic interstate case-processing system.—The requirement in section 471(a)(25) that a State plan provide that the State shall have in effect procedures providing for the use of an electronic interstate case-processing system shall not apply to an Indian tribe, tribal organization, or tribal consortium that elects to operate a program under this part.”.

(b) Funding for the development of an electronic interstate case-processing system to expedite the interstate placement of children in foster care or guardianship, or for adoption.—Section
437 of such Act (42 U.S.C. 629g) is amended by adding at the end the following:

“(g) **FUNDING FOR THE DEVELOPMENT OF AN ELECTRONIC INTERSTATE CASE-PROCESSING SYSTEM TO EXPEDITE THE INTERSTATE PLACEMENT OF CHILDREN IN FOSTER CARE OR GUARDIANSHIP, OR FOR ADOPTION.**—

“(1) **PURPOSE.**—The purpose of this subsection is to facilitate the development of an electronic interstate case-processing system for the exchange of data and documents to expedite the placements of children in foster, guardianship, or adoptive homes across State lines.

“(2) **REQUIREMENTS.**—A State that seeks funding under this subsection shall submit to the Secretary the following information:

“(A) A description of the goals and outcomes to be achieved, which goals and outcomes must result in—

“(i) reducing the time it takes for a child to be provided with a safe and appropriate permanent living arrangement across State lines;

“(ii) improving administrative processes and reducing costs in the foster care system; and
“(iii) the secure exchange of relevant case files and other necessary materials in real time, and timely communications and placement decisions regarding interstate placements of children.

“(B) A description of the activities to be funded in whole or in part with the funds, including the sequencing of the activities.

“(C) A description of the strategies for integrating programs and services for children who are placed across State lines.

“(D) Such other information as the Secretary may require.

“(3) FUNDING AUTHORITY.—The Secretary may provide funds to a State that complies with paragraph (2). In providing funds under this subsection, the Secretary shall prioritize States that are not yet connected with the electronic interstate case-processing system referred to in paragraph (1).

“(4) USE OF FUNDS.—A State to which funding is provided under this subsection shall use the funding to support the State in connecting with, or enhancing or expediting services provided under, the electronic interstate case-processing system referred to in paragraph (1).
“(5) EVALUATIONS.—Not later than 1 year after the final year in which funds are awarded under this subsection, the Secretary shall submit to the Congress, and make available to the general public by posting on a website, a report that contains the following information:

“(A) How using the electronic interstate case-processing system developed pursuant to paragraph (4) has changed the time it takes for children to be placed across State lines.

“(B) The number of cases subject to the Interstate Compact on the Placement of Children that were processed through the electronic interstate case-processing system, and the number of interstate child placement cases that were processed outside the electronic interstate case-processing system, by each State in each year.

“(C) The progress made by States in implementing the electronic interstate case-processing system.

“(D) How using the electronic interstate case-processing system has affected various metrics related to child safety and well-being, including the time it takes for children to be placed across State lines.
“(E) How using the electronic interstate case-processing system has affected administrative costs and caseworker time spent on placing children across State lines.

“(6) DATA INTEGRATION.—The Secretary, in consultation with the Secretariat for the Interstate Compact on the Placement of Children and the States, shall assess how the electronic interstate case-processing system developed pursuant to paragraph (4) could be used to better serve and protect children that come to the attention of the child welfare system, by—

“(A) connecting the system with other data systems (such as systems operated by State law enforcement and judicial agencies, systems operated by the Federal Bureau of Investigation for the purposes of the Innocence Lost National Initiative, and other systems);

“(B) simplifying and improving reporting related to paragraphs (34) and (35) of section 471(a) regarding children or youth who have been identified as being a sex trafficking victim or children missing from foster care; and

“(C) improving the ability of States to quickly comply with background check requirements of section 471(a)(20), including checks of
child abuse and neglect registries as required by
section 471(a)(20)(B).”.

(c) Reservation of Funds to Improve the Inter-
state Placement of Children.—Section 437(b) of such
Act (42 U.S.C. 629g(b)) is amended by adding at the end
the following:

“(4) Improving the Interstate Placement
of Children.—The Secretary shall reserve
$5,000,000 of the amount made available for fiscal
year 2018 for grants under subsection (g), and the
amount so reserved shall remain available through
fiscal year 2022.”.

SEC. 2633. Enhancements to Grants to Improve Well-
being of Families Affected by Sub-
stance Abuse.

Section 437(f) of the Social Security Act (42 U.S.C.
629g(f)) is amended—

(1) in the subsection heading, by striking “In-
crease the Well-being of, and to Improve the
Permanency Outcomes for, Children Affected
by” and inserting “Implement IV–E Prevention
Services, and Improve the Well-being of, and
Improve Permanency Outcomes for, Children
and Families Affected by Heroin, Opioids, and
Other”;
(2) by striking paragraph (2) and inserting the following:

“(2) REGIONAL PARTNERSHIP DEFINED.—In this subsection, the term ‘regional partnership’ means a collaborative agreement (which may be established on an interstate, State, or intrastate basis) entered into by the following:

“(A) MANDATORY PARTNERS FOR ALL PARTNERSHIP GRANTS.—

“(i) The State child welfare agency that is responsible for the administration of the State plan under this part and part E.

“(ii) The State agency responsible for administering the substance abuse prevention and treatment block grant provided under subpart H of part B of title XIX of the Public Health Service Act.

“(B) MANDATORY PARTNERS FOR PARTNERSHIP GRANTS PROPOSING TO SERVE CHILDREN IN OUT-OF-HOME PLACEMENTS.—If the partnership proposes to serve children in out-of-home placements, the Juvenile Court or Administrative Office of the Court that is most appropriate to oversee the administration of court programs in the region to address the population of families
who come to the attention of the court due to child abuse or neglect.

“(C) OPTIONAL PARTNERS.—At the option of the partnership, any of the following:

“(i) An Indian tribe or tribal consortium.

“(ii) Nonprofit child welfare service providers.

“(iii) For-profit child welfare service providers.

“(iv) Community health service providers, including substance abuse treatment providers.

“(v) Community mental health providers.

“(vi) Local law enforcement agencies.

“(vii) School personnel.

“(viii) Tribal child welfare agencies (or a consortia of the agencies).

“(ix) Any other providers, agencies, personnel, officials, or entities that are related to the provision of child and family services under a State plan approved under this subpart.
“(D) EXCEPTION FOR REGIONAL PARTNER- 
SHIPS WHERE THE LEAD APPLICANT IS AN IN- 
DIAN TRIBE OR TRIBAL CONSORTIA.—If an In-
dian tribe or tribal consortium enters into a re-
gional partnership for purposes of this sub-
section, the Indian tribe or tribal consortium— 
“(i) may (but is not required to) in-
clude the State child welfare agency as a 
partner in the collaborative agreement; 
“(ii) may not enter into a collaborative 
agreement only with tribal child welfare 
agencies (or a consortium of the agencies); 
and 
“(iii) if the condition described in 
paragraph (2)(B) applies, may include trib-
al court organizations in lieu of other judi-
cial partners.”;

(3) in paragraph (3)— 

(A) in subparagraph (A)— 

(i) by striking “2012 through 2016” 
and inserting “2017 through 2021”; and 

(ii) by striking “$500,000 and not 
more than $1,000,000” and inserting 
“$250,000 and not more than $1,000,000”; 

(B) in subparagraph (B)—
(i) in the subparagraph heading, by inserting ‘‘; PLANNING’’ after ‘‘APPROVAL’’;

(ii) in clause (i), by striking ‘‘clause (ii)’’ and inserting ‘‘clauses (ii) and (iii)’’;

and

(iii) by adding at the end the following:

‘‘(iii) SUFFICIENT PLANNING.—A grant awarded under this subsection shall be disbursed in two phases: a planning phase (not to exceed 2 years) and an implementation phase. The total disbursement to a grantee for the planning phase may not exceed $250,000, and may not exceed the total anticipated funding for the implementation phase.’’; and

(C) by adding at the end the following:

‘‘(D) LIMITATION ON PAYMENT FOR A FISCAL YEAR.—No payment shall be made under subparagraph (A) or (C) for a fiscal year until the Secretary determines that the eligible partnership has made sufficient progress in meeting the goals of the grant and that the members of the eligible partnership are coordinating to a
reasonable degree with the other members of the eligible partnership.”;

(4) in paragraph (4)—

(A) in subparagraph (B)—

(i) in clause (i), by inserting “, parents, and families” after “children”;

(ii) in clause (ii), by striking “safety and permanence for such children; and” and inserting “safe, permanent caregiving relationships for the children;”;

(iii) in clause (iii), by striking “or” and inserting “increase reunification rates for children who have been placed in out-of-home care, or decrease”; and

(iv) by redesignating clause (iii) as clause (v) and inserting after clause (ii) the following:

“(iii) improve the substance abuse treatment outcomes for parents including retention in treatment and successful completion of treatment;

“(iv) facilitate the implementation, delivery, and effectiveness of prevention services and programs under section 471(e); and”;
(B) in subparagraph (D), by striking “where appropriate;”; and

(C) by striking subparagraphs (E) and (F) and inserting the following:

“(E) A description of a plan for sustaining the services provided by or activities funded under the grant after the conclusion of the grant period, including through the use of prevention services and programs under section 471(e) and other funds provided to the State for child welfare and substance abuse prevention and treatment services.

“(F) Additional information needed by the Secretary to determine that the proposed activities and implementation will be consistent with research or evaluations showing which practices and approaches are most effective.”;

(5) in paragraph (5)(A), by striking “abuse treatment” and inserting “use disorder treatment including medication assisted treatment and in-home substance abuse disorder treatment and recovery”;

(6) in paragraph (7)—

(A) by striking “and” at the end of subparagraph (C); and
(B) by redesignating subparagraph (D) as subparagraph (E) and inserting after subparagraph (C) the following:

“(D) demonstrate a track record of successful collaboration among child welfare, substance abuse disorder treatment and mental health agencies; and”;

(7) in paragraph (8)—

(A) in subparagraph (A)—

(i) by striking “establish indicators that will be” and inserting “review indicators that are”; and

(ii) by striking “in using funds made available under such grants to achieve the purpose of this subsection” and inserting “and establish a set of core indicators related to child safety, parental recovery, parenting capacity, and family well-being. In developing the core indicators, to the extent possible, indicators shall be made consistent with the outcome measures described in section 471(e)(6)”; and

(B) in subparagraph (B)—

(i) in the matter preceding clause (i), by inserting “base the performance meas-
ures on lessons learned from prior rounds of regional partnership grants under this subsection, and” before “consult”; and

(ii) by striking clauses (iii) and (iv) and inserting the following:

“(iii) Other stakeholders or constituencies as determined by the Secretary.”;

(8) in paragraph (9)(A), by striking clause (i) and inserting the following:

“(i) SEMIANNUAL REPORTS.—Not later than September 30 of each fiscal year in which a recipient of a grant under this subsection is paid funds under the grant, and every 6 months thereafter, the grant recipient shall submit to the Secretary a report on the services provided and activities carried out during the reporting period, progress made in achieving the goals of the program, the number of children, adults, and families receiving services, and such additional information as the Secretary determines is necessary. The report due not later than September 30 of the last such fiscal year shall include, at a minimum, data on each of the performance indicators in-
cluded in the evaluation of the regional partnership.”; and

(9) in paragraph (10), by striking “2012 through 2016” and inserting “2017 through 2021”.

Subchapter C—Miscellaneous

SEC. 2641. REVIEWING AND IMPROVING LICENSING STANDARDS FOR PLACEMENT IN A RELATIVE FOSTER FAMILY HOME.

(a) IDENTIFICATION OF REPUTABLE MODEL LICENSING STANDARDS.—Not later than October 1, 2018, the Secretary of Health and Human Services shall identify reputable model licensing standards with respect to the licensing of foster family homes (as defined in section 472(c)(1) of the Social Security Act).

(b) STATE PLAN REQUIREMENT.—Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended—

(1) in paragraph (34)(B), by striking “and” after the semicolon;

(2) in paragraph (35)(B), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

“(36) provides that, not later than April 1, 2019, the State shall submit to the Secretary information addressing—
“(A) whether the State licensing standards are in accord with model standards identified by the Secretary, and if not, the reason for the specific deviation and a description as to why having a standard that is reasonably in accord with the corresponding national model standards is not appropriate for the State;

“(B) whether the State has elected to waive standards established in 471(a)(10)(A) for relative foster family homes (pursuant to waiver authority provided by 471(a)(10)(D)), a description of which standards the State most commonly waives, and if the State has not elected to waive the standards, the reason for not waiving these standards;

“(C) if the State has elected to waive standards specified in subparagraph (B), how caseworkers are trained to use the waiver authority and whether the State has developed a process or provided tools to assist caseworkers in waiving nonsafety standards per the authority provided in 471(a)(10)(D) to quickly place children with relatives; and
“(D) a description of the steps the State is taking to improve caseworker training or the process, if any; and”.

SEC. 2642. DEVELOPMENT OF A STATEWIDE PLAN TO PREVENT CHILD ABUSE AND NEGLECT FATALITIES.

Section 422(b)(19) of the Social Security Act (42 U.S.C. 622(b)(19)) is amended to read as follows:

“(19) document steps taken to track and prevent child maltreatment deaths by including—

“(A) a description of the steps the State is taking to compile complete and accurate information on the deaths required by Federal law to be reported by the State agency referred to in paragraph (1), including gathering relevant information on the deaths from the relevant organizations in the State including entities such as State vital statistics department, child death review teams, law enforcement agencies, offices of medical examiners, or coroners; and

“(B) a description of the steps the State is taking to develop and implement a comprehensive, statewide plan to prevent the fatalities that involves and engages relevant public and private
agency partners, including those in public health, law enforcement, and the courts.”.

SEC. 2643. MODERNIZING THE TITLE AND PURPOSE OF TITLE IV–E.

(a) PART HEADING.—The heading for part E of title IV of the Social Security Act (42 U.S.C. 670 et seq.) is amended to read as follows:

“PART E—FEDERAL PAYMENTS FOR FOSTER CARE, PREVENTION, AND PERMANENCY”.

(b) PURPOSE.—The first sentence of section 470 of such Act (42 U.S.C. 670) is amended—

(1) by striking “1995) and” and inserting “1995),”;

(2) by inserting “kinship guardianship assistance, and prevention services or programs specified in section 471(e)(1),” after “needs,”; and

(3) by striking “(commencing with the fiscal year which begins October 1, 1980)”.

SEC. 2644. EFFECTIVE DATES.

(a) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), subject to subsection (b), the amendments made by this chapter shall take effect on October 1, 2018.
(2) EXCEPTIONS.—The amendments made by sections 2621(d), 2641, and 2643 shall take effect on the date of enactment of this Act.

(b) TRANSITION RULE.—

(1) IN GENERAL.—In the case of a State plan under part B or E of title IV of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this chapter, the State plan shall not be regarded as failing to comply with the requirements of such part solely on the basis of the failure of the plan to meet such additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of the session shall be deemed to be a separate regular session of the State legislature.

(2) APPLICATION TO PROGRAMS OPERATED BY INDIAN TRIBAL ORGANIZATIONS.—In the case of an Indian tribe, tribal organization, or tribal consortium
which the Secretary of Health and Human Services
determines requires time to take action necessary to
comply with the additional requirements imposed by
the amendments made by this chapter (whether the
tribe, organization, or tribal consortium has a plan
under section 479B of the Social Security Act or a co-
operative agreement or contract entered into with a
State), the Secretary shall provide the tribe, organiza-
tion, or tribal consortium with such additional time
as the Secretary determines is necessary for the tribe,
organization, or tribal consortium to take the action
to comply with the additional requirements before
being regarded as failing to comply with the require-
ments.

CHAPTER 2—ENSURING THE NECESSITY
OF A PLACEMENT THAT IS NOT IN A
FOSTER FAMILY HOME

SEC. 2651. LIMITATION ON FEDERAL FINANCIAL PARTICIPA-
TION FOR PLACEMENTS THAT ARE NOT IN
FOSTER FAMILY HOMES.

(a) LIMITATION ON FEDERAL FINANCIAL PARTICIPA-
TION.—

(1) IN GENERAL.—Section 472 of the Social Se-
curity Act (42 U.S.C. 672), as amended by section
2622 of this Act, is amended—
(A) in subsection (a)(2)(C), by inserting “,
but only to the extent permitted under subsection
(k)” after “institution”; and

(B) by adding at the end the following:

“(k) LIMITATION ON FEDERAL FINANCIAL PARTICIPATION.—

“(1) IN GENERAL.—Beginning with the third
week for which foster care maintenance payments are
made under this section on behalf of a child placed
in a child-care institution, no Federal payment shall
be made to the State under section 474(a)(1) for
amounts expended for foster care maintenance pay-
ments on behalf of the child unless—

“(A) the child is placed in a child-care in-
stitution that is a setting specified in paragraph
(2) (or is placed in a licensed residential family-
based treatment facility consistent with sub-
section (j)); and

“(B) in the case of a child placed in a
qualified residential treatment program (as de-
finied in paragraph (4)), the requirements speci-
fied in paragraph (3) and section 475A(c) are
met.
“(2) Specified settings for placement.—

The settings for placement specified in this paragraph are the following:

“(A) A qualified residential treatment pro-

gram (as defined in paragraph (4)).

“(B) A setting specializing in providing prenatal, post-partum, or parenting supports for youth.

“(C) In the case of a child who has attained 18 years of age, a supervised setting in which the child is living independently.

“(D) A setting providing high-quality residential care and supportive services to children and youth who have been found to be, or are at risk of becoming, sex trafficking victims, in ac-

cordance with section 471(a)(9)(C).

“(3) Assessment to determine appropriateness of placement in a qualified residential treatment program.—

“(A) Deadline for assessment.—In the case of a child who is placed in a qualified resi-

dential treatment program, if the assessment re-

quired under section 475A(c)(1) is not completed within 30 days after the placement is made, no Federal payment shall be made to the State
under section 474(a)(1) for any amounts expended for foster care maintenance payments on behalf of the child during the placement.

“(B) DEADLINE FOR TRANSITION OUT OF PLACEMENT.—If the assessment required under section 475A(c)(1) determines that the placement of a child in a qualified residential treatment program is not appropriate, a court disapproves such a placement under section 475A(c)(2), or a child who has been in an approved placement in a qualified residential treatment program is going to return home or be placed with a fit and willing relative, a legal guardian, or an adoptive parent, or in a foster family home, Federal payments shall be made to the State under section 474(a)(1) for amounts expended for foster care maintenance payments on behalf of the child while the child remains in the qualified residential treatment program only during the period necessary for the child to transition home or to such a placement. In no event shall a State receive Federal payments under section 474(a)(1) for amounts expended for foster care maintenance payments on behalf of a child who remains placed in a qualified residential treat-
ment program after the end of the 30-day period that begins on the date a determination is made that the placement is no longer the recommended or approved placement for the child.

“(4) QUALIFIED RESIDENTIAL TREATMENT PROGRAM.—For purposes of this part, the term ‘qualified residential treatment program’ means a program that—

“(A) has a trauma-informed treatment model that is designed to address the needs, including clinical needs as appropriate, of children with serious emotional or behavioral disorders or disturbances and, with respect to a child, is able to implement the treatment identified for the child by the assessment of the child required under section 475A(c);

“(B) subject to paragraphs (5) and (6), has registered or licensed nursing staff and other licensed clinical staff who—

“(i) provide care within the scope of their practice as defined by State law;

“(ii) are on-site in accordance with the treatment model referred to in subparagraph (A); and
“(iii) are available 24 hours a day and 7 days a week;

“(C) to extent appropriate, and in accordance with the child’s best interests, facilitates participation of family members in the child’s treatment program;

“(D) facilitates outreach to the family members of the child, including siblings, documents how the outreach is made (including contact information), and maintains contact information for any known biological family and fictive kin of the child;

“(E) documents how family members are integrated into the treatment process for the child, including post-discharge, and how sibling connections are maintained;

“(F) provides discharge planning and family-based aftercare support for at least 6 months post-discharge; and

“(G) is licensed in accordance with section 471(a)(10) and is accredited by any of the following independent, not-for-profit organizations:

“(i) The Commission on Accreditation of Rehabilitation Facilities (CARF).
“(ii) The Joint Commission on Accreditation of Healthcare Organizations (JCAHO).

“(iii) The Council on Accreditation (COA).

“(iv) Any other independent, not-for-profit accrediting organization approved by the Secretary.

“(5) ADMINISTRATIVE COSTS.—The prohibition in paragraph (1) on Federal payments under section 474(a)(1) shall not be construed as prohibiting Federal payments for administrative expenditures incurred on behalf of a child placed in a child-care institution and for which payment is available under section 474(a)(3).

“(6) RULE OF CONSTRUCTION.—The requirements in paragraph (4)(B) shall not be construed as requiring a qualified residential treatment program to acquire nursing and behavioral health staff solely through means of a direct employer to employee relationship.”.

(2) CONFORMING AMENDMENT.—Section 474(a)(1) of such Act (42 U.S.C. 674(a)(1)), as amended by section 2622(b) of this Act, is amended
by striking “section 472(j)” and inserting “sub-sections (j) and (k) of section 472”.

(b) Definition of Foster Family Home, Childcare Institution.—Section 472(c) of such Act (42 U.S.C. 672(c)(1)) is amended to read as follows:

“(c) Definitions.—For purposes of this part:

“(1) Foster family home.—

“(A) In general.—The term ‘foster family home’ means the home of an individual or family—

“(i) that is licensed or approved by the State in which it is situated as a foster family home that meets the standards established for the licensing or approval; and

“(ii) in which a child in foster care has been placed in the care of an individual, who resides with the child and who has been licensed or approved by the State to be a foster parent—

“(I) that the State deems capable of adhering to the reasonable and prudent parent standard;

“(II) that provides 24-hour substitute care for children placed away
from their parents or other caretakers;
and
“(III) that provides the care for
not more than six children in foster
care.
“(B) STATE FLEXIBILITY.—The number of
foster children that may be cared for in a home
under subparagraph (A) may exceed the numer-
cal limitation in subparagraph (A)(ii)(III), at
the option of the State, for any of the following
reasons:
“(i) To allow a parenting youth in fos-
ter care to remain with the child of the par-
eting youth.
“(ii) To allow siblings to remain to-
gether.
“(iii) To allow a child with an estab-
lished meaningful relationship with the
family to remain with the family.
“(iv) To allow a family with special
training or skills to provide care to a child
who has a severe disability.
“(C) RULE OF CONSTRUCTION.—Subpara-
graph (A) shall not be construed as prohibiting
a foster parent from renting the home in which
the parent cares for a foster child placed in the parent’s care.

“(2) CHILD-CARE INSTITUTION.—

“(A) IN GENERAL.—The term ‘child-care institution’ means a private child-care institution, or a public child-care institution which accommodates no more than 25 children, which is licensed by the State in which it is situated or has been approved by the agency of the State responsible for licensing or approval of institutions of this type as meeting the standards established for the licensing.

“(B) SUPERVISED SETTINGS.—In the case of a child who has attained 18 years of age, the term shall include a supervised setting in which the individual is living independently, in accordance with such conditions as the Secretary shall establish in regulations.

“(C) EXCLUSIONS.—The term shall not include detention facilities, forestry camps, training schools, or any other facility operated primarily for the detention of children who are determined to be delinquent.”.

(c) TRAINING FOR STATE JUDGES, ATTORNEYS, AND OTHER LEGAL PERSONNEL IN CHILD WELFARE CASES.—
Section 438(b)(1) of such Act (42 U.S.C. 629h(b)(1)) is amended in the matter preceding subparagraph (A) by inserting “shall provide for the training of judges, attorneys, and other legal personnel in child welfare cases on Federal child welfare policies and payment limitations with respect to children in foster care who are placed in settings that are not a foster family home,” after “with respect to the child,”.

(d) Assurance of Nonimpact on Juvenile Justice System.—

(1) State Plan Requirement.—Section 471(a) of such Act (42 U.S.C. 671(a)), as amended by section 2641 of this Act, is further amended by adding at the end the following:

“(37) includes a certification that, in response to the limitation imposed under section 472(k) with respect to foster care maintenance payments made on behalf of any child who is placed in a setting that is not a foster family home, the State will not enact or advance policies or practices that would result in a significant increase in the population of youth in the State’s juvenile justice system.”.

(2) GAO Study and Report.—The Comptroller General of the United States shall evaluate the impact, if any, on State juvenile justice systems of the
limitation imposed under section 472(k) of the Social Security Act (as added by subsection (a)(1) of this section) on foster care maintenance payments made on behalf of any child who is placed in a setting that is not a foster family home, in accordance with the amendments made by subsections (a) and (b) of this section. In particular, the Comptroller General shall evaluate the extent to which children in foster care who also are subject to the juvenile justice system of the State are placed in a facility under the jurisdiction of the juvenile justice system and whether the lack of available congregate care placements under the jurisdiction of the child welfare systems is a contributing factor to that result. Not later than December 31, 2024, the Comptroller General shall submit to Congress a report on the results of the evaluation.

SEC. 2652. ASSESSMENT AND DOCUMENTATION OF THE NEED FOR PLACEMENT IN A QUALIFIED RESIDENTIAL TREATMENT PROGRAM.

Section 475A of the Social Security Act (42 U.S.C. 675a) is amended by adding at the end the following:

“(c) ASSESSMENT, DOCUMENTATION, AND JUDICIAL DETERMINATION REQUIREMENTS FOR PLACEMENT IN A QUALIFIED RESIDENTIAL TREATMENT PROGRAM.—In the case of any child who is placed in a qualified residential
treatment program (as defined in section 472(k)(4)), the following requirements shall apply for purposes of approving the case plan for the child and the case system review procedure for the child:

“(1)(A) Within 30 days of the start of each placement in such a setting, a qualified individual (as defined in subparagraph (D)) shall—

“(i) assess the strengths and needs of the child using an age-appropriate, evidence-based, validated, functional assessment tool approved by the Secretary;

“(ii) determine whether the needs of the child can be met with family members or through placement in a foster family home or, if not, which setting from among the settings specified in section 472(k)(2) would provide the most effective and appropriate level of care for the child in the least restrictive environment and be consistent with the short- and long-term goals for the child, as specified in the permanency plan for the child; and

“(iii) develop a list of child-specific short- and long-term mental and behavioral health goals.
“(B)(i) The State shall assemble a family and permanency team for the child in accordance with the requirements of clauses (ii) and (iii). The qualified individual conducting the assessment required under subparagraph (A) shall work in conjunction with the family of, and permanency team for, the child while conducting and making the assessment.

“(ii) The family and permanency team shall consist of all appropriate biological family members, relative, and fictive kin of the child, as well as, as appropriate, professionals who are a resource to the family of the child, such as teachers, medical or mental health providers who have treated the child, or clergy. In the case of a child who has attained age 14, the family and permanency team shall include the members of the permanency planning team for the child that are selected by the child in accordance with section 475(5)(C)(iv).

“(iii) The State shall document in the child’s case plan—

“(I) the reasonable and good faith effort of the State to identify and include all such individuals on the family of, and permanency team for, the child;
“(II) all contact information for members of
the family and permanency team, as well as con-
tact information for other family members and
fictive kin who are not part of the family and
permanency team;

“(III) evidence that meetings of the family
and permanency team, including meetings relat-
ing to the assessment required under subpara-
graph (A), are held at a time and place conven-
ient for family;

“(IV) if reunification is the goal, evidence
demonstrating that the parent from whom the
child was removed provided input on the mem-
bers of the family and permanency team;

“(V) evidence that the assessment required
under subparagraph (A) is determined in con-
junction with the family and permanency team;

“(VI) the placement preferences of the fam-
ily and permanency team relative to the assess-
ment that recognizes children should be placed
with their siblings unless there is a finding by
the court that such placement is contrary to their
best interest; and

“(VII) if the placement preferences of the
family and permanency team and child are not
the placement setting recommended by the qualified individual conducting the assessment under subparagraph (A), the reasons why the preferences of the team and of the child were not recommended.

“(C) In the case of a child who the qualified individual conducting the assessment under subparagraph (A) determines should not be placed in a foster family home, the qualified individual shall specify in writing the reasons why the needs of the child cannot be met by the family of the child or in a foster family home. A shortage or lack of foster family homes shall not be an acceptable reason for determining that the needs of the child cannot be met in a foster family home. The qualified individual also shall specify in writing why the recommended placement in a qualified residential treatment program is the setting that will provide the child with the most effective and appropriate level of care in the least restrictive environment and how that placement is consistent with the short- and long-term goals for the child, as specified in the permanency plan for the child.

“(D)(i) Subject to clause (ii), in this subsection, the term ‘qualified individual’ means a trained professional or licensed clinician who is not an employee
of the State agency and who is not connected to, or affiliated with, any placement setting in which children are placed by the State.

“(ii) The Secretary may approve a request of a State to waive any requirement in clause (i) upon a submission by the State, in accordance with criteria established by the Secretary, that certifies that the trained professionals or licensed clinicians with responsibility for performing the assessments described in subparagraph (A) shall maintain objectivity with respect to determining the most effective and appropriate placement for a child.

“(2) Within 60 days of the start of each placement in a qualified residential treatment program, a family or juvenile court or another court (including a tribal court) of competent jurisdiction, or an administrative body appointed or approved by the court, independently, shall—

“(A) consider the assessment, determination, and documentation made by the qualified individual conducting the assessment under paragraph (1);

“(B) determine whether the needs of the child can be met through placement in a foster family home or, if not, whether placement of the
child in a qualified residential treatment program provides the most effective and appropriate level of care for the child in the least restrictive environment and whether that placement is consistent with the short- and long-term goals for the child, as specified in the permanency plan for the child; and

“(C) approve or disapprove the placement.

“(3) The written documentation made under paragraph (1)(C) and documentation of the determination and approval or disapproval of the placement in a qualified residential treatment program by a court or administrative body under paragraph (2) shall be included in and made part of the case plan for the child.

“(4) As long as a child remains placed in a qualified residential treatment program, the State agency shall submit evidence at each status review and each permanency hearing held with respect to the child—

“(A) demonstrating that ongoing assessment of the strengths and needs of the child continues to support the determination that the needs of the child cannot be met through placement in a foster family home, that the placement in a
qualified residential treatment program provides
the most effective and appropriate level of care
for the child in the least restrictive environment,
and that the placement is consistent with the
short- and long-term goals for the child, as speci-
fied in the permanency plan for the child;

“(B) documenting the specific treatment or
service needs that will be met for the child in the
placement and the length of time the child is ex-
pected to need the treatment or services; and

“(C) documenting the efforts made by the
State agency to prepare the child to return home
or to be placed with a fit and willing relative,
a legal guardian, or an adoptive parent, or in
a foster family home.

“(5) In the case of any child who is placed in
a qualified residential treatment program for more
than 12 consecutive months or 18 nonconsecutive
months (or, in the case of a child who has not at-
tained age 13, for more than 6 consecutive or non-
consecutive months), the State agency shall submit to
the Secretary—

“(A) the most recent versions of the evidence
and documentation specified in paragraph (4); and
“(B) the signed approval of the head of the
State agency for the continued placement of the
child in that setting.”.

SEC. 2653. PROTOCOLS TO PREVENT INAPPROPRIATE DIAGNOSES.

(a) STATE PLAN REQUIREMENT.—Section 422(b)(15)(A) of the Social Security Act (42 U.S.C. 622(b)(15)(A)) is amended—

(1) in clause (vi), by striking “and” after the semicolon;

(2) by redesignating clause (vii) as clause (viii);

and

(3) by inserting after clause (vi) the following:

“(vii) the procedures and protocols the State has established to ensure that children in foster care placements are not inappropriately diagnosed with mental illness, other emotional or behavioral disorders, medically fragile conditions, or developmental disabilities, and placed in settings that are not foster family homes as a result of the inappropriate diagnoses; and”.

(b) EVALUATION.—Section 476 of such Act (42 U.S.C. 676), as amended by section 2621(d) of this Act, is further amended by adding at the end the following:
“(e) Evaluation of State Procedures and Protocols to Prevent Inappropriate Diagnoses of Mental Illness or Other Conditions.—The Secretary shall conduct an evaluation of the procedures and protocols established by States in accordance with the requirements of section 422(b)(15)(A)(vii). The evaluation shall analyze the extent to which States comply with and enforce the procedures and protocols and the effectiveness of various State procedures and protocols and shall identify best practices. Not later than January 1, 2020, the Secretary shall submit a report on the results of the evaluation to Congress.”.

SEC. 2654. ADDITIONAL DATA AND REPORTS REGARDING CHILDREN PLACED IN A SETTING THAT IS NOT A FOSTER FAMILY HOME.

Section 479A(a)(7)(A) of the Social Security Act (42 U.S.C. 679b(a)(7)(A)) is amended by striking clauses (i) through (vi) and inserting the following:

“(i) with respect to each such placement—

“(I) the type of the placement setting, including whether the placement is shelter care, a group home and if so, the range of the child population in the home, a residential treatment facility, a hospital or institution providing
medical, rehabilitative, or psychiatric care, a setting specializing in providing prenatal, post-partum, or parenting supports, or some other kind of child-care institution and if so, what kind;

“(II) the number of children in the placement setting and the age, race, ethnicity, and gender of each of the children;

“(III) for each child in the placement setting, the length of the placement of the child in the setting, whether the placement of the child in the setting is the first placement of the child and if not, the number and type of previous placements of the child, and whether the child has special needs or another diagnosed mental or physical illness or condition; and

“(IV) the extent of any specialized education, treatment, counseling, or other services provided in the setting; and
“(ii) separately, the number and ages of children in the placements who have a permanency plan of another planned permanent living arrangement; and”.

SEC. 2655. CRIMINAL RECORDS CHECKS AND CHECKS OF CHILD ABUSE AND NEGLECT REGISTRIES FOR ADULTS WORKING IN CHILD-CARE INSTITUTIONS AND OTHER GROUP CARE SETTINGS.

(a) State Plan Requirement.—Section 471(a)(20) of the Social Security Act (42 U.S.C. 671(a)(20)) is amended—

(1) in each of subparagraphs (A)(ii) and (B)(iii), by striking “and” after the semicolon;

(2) in subparagraph (C), by adding “and” after the semicolon; and

(3) by inserting after subparagraph (C) the following:

“(D) provides procedures for any child care institution, including a group home, residential treatment center, shelter, or other congregate care setting, to conduct criminal records checks, including fingerprint-based checks of national crime information databases (as defined in section 534(f)(3)(A) of title 28, United States Code), and checks described in subparagraph (B) of this paragraph, on any adult work-
ing in a child-care institution, including a group
home, residential treatment center, shelter, or other
congregate care setting, unless the State reports to the
Secretary the alternative criminal records checks and
child abuse registry checks the State conducts on any
adult working in a child-care institution, including a
group home, residential treatment center, shelter, or
other congregate care setting, and why the checks
specified in this subparagraph are not appropriate
for the State;”.

(b) TECHNICAL AMENDMENTS.—Subparagraphs (A)
and (C) of section 471(a)(20) of the Social Security Act
(42 U.S.C. 671(a)(20)) are each amended by striking “sec-
tion 534(e)(3)(A)” and inserting “section 534(f)(3)(A)”.

SEC. 2656. EFFECTIVE DATES; APPLICATION TO WAIVERS.

(a) EFFECTIVE DATES.—

(1) In general.—Subject to paragraph (2) and
subsections (b) through (d), the amendments made by
this chapter shall take effect on January 1, 2018.

(2) Transition rule.—In the case of a State
plan under part B or E of title IV of the Social Secu-
rit Y Act which the Secretary of Health and Human
Services determines requires State legislation (other
than legislation appropriating funds) in order for the
plan to meet the additional requirements imposed by
the amendments made by this chapter, the State plan shall not be regarded as failing to comply with the requirements of such part solely on the basis of the failure of the plan to meet the additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of the session shall be deemed to be a separate regular session of the State legislature.

(b) LIMITATION ON FEDERAL FINANCIAL PARTICIPATION FOR PLACEMENTS THAT ARE NOT IN FOSTER FAMILY HOMES AND RELATED PROVISIONS.—

   (1) IN GENERAL.—The amendments made by sections 2651(a), 2651(b), 2651(d), and 2652 shall take effect on October 1, 2019.

   (2) STATE OPTION TO DELAY EFFECTIVE DATE FOR NOT MORE THAN 2 YEARS.—If a State requests a delay in the effective date provided for in paragraph (1), the Secretary of Health and Human Services shall delay the effective date with respect to the State for the amount of time requested by the State not to exceed 2 years. If the effective date is so delayed
for a period with respect to a State under the pre-
ceding sentence, then—

(A) notwithstanding section 2644, the date
that the amendments made by section 2621(c)
take effect with respect to the State shall be de-
layed for the period; and

(B) in applying section 474(a)(6) of the So-
cial Security Act with respect to the State, “on
or after the date this paragraph takes effect with
respect to the State” is deemed to be substituted
for “after September 30, 2019” in subparagraph
(A)(i)(I) of such section.

(c) CRIMINAL RECORDS CHECKS AND CHECKS OF
CHILD ABUSE AND NEGLECT REGISTRIES FOR ADULTS
WORKING IN CHILD-CARE INSTITUTIONS AND OTHER
GROUP CARE SETTINGS.—The amendments made by sec-
tion 2655 shall take effect on October 1, 2018.

(d) APPLICATION TO STATES WITH WAIVERS.—In the
case of a State that, on the date of enactment of this Act,
has in effect a waiver approved under section 1130 of the
Social Security Act (42 U.S.C. 1320a–9), the amendments
made by this chapter shall not apply with respect to the
State before the expiration (determined without regard to
any extensions) of the waiver to the extent the amendments
are inconsistent with the terms of the waiver.
CHAPTER 3—CONTINUING SUPPORT FOR
CHILD AND FAMILY SERVICES

SEC. 2661. SUPPORTING AND RETAINING FOSTER FAMILIES FOR CHILDREN.

(a) Supporting and retaining foster parents as a family support service.—Section 431(a)(2)(B) of the Social Security Act (42 U.S.C. 631(a)(2)(B)) is amended by redesignating clauses (iii) through (vi) as clauses (iv) through (vii), respectively, and inserting after clause (ii) the following:

“(iii) To support and retain foster families so they can provide quality family-based settings for children in foster care.”.

(b) Support for foster family homes.—Section 436 of such Act (42 U.S.C. 629f) is amended by adding at the end the following:

“(c) Support for foster family homes.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Secretary for fiscal year 2018, $8,000,000 for the Secretary to make competitive grants to States, Indian tribes, or tribal consortia to support the recruitment and retention of high-quality foster families to increase their capacity to place more children in family settings, focused on States, Indian tribes, or tribal consortia with the highest percentage of
children in non-family settings. The amount appropriated
under this subparagraph shall remain available through fis-
cal year 2022.”

SEC. 2662. EXTENSION OF CHILD AND FAMILY SERVICES
PROGRAMS.

(a) Extension of Stephanie Tubbs Jones Child
Welfare Services Program.—Section 425 of the Social
Security Act (42 U.S.C. 625) is amended by striking “2012
through 2016” and inserting “2017 through 2021”.

(b) Extension of Promoting Safe and Stable
Families Program Authorizations.—

(1) In general.—Section 436(a) of such Act
(42 U.S.C. 629f(a)) is amended by striking all that
follows “$345,000,000” and inserting “for each of fis-
cal years 2017 through 2021.”.

(2) Discretionary grants.—Section 437(a) of
such Act (42 U.S.C. 629g(a)) is amended by striking
“2012 through 2016” and inserting “2017 through
2021”.

(c) Extension of Funding Reservations for
Monthly Caseworker Visits and Regional Partnership
Grants.—Section 436(b) of such Act (42 U.S.C.
629f(b)) is amended—
(1) in paragraph (4)(A), by striking “2012 through 2016” and inserting “2017 through 2021”; and

(2) in paragraph (5), by striking “2012 through 2016” and inserting “2017 through 2021”.

(d) Reauthorization of Funding for State Courts.—

(1) Extension of Program.—Section 438(c)(1) of such Act (42 U.S.C. 629h(c)(1)) is amended by striking “2012 through 2016” and inserting “2017 through 2021”.

(2) Extension of Federal Share.—Section 438(d) of such Act (42 U.S.C. 629h(d)) is amended by striking “2012 through 2016” and inserting “2017 through 2021”.

(e) Repeal of Expired Provisions.—Section 438(e) of such Act (42 U.S.C. 629h(e)) is repealed.

SEC. 2663. IMPROVEMENTS TO THE JOHN H. CHAFEE FOSTER CARE INDEPENDENCE PROGRAM AND RELATED PROVISIONS.

(a) Authority to Serve Former Foster Youth up to Age 23.—Section 477 of the Social Security Act (42 U.S.C. 677) is amended—

(1) in subsection (a)(5), by inserting “(or 23 years of age, in the case of a State with a certifi-
cation under subsection (b)(3)(A)(ii) to provide assistance and services to youths who have aged out of foster care and have not attained such age, in accordance with such subsection)” after “21 years of age”; 

(2) in subsection (b)(3)(A)—

(A) by inserting “(i)” before “A certification”; 

(B) by striking “children who have left foster care” and all that follows through the period and inserting “youths who have aged out of foster care and have not attained 21 years of age.”; and 

(C) by adding at the end the following:

“(ii) If the State has elected under section 475(8)(B) to extend eligibility for foster care to all children who have not attained 21 years of age, or if the Secretary determines that the State agency responsible for administering the State plans under this part and part B uses State funds or any other funds not provided under this part to provide services and assistance for youths who have aged out of foster care that are comparable to the services and assistance the youths would receive if the State had made such an election, the certification required under clause (i)
may provide that the State will provide assistance and services to youths who have aged out of foster care and have not attained 23 years of age.”; and

(3) in subsection (b)(3)(B), by striking “children who have left foster care” and all that follows through the period and inserting “youths who have aged out of foster care and have not attained 21 years of age (or 23 years of age, in the case of a State with a certification under subparagraph (A)(i) to provide assistance and services to youths who have aged out of foster care and have not attained such age, in accordance with subparagraph (A)(ii)).”.

(b) AUTHORITY TO REDISTRIBUTE UNSPENT FUNDS.—Section 477(d) of such Act (42 U.S.C. 677(d)) is amended—

(1) in paragraph (4), by inserting “or does not expend allocated funds within the time period specified under section 477(d)(3)” after “provided by the Secretary”; and

(2) by adding at the end the following:

“(5) REDISTRIBUTION OF UNEXPENDED AMOUNTS.—

“(A) AVAILABILITY OF AMOUNTS.—To the extent that amounts paid to States under this
section in a fiscal year remain unexpended by
the States at the end of the succeeding fiscal
year, the Secretary may make the amounts
available for redistribution in the second suc-
ceeding fiscal year among the States that apply
for additional funds under this section for that
second succeeding fiscal year.

“(B) Redistribution.—

“(i) In general.—The Secretary shall
redistribute the amounts made available
under subparagraph (A) for a fiscal year
among eligible applicant States. In this
subparagraph, the term ‘eligible applicant
State’ means a State that has applied for
additional funds for the fiscal year under
subparagraph (A) if the Secretary deter-
mines that the State will use the funds for
the purpose for which originally allotted
under this section.

“(ii) Amount to be redistributed.—The amount to be redistributed to
each eligible applicant State shall be the
amount so made available multiplied by the
State foster care ratio, (as defined in sub-
section (c)(4), except that, in such sub-

section, ‘all eligible applicant States (as defined in subsection (d)(5)(B)(i))’ shall be substituted for ‘all States’).

“(iii) Treatment of redistributed amount.—Any amount made available to a State under this paragraph shall be regarded as part of the allotment of the State under this section for the fiscal year in which the redistribution is made.

“(C) Tribes.—For purposes of this paragraph, the term ‘State’ includes an Indian tribe, tribal organization, or tribal consortium that receives an allotment under this section.”.

(c) Expanding and clarifying the use of education and training vouchers.—

(1) In general.—Section 477(i)(3) of such Act (42 U.S.C. 677(i)(3)) is amended—

(A) by striking “on the date” and all that follows through “23” and inserting “to remain eligible until they attain 26”; and

(B) by inserting “, but in no event may a youth participate in the program for more than 5 years (whether or not consecutive)” before the period.
(2) CONFORMING AMENDMENT.—Section 477(i)(1) of such Act (42 U.S.C. 677(i)(1)) is amended by inserting “who have attained 14 years of age” before the period.

(d) OTHER IMPROVEMENTS.—Section 477 of such Act (42 U.S.C. 677), as amended by subsections (a), (b), and (c) of this section, is amended—

(1) in the section heading, by striking “INDEPENDENCE PROGRAM” and inserting “PROGRAM FOR SUCCESSFUL TRANSITION TO ADULTHOOD”;

(2) in subsection (a)—

(A) in paragraph (1)—

(i) by striking “identify children who are likely to remain in foster care until 18 years of age and to help these children make the transition to self-sufficiency by providing services” and inserting “support all youth who have experienced foster care at age 14 or older in their transition to adulthood through transitional services”;  

(ii) by inserting “and post-secondary education” after “high school diploma”; and

(iii) by striking “training in daily living skills, training in budgeting and finan-
cial management skills” and inserting
“training and opportunities to practice
daily living skills (such as financial lit-
eracy training and driving instruction)”;

(B) in paragraph (2), by striking “who are
likely to remain in foster care until 18 years of
age receive the education, training, and services
necessary to obtain employment” and inserting
“who have experienced foster care at age 14 or
older achieve meaningful, permanent connections
with a caring adult”; 

(C) in paragraph (3), by striking “who are
likely to remain in foster care until 18 years of
age prepare for and enter postsecondary training
and education institutions” and inserting “who
have experienced foster care at age 14 or older
engage in age or developmentally appropriate
activities, positive youth development, and expe-
riential learning that reflects what their peers in
intact families experience”; and

(D) by striking paragraph (4) and redesign-
nating paragraphs (5) through (8) as para-
graphs (4) through (7);

(3) in subsection (b)—
(A) in paragraph (2)(D), by striking “adolescents” and inserting “youth”; and

(B) in paragraph (3)—

(i) in subparagraph (D)—

(I) by inserting “including training on youth development” after “to provide training”; and

(II) by striking “adolescents preparing for independent living” and all that follows through the period and inserting “youth preparing for a successful transition to adulthood and making a permanent connection with a caring adult.”;

(ii) in subparagraph (H), by striking “adolescents” each place it appears and inserting “youth”; and

(iii) in subparagraph (K)—

(I) by striking “an adolescent” and inserting “a youth”; and

(II) by striking “the adolescent” each place it appears and inserting “the youth”; and

(4) in subsection (f), by striking paragraph (2) and inserting the following:
“(2) REPORT TO CONGRESS.—Not later than October 1, 2019, the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the National Youth in Transition Database and any other databases in which States report outcome measures relating to children in foster care and children who have aged out of foster care or left foster care for kinship guardianship or adoption. The report shall include the following:

“(A) A description of the reasons for entry into foster care and of the foster care experiences, such as length of stay, number of placement settings, case goal, and discharge reason of 17-year-olds who are surveyed by the National Youth in Transition Database and an analysis of the comparison of that description with the reasons for entry and foster care experiences of children of other ages who exit from foster care before attaining age 17.

“(B) A description of the characteristics of the individuals who report poor outcomes at ages 19 and 21 to the National Youth in Transition Database.
“(C) Benchmarks for determining what constitutes a poor outcome for youth who remain in or have exited from foster care and plans the executive branch will take to incorporate these benchmarks in efforts to evaluate child welfare agency performance in providing services to children transitioning from foster care.

“(D) An analysis of the association between types of placement, number of overall placements, time spent in foster care, and other factors, and outcomes at ages 19 and 21.

“(E) An analysis of the differences in outcomes for children in and formerly in foster care at age 19 and 21 among States.”.

(e) CLARIFYING DOCUMENTATION PROVIDED TO FOSTER YOUTH LEAVING FOSTER CARE.—Section 475(5)(I) of such Act (42 U.S.C. 675(5)(I)) is amended by inserting after “REAL ID Act of 2005” the following: “, and any official documentation necessary to prove that the child was previously in foster care”.
CHAPTER 4—CONTINUING INCENTIVES TO STATES TO PROMOTE ADOPTION AND LEGAL GUARDIANSHIP

SEC. 2665. REAUTHORIZING ADOPTION AND LEGAL GUARDIANSHIP INCENTIVE PROGRAMS.

(a) In General.—Section 473A of the Social Security Act (42 U.S.C. 673b) is amended—

(1) in subsection (b)(4), by striking “2013 through 2015” and inserting “2016 through 2020”; 

(2) in subsection (h)(1)(D), by striking “2016” and inserting “2021”; and

(3) in subsection (h)(2), by striking “2016” and inserting “2021”.

(b) Effective Date.—The amendments made by subsection (a) shall take effect as if enacted on October 1, 2017.

CHAPTER 5—TECHNICAL CORRECTIONS

SEC. 2667. TECHNICAL CORRECTIONS TO DATA EXCHANGE STANDARDS TO IMPROVE PROGRAM COORDINATION.

(a) In General.—Section 440 of the Social Security Act (42 U.S.C. 629m) is amended to read as follows:

“SEC. 440. DATA EXCHANGE STANDARDS FOR IMPROVED INTEROPERABILITY.

“(a) Designation.—The Secretary shall, in consultation with an interagency work group established by the Of-
Office of Management and Budget and considering State government perspectives, by rule, designate data exchange standards to govern, under this part and part E—

“(1) necessary categories of information that State agencies operating programs under State plans approved under this part are required under applicable Federal law to electronically exchange with another State agency; and

“(2) Federal reporting and data exchange required under applicable Federal law.

“(b) REQUIREMENTS.—The data exchange standards required by paragraph (1) shall, to the extent practicable—

“(1) incorporate a widely accepted, non-proprietary, searchable, computer-readable format, such as the Extensible Markup Language;

“(2) contain interoperable standards developed and maintained by intergovernmental partnerships, such as the National Information Exchange Model;

“(3) incorporate interoperable standards developed and maintained by Federal entities with authority over contracting and financial assistance;

“(4) be consistent with and implement applicable accounting principles;
“(5) be implemented in a manner that is cost-effective and improves program efficiency and effectiveness; and

“(6) be capable of being continually upgraded as necessary.

“(c) Rule of Construction.—Nothing in this subsection shall be construed to require a change to existing data exchange standards found to be effective and efficient.”.

(b) Effective Date.—Not later than the date that is 24 months after the date of the enactment of this section, the Secretary of Health and Human Services shall issue a proposed rule that—

(1) identifies federally required data exchanges, include specification and timing of exchanges to be standardized, and address the factors used in determining whether and when to standardize data exchanges; and

(2) specifies State implementation options and describes future milestones.

SEC. 2668. TECHNICAL CORRECTIONS TO STATE REQUIREMENT TO ADDRESS THE DEVELOPMENTAL NEEDS OF YOUNG CHILDREN.

Section 422(b)(18) of the Social Security Act (42 U.S.C. 622(b)(18)) is amended by striking “such children”
and inserting “all vulnerable children under 5 years of age”.

CHAPTER 6—ENSURING STATES REINVEST SAVINGS RESULTING FROM INCREASE IN ADOPTION ASSISTANCE

SEC. 2669. DELAY OF ADOPTION ASSISTANCE PHASE-IN.

(a) In General.—The table in section 473(e)(1)(B) of the Social Security Act (42 U.S.C. 673(e)(1)(B)) is amended by striking the last 2 rows and inserting the following:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 through 2023</td>
<td>2</td>
</tr>
<tr>
<td>2024</td>
<td>2 (or, in the case of a child for whom an adoption assistance agreement is entered into under this section on or after July 1, 2024, any age)</td>
</tr>
<tr>
<td>2025 or thereafter</td>
<td>any age.</td>
</tr>
</tbody>
</table>

(b) Effective Date.—The amendment made by this section shall take effect on January 1, 2018.

SEC. 2670. GAO STUDY AND REPORT ON STATE REINVESTMENT OF SAVINGS RESULTING FROM INCREASE IN ADOPTION ASSISTANCE.

(a) Study.—The Comptroller General of the United States shall study the extent to which States are complying with the requirements of section 473(a)(8) of the Social Security Act relating to the effects of phasing out the AFDC income eligibility requirements for adoption assistance payments under section 473 of the Social Security Act, as en-
acted by section 402 of the Fostering Connections to Success and Increasing Adoptions Act of 2008 (Public Law 110–351; 122 Stat. 3975) and amended by section 206 of the Preventing Sex Trafficking and Strengthening Families Act (Public Law 113–183; 128 Stat. 1919). In particular, the Comptroller General shall analyze the extent to which States are complying with the following requirements under section 473(a)(8)(D) of the Social Security Act:

(1) The requirement to spend an amount equal to the amount of the savings (if any) in State expenditures under part E of title IV of the Social Security Act resulting from phasing out the AFDC income eligibility requirements for adoption assistance payments under section 473 of such Act to provide to children of families any service that may be provided under part B or E of title IV of such Act.

(2) The requirement that a State shall spend not less than 30 percent of the amount of any savings described in paragraph (1) on post-adoption services, post-guardianship services, and services to support and sustain positive permanent outcomes for children who otherwise might enter into foster care under the responsibility of the State, with at least 2/3 of the spending by the State to comply with the 30 percent
requirement being spent on post-adoption and post-guardianship services.

(b) REPORT.—The Comptroller General of the United States shall submit to the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Secretary of Health and Human Services a report that contains the results of the study required by subsection (a), including recommendations to ensure compliance with laws referred to in subsection (a).

Subtitle B—Supporting Social Impact Partnerships to Pay for Results

SEC. 2681. SUPPORTING SOCIAL IMPACT PARTNERSHIPS TO PAY FOR RESULTS.

Title XX of the Social Security Act (42 U.S.C. 1397 et seq.) is amended—

(1) in the title heading, by striking “TO STATES” and inserting “AND PROGRAMS”; and

(2) by adding at the end the following:

“Subtitle C—Social Impact Demonstration Projects

“PURPOSES

“SEC. 2051. The purposes of this subtitle are the fol-
“(1) To improve the lives of families and individuals in need in the United States by funding social programs that achieve real results.

“(2) To redirect funds away from programs that, based on objective data, are ineffective, and into programs that achieve demonstrable, measurable results.

“(3) To ensure Federal funds are used effectively on social services to produce positive outcomes for both service recipients and taxpayers.

“(4) To establish the use of social impact partnerships to address some of our Nation’s most pressing problems.

“(5) To facilitate the creation of public-private partnerships that bundle philanthropic or other private resources with existing public spending to scale up effective social interventions already being implemented by private organizations, nonprofits, charitable organizations, and State and local governments across the country.

“(6) To bring pay-for-performance to the social sector, allowing the United States to improve the impact and effectiveness of vital social services programs while redirecting inefficient or duplicative spending.
“(7) To incorporate outcomes measurement and randomized controlled trials or other rigorous methodologies for assessing program impact.

“SOCIAL IMPACT PARTNERSHIP APPLICATION

“SEC. 2052. (a) NOTICE.—Not later than 1 year after the date of the enactment of this subtitle, the Secretary of the Treasury, in consultation with the Federal Interagency Council on Social Impact Partnerships, shall publish in the Federal Register a request for proposals from States or local governments for social impact partnership projects in accordance with this section.

“(b) REQUIRED OUTCOMES FOR SOCIAL IMPACT PARTNERSHIP PROJECT.—To qualify as a social impact partnership project under this subtitle, a project must produce one or more measurable, clearly defined outcomes that result in social benefit and Federal, State, or local savings through any of the following:

“(1) Increasing work and earnings by individuals in the United States who are unemployed for more than 6 consecutive months.

“(2) Increasing employment and earnings of individuals who have attained 16 years of age but not 25 years of age.

“(3) Increasing employment among individuals receiving Federal disability benefits.
“(4) Reducing the dependence of low-income families on Federal means-tested benefits.

“(5) Improving rates of high school graduation.

“(6) Reducing teen and unplanned pregnancies.

“(7) Improving birth outcomes and early childhood health and development among low-income families and individuals.

“(8) Reducing rates of asthma, diabetes, or other preventable diseases among low-income families and individuals to reduce the utilization of emergency and other high-cost care.

“(9) Increasing the proportion of children living in two-parent families.

“(10) Reducing incidences and adverse consequences of child abuse and neglect.

“(11) Reducing the number of youth in foster care by increasing adoptions, permanent guardianship arrangements, reunifications, or placements with a fit and willing relative, or by avoiding placing children in foster care by ensuring they can be cared for safely in their own homes.

“(12) Reducing the number of children and youth in foster care residing in group homes, child care institutions, agency-operated foster homes, or other non-family foster homes, unless it is determined
that it is in the interest of the child’s long-term health, safety, or psychological well-being to not be placed in a family foster home.

“(13) Reducing the number of children returning to foster care.

“(14) Reducing recidivism among juvenile offenders, individuals released from prison, or other high-risk populations.

“(15) Reducing the rate of homelessness among our most vulnerable populations.

“(16) Improving the health and well-being of those with mental, emotional, and behavioral health needs.

“(17) Improving the educational outcomes of special-needs or low-income children.

“(18) Improving the employment and well-being of returning United States military members.

“(19) Increasing the financial stability of low-income families.

“(20) Increasing the independence and employability of individuals who are physically or mentally disabled.

“(21) Other measurable outcomes defined by the State or local government that result in positive social outcomes and Federal savings.
“(c) APPLICATION REQUIRED.—The notice described in subsection (a) shall require a State or local government to submit an application for the social impact partnership project that addresses the following:

“(1) The outcome goals of the project.

“(2) A description of each intervention in the project and anticipated outcomes of the intervention.

“(3) Rigorous evidence demonstrating that the intervention can be expected to produce the desired outcomes.

“(4) The target population that will be served by the project.

“(5) The expected social benefits to participants who receive the intervention and others who may be impacted.

“(6) Projected Federal, State, and local government costs and other costs to conduct the project.

“(7) Projected Federal, State, and local government savings and other savings, including an estimate of the savings to the Federal Government, on a program-by-program basis and in the aggregate, if the project is implemented and the outcomes are achieved as a result of the intervention.

“(8) If savings resulting from the successful completion of the project are estimated to accrue to the
State or local government, the likelihood of the State
or local government to realize those savings.

“(9) A plan for delivering the intervention
through a social impact partnership model.

“(10) A description of the expertise of each serv-
ice provider that will administer the intervention, in-
cluding a summary of the experience of the service
provider in delivering the proposed intervention or a
similar intervention, or demonstrating that the serv-
ice provider has the expertise necessary to deliver the
proposed intervention.

“(11) An explanation of the experience of the
State or local government, the intermediary, or the
service provider in raising private and philanthropic
capital to fund social service investments.

“(12) The detailed roles and responsibilities of
each entity involved in the project, including any
State or local government entity, intermediary, serv-
ice provider, independent evaluator, investor, or other
stakeholder.

“(13) A summary of the experience of the service
provider in delivering the proposed intervention or a
similar intervention, or a summary demonstrating
the service provider has the expertise necessary to de-
lever the proposed intervention.
“(14) A summary of the unmet need in the area where the intervention will be delivered or among the target population who will receive the intervention.

“(15) The proposed payment terms, the methodology used to calculate outcome payments, the payment schedule, and performance thresholds.

“(16) The project budget.

“(17) The project timeline.

“(18) The criteria used to determine the eligibility of an individual for the project, including how selected populations will be identified, how they will be referred to the project, and how they will be enrolled in the project.

“(19) The evaluation design.

“(20) The metrics that will be used in the evaluation to determine whether the outcomes have been achieved as a result of the intervention and how the metrics will be measured.

“(21) An explanation of how the metrics used in the evaluation to determine whether the outcomes achieved as a result of the intervention are independent, objective indicators of impact and are not subject to manipulation by the service provider, intermediary, or investor.
“(22) A summary explaining the independence of the evaluator from the other entities involved in the project and the evaluator’s experience in conducting rigorous evaluations of program effectiveness including, where available, well-implemented randomized controlled trials on the intervention or similar interventions.

“(23) The capacity of the service provider to deliver the intervention to the number of participants the State or local government proposes to serve in the project.

“(24) A description of whether and how the State or local government and service providers plan to sustain the intervention, if it is timely and appropriate to do so, to ensure that successful interventions continue to operate after the period of the social impact partnership.

“(d) Project Intermediary Information Required.—The application described in subsection (c) shall also contain the following information about any intermediary for the social impact partnership project (whether an intermediary is a service provider or other entity):

“(1) Experience and capacity for providing or facilitating the provision of the type of intervention proposed.
“(2) The mission and goals.

“(3) Information on whether the intermediary is already working with service providers that provide this intervention or an explanation of the capacity of the intermediary to begin working with service providers to provide the intervention.

“(4) Experience working in a collaborative environment across government and nongovernmental entities.

“(5) Previous experience collaborating with public or private entities to implement evidence-based programs.

“(6) Ability to raise or provide funding to cover operating costs (if applicable to the project).

“(7) Capacity and infrastructure to track outcomes and measure results, including—

“(A) capacity to track and analyze program performance and assess program impact; and

“(B) experience with performance-based awards or performance-based contracting and achieving project milestones and targets.

“(8) Role in delivering the intervention.

“(9) How the intermediary would monitor program success, including a description of the interim benchmarks and outcome measures.
“(e) Feasibility Studies Funded Through Other Sources.— The notice described in subsection (a) shall permit a State or local government to submit an application for social impact partnership funding that contains information from a feasibility study developed for purposes other than applying for funding under this subtitle.

“AWARDING SOCIAL IMPACT PARTNERSHIP AGREEMENTS

“Sec. 2053. (a) Timeline in Awarding Agreement.— Not later than 6 months after receiving an application in accordance with section 2052, the Secretary, in consultation with the Federal Interagency Council on Social Impact Partnerships, shall determine whether to enter into an agreement for a social impact partnership project with a State or local government.

“(b) Considerations in Awarding Agreement.— In determining whether to enter into an agreement for a social impact partnership project (the application for which was submitted under section 2052) the Secretary, in consultation with the Federal Interagency Council on Social Impact Partnerships and the head of any Federal agency administering a similar intervention or serving a population similar to that served by the project, shall consider each of the following:

“(1) The recommendations made by the Commission on Social Impact Partnerships.
“(2) The value to the Federal Government of the outcomes expected to be achieved if the outcomes specified in the agreement are achieved as a result of the intervention.

“(3) The likelihood, based on evidence provided in the application and other evidence, that the State or local government in collaboration with the intermediary and the service providers will achieve the outcomes.

“(4) The savings to the Federal Government if the outcomes specified in the agreement are achieved as a result of the intervention.

“(5) The savings to the State and local governments if the outcomes specified in the agreement are achieved as a result of the intervention.

“(6) The expected quality of the evaluation that would be conducted with respect to the agreement.

“(7) The capacity and commitment of the State or local government to sustain the intervention, if appropriate and timely and if the intervention is successful, beyond the period of the social impact partnership.

“(c) AGREEMENT AUTHORITY.—

“(1) AGREEMENT REQUIREMENTS.—In accordance with this section, the Secretary, in consultation
with the Federal Interagency Council on Social Impact Partnerships and the head of any Federal agency administering a similar intervention or serving a population similar to that served by the project, may enter into an agreement for a social impact partnership project with a State or local government if the Secretary, in consultation with the Federal Interagency Council on Social Impact Partnerships, determines that each of the following requirements are met:

“(A) The State or local government agrees to achieve one or more outcomes as a result of the intervention, as specified in the agreement and validated by independent evaluation, in order to receive payment.

“(B) The Federal payment to the State or local government for each specified outcome achieved as a result of the intervention is less than or equal to the value of the outcome to the Federal Government over a period not to exceed 10 years, as determined by the Secretary, in consultation with the State or local government.

“(C) The duration of the project does not exceed 10 years.

“(D) The State or local government has demonstrated, through the application submitted
under section 2052, that, based on prior rigorous experimental evaluations or rigorous quasi-experimental studies, the intervention can be expected to achieve each outcome specified in the agreement.

“(E) The State, local government, intermediary, or service provider has experience raising private or philanthropic capital to fund social service investments (if applicable to the project).

“(F) The State or local government has shown that each service provider has experience delivering the intervention, a similar intervention, or has otherwise demonstrated the expertise necessary to deliver the intervention.

“(2) PAYMENT.—The Secretary shall pay the State or local government only if the independent evaluator described in section 2055 determines that the social impact partnership project has met the requirements specified in the agreement and achieved an outcome as a result of the intervention, as specified in the agreement and validated by independent evaluation.

“(d) NOTICE OF AGREEMENT AWARD.—Not later than 30 days after entering into an agreement under this section
the Secretary shall publish a notice in the Federal Register that includes, with regard to the agreement, the following:

“(1) The outcome goals of the social impact partnership project.

“(2) A description of each intervention in the project.

“(3) The target population that will be served by the project.

“(4) The expected social benefits to participants who receive the intervention and others who may be impacted.

“(5) The detailed roles, responsibilities, and purposes of each Federal, State, or local government entity, intermediary, service provider, independent evaluator, investor, or other stakeholder.

“(6) The payment terms, the methodology used to calculate outcome payments, the payment schedule, and performance thresholds.

“(7) The project budget.

“(8) The project timeline.

“(9) The project eligibility criteria.

“(10) The evaluation design.

“(11) The metrics that will be used in the evaluation to determine whether the outcomes have been
achieved as a result of each intervention and how these metrics will be measured.

“(12) The estimate of the savings to the Federal, State, and local government, on a program-by-program basis and in the aggregate, if the agreement is entered into and implemented and the outcomes are achieved as a result of each intervention.

“(e) AUTHORITY TO TRANSFER ADMINISTRATION OF AGREEMENT.—The Secretary may transfer to the head of another Federal agency the authority to administer (including making payments under) an agreement entered into under subsection (c), and any funds necessary to do so.

“(f) REQUIREMENT ON FUNDING USED TO BENEFIT CHILDREN.—Not less than 50 percent of all Federal payments made to carry out agreements under this section shall be used for initiatives that directly benefit children.

“FEASIBILITY STUDY FUNDING

“SEC. 2054. (a) REQUESTS FOR FUNDING FOR FEASIBILITY STUDIES.—The Secretary shall reserve a portion of the amount made available to carry out this subtitle to assist States or local governments in developing feasibility studies to apply for social impact partnership funding under section 2052. To be eligible to receive funding to assist with completing a feasibility study, a State or local government shall submit an application for feasibility study funding addressing the following:
“(1) A description of the outcome goals of the social impact partnership project.

“(2) A description of the intervention, including anticipated program design, target population, an estimate regarding the number of individuals to be served, and setting for the intervention.

“(3) Evidence to support the likelihood that the intervention will produce the desired outcomes.

“(4) A description of the potential metrics to be used.

“(5) The expected social benefits to participants who receive the intervention and others who may be impacted.

“(6) Estimated costs to conduct the project.

“(7) Estimates of Federal, State, and local government savings and other savings if the project is implemented and the outcomes are achieved as a result of each intervention.

“(8) An estimated timeline for implementation and completion of the project, which shall not exceed 10 years.

“(9) With respect to a project for which the State or local government selects an intermediary to operate the project, any partnerships needed to successfully
execute the project and the ability of the intermediary
to foster the partnerships.

“(10) The expected resources needed to complete
the feasibility study for the State or local government
to apply for social impact partnership funding under
section 2052.

“(b) FEDERAL SELECTION OF APPLICATIONS FOR FEASIBILITY STUDY.—Not later than 6 months after receiving
an application for feasibility study funding under sub-
section (a), the Secretary, in consultation with the Federal
Interagency Council on Social Impact Partnerships and the
head of any Federal agency administering a similar inter-
vention or serving a population similar to that served by
the project, shall select State or local government feasibility
study proposals for funding based on the following:

“(1) The recommendations made by the Commis-
sion on Social Impact Partnerships.

“(2) The likelihood that the proposal will achieve
the desired outcomes.

“(3) The value of the outcomes expected to be
achieved as a result of each intervention.

“(4) The potential savings to the Federal Gov-
ernment if the social impact partnership project is
successful.
“(5) The potential savings to the State and local governments if the project is successful.

“(c) PUBLIC DISCLOSURE.—Not later than 30 days after selecting a State or local government for feasibility study funding under this section, the Secretary shall cause to be published on the website of the Federal Interagency Council on Social Impact Partnerships information explaining why a State or local government was granted feasibility study funding.

“(d) FUNDING RESTRICTION.—

“(1) FEASIBILITY STUDY RESTRICTION.—The Secretary may not provide feasibility study funding under this section for more than 50 percent of the estimated total cost of the feasibility study reported in the State or local government application submitted under subsection (a).

“(2) AGGREGATE Restriction.—Of the total amount made available to carry out this subtitle, the Secretary may not use more than $10,000,000 to provide feasibility study funding to States or local governments under this section.

“(3) NO GUARANTEE OF FUNDING.—The Secretary shall have the option to award no funding under this section.
“(e) Submission of Feasibility Study Required.—Not later than 9 months after the receipt of feasibility study funding under this section, a State or local government receiving the funding shall complete the feasibility study and submit the study to the Federal Interagency Council on Social Impact Partnerships.

“(f) Delegation of Authority.—The Secretary may transfer to the head of another Federal agency the authorities provided in this section and any funds necessary to exercise the authorities.

“EVALUATIONS

“Sec. 2055. (a) Authority to Enter into Agreements.—For each State or local government awarded a social impact partnership project approved by the Secretary under this subtitle, the head of the relevant agency, as recommended by the Federal Interagency Council on Social Impact Partnerships and determined by the Secretary, shall enter into an agreement with the State or local government to pay for all or part of the independent evaluation to determine whether the State or local government project has achieved a specific outcome as a result of the intervention in order for the State or local government to receive outcome payments under this subtitle.

“(b) Evaluator Qualifications.—The head of the relevant agency may not enter into an agreement with a State or local government unless the head determines that
the evaluator is independent of the other parties to the agreement and has demonstrated substantial experience in conducting rigorous evaluations of program effectiveness including, where available and appropriate, well-implemented randomized controlled trials on the intervention or similar interventions.

“(c) Methodologies to Be Used.—The evaluation used to determine whether a State or local government will receive outcome payments under this subtitle shall use experimental designs using random assignment or other reliable, evidence-based research methodologies, as certified by the Federal Interagency Council on Social Impact Partnerships, that allow for the strongest possible causal inferences when random assignment is not feasible.

“(d) Progress Report.—

“(1) Submission of Report.—The independent evaluator shall—

“(A) not later than 2 years after a project has been approved by the Secretary and biannually thereafter until the project is concluded, submit to the head of the relevant agency and the Federal Interagency Council on Social Impact Partnerships a written report summarizing the progress that has been made in achieving each outcome specified in the agreement; and
“(B) before the scheduled time of the first outcome payment and before the scheduled time of each subsequent payment, submit to the head of the relevant agency and the Federal Interagency Council on Social Impact Partnerships a written report that includes the results of the evaluation conducted to determine whether an outcome payment should be made along with information on the unique factors that contributed to achieving or failing to achieve the outcome, the challenges faced in attempting to achieve the outcome, and information on the improved future delivery of this or similar interventions.

“(2) Submission to the Secretary and Congress.—Not later than 30 days after receipt of the written report pursuant to paragraph (1)(B), the Federal Interagency Council on Social Impact Partnerships shall submit the report to the Secretary and each committee of jurisdiction in the House of Representatives and the Senate.

“(e) Final Report.—

“(1) Submission of Report.—Within 6 months after the social impact partnership project is completed, the independent evaluator shall—
“(A) evaluate the effects of the activities undertaken pursuant to the agreement with regard to each outcome specified in the agreement; and

“(B) submit to the head of the relevant agency and the Federal Interagency Council on Social Impact Partnerships a written report that includes the results of the evaluation and the conclusion of the evaluator as to whether the State or local government has fulfilled each obligation of the agreement, along with information on the unique factors that contributed to the success or failure of the project, the challenges faced in attempting to achieve the outcome, and information on the improved future delivery of this or similar interventions.

“(2) Submission to the Secretary and Congress.—Not later than 30 days after receipt of the written report pursuant to paragraph (1)(B), the Federal Interagency Council on Social Impact Partnerships shall submit the report to the Secretary and each committee of jurisdiction in the House of Representatives and the Senate.

“(f) Limitation on Cost of Evaluations.—Of the amount made available under this subtitle for social impact partnership projects, the Secretary may not obligate more
than 15 percent to evaluate the implementation and outcomes of the projects.

“(g) Delegation of Authority.—The Secretary may transfer to the head of another Federal agency the authorities provided in this section and any funds necessary to exercise the authorities.

“Federal Interagency Council on Social Impact Partnerships

“Sec. 2056. (a) Establishment.—There is established the Federal Interagency Council on Social Impact Partnerships (in this section referred to as the ‘Council’) to—

“(1) coordinate with the Secretary on the efforts of social impact partnership projects funded under this subtitle;

“(2) advise and assist the Secretary in the development and implementation of the projects;

“(3) advise the Secretary on specific programmatic and policy matter related to the projects;

“(4) provide subject-matter expertise to the Secretary with regard to the projects;

“(5) certify to the Secretary that each State or local government that has entered into an agreement with the Secretary for a social impact partnership project under this subtitle and each evaluator selected by the head of the relevant agency under section 2055

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has access to Federal administrative data to assist the
State or local government and the evaluator in evalu-
ating the performance and outcomes of the project;
“(6) address issues that will influence the future
of social impact partnership projects in the United
States;
“(7) provide guidance to the executive branch on
the future of social impact partnership projects in the
United States;
“(8) prior to approval by the Secretary, certify
that each State and local government application for
a social impact partnership contains rigorous, inde-
pendent data and reliable, evidence-based research
methodologies to support the conclusion that the
project will yield savings to the State or local govern-
ment or the Federal Government if the project out-
comes are achieved;
“(9) certify to the Secretary, in the case of each
approved social impact partnership that is expected
to yield savings to the Federal Government, that the
project will yield a projected savings to the Federal
Government if the project outcomes are achieved, and
coordinate with the relevant Federal agency to
produce an after-action accounting once the project is
complete to determine the actual Federal savings real-
ized, and the extent to which actual savings aligned
with projected savings; and

“(10) provide periodic reports to the Secretary
and make available reports periodically to Congress
and the public on the implementation of this subtitle.

“(b) COMPOSITION OF COUNCIL.—The Council shall
have 11 members, as follows:

“(1) CHAIR.—The Chair of the Council shall be
the Director of the Office of Management and Budget.

“(2) OTHER MEMBERS.—The head of each of the
following entities shall designate one officer or em-
ployee of the entity to be a Council member:

“(A) The Department of Labor.

“(B) The Department of Health and
Human Services.

“(C) The Social Security Administration.

“(D) The Department of Agriculture.

“(E) The Department of Justice.

“(F) The Department of Housing and
Urban Development.

“(G) The Department of Education.

“(H) The Department of Veterans Affairs.

“(I) The Department of the Treasury.

“(J) The Corporation for National and
Community Service.
“COMMISSION ON SOCIAL IMPACT PARTNERSHIPS

“SEC. 2057. (a) ESTABLISHMENT.—There is established the Commission on Social Impact Partnerships (in this section referred to as the ‘Commission’).

“(b) DUTIES.—The duties of the Commission shall be to—

“(1) assist the Secretary and the Federal Interagency Council on Social Impact Partnerships in reviewing applications for funding under this subtitle;

“(2) make recommendations to the Secretary and the Federal Interagency Council on Social Impact Partnerships regarding the funding of social impact partnership agreements and feasibility studies; and

“(3) provide other assistance and information as requested by the Secretary or the Federal Interagency Council on Social Impact Partnerships.

“(c) COMPOSITION.—The Commission shall be composed of nine members, of whom—

“(1) one shall be appointed by the President, who will serve as the Chair of the Commission;

“(2) one shall be appointed by the Majority Leader of the Senate;

“(3) one shall be appointed by the Minority Leader of the Senate;
“(4) one shall be appointed by the Speaker of the House of Representatives;

“(5) one shall be appointed by the Minority Leader of the House of Representatives;

“(6) one shall be appointed by the Chairman of the Committee on Finance of the Senate;

“(7) one shall be appointed by the ranking member of the Committee on Finance of the Senate;

“(8) one member shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives; and

“(9) one shall be appointed by the ranking member of the Committee on Ways and Means of the House of Representatives.

“(d) QUALIFICATIONS OF COMMISSION MEMBERS.—

The members of the Commission shall—

“(1) be experienced in finance, economics, pay for performance, or program evaluation;

“(2) have relevant professional or personal experience in a field related to one or more of the outcomes listed in this subtitle; or

“(3) be qualified to review applications for social impact partnership projects to determine whether the proposed metrics and evaluation methodologies are
appropriately rigorous and reliant upon independent data and evidence-based research.

“(e) TIMING OF APPOINTMENTS.—The appointments of the members of the Commission shall be made not later than 120 days after the date of the enactment of this subtitle, or, in the event of a vacancy, not later than 90 days after the date the vacancy arises. If a member of Congress fails to appoint a member by that date, the President may select a member of the President’s choice on behalf of the member of Congress. Notwithstanding the preceding sentence, if not all appointments have been made to the Commission as of that date, the Commission may operate with no fewer than five members until all appointments have been made.

“(f) TERM OF APPOINTMENTS.—

“(1) IN GENERAL.—The members appointed under subsection (c) shall serve as follows:

“(A) Three members shall serve for 2 years.

“(B) Three members shall serve for 3 years.

“(C) Three members (one of which shall be Chair of the Commission appointed by the President) shall serve for 4 years.

“(2) ASSIGNMENT OF TERMS.—The Commission shall designate the term length that each member appointed under subsection (c) shall serve by unanimous agreement. In the event that unanimous agreement
cannot be reached, term lengths shall be assigned to
the members by a random process.

“(g) VACANCIES.—Subject to subsection (e), in the
event of a vacancy in the Commission, whether due to the
resignation of a member, the expiration of a member’s term,
or any other reason, the vacancy shall be filled in the man-
er in which the original appointment was made and shall
not affect the powers of the Commission.

“(h) APPOINTMENT POWER.—Members of the Commis-
sion appointed under subsection (c) shall not be subject to
confirmation by the Senate.

“LIMITATION ON USE OF FUNDS

“SEC. 2058. Of the amounts made available to carry
out this subtitle, the Secretary may not use more than
$2,000,000 in any fiscal year to support the review, ap-
proval, and oversight of social impact partnership projects,
including activities conducted by—

“(1) the Federal Interagency Council on Social
Impact Partnerships; and

“(2) any other agency consulted by the Secretary
before approving a social impact partnership project
or a feasibility study under section 2054.

“NO FEDERAL FUNDING FOR CREDIT ENHANCEMENTS

“SEC. 2059. No amount made available to carry out
this subtitle may be used to provide any insurance, guar-
antee, or other credit enhancement to a State or local gov-
ernment under which a Federal payment would be made to a State or local government as the result of a State or local government failing to achieve an outcome specified in an agreement.

``AVAILABILITY OF FUNDS``

``SEC. 2060. Amounts made available to carry out this subtitle shall remain available until 10 years after the date of the enactment of this subtitle.``

``WEBSITE``

``SEC. 2061. The Federal Interagency Council on Social Impact Partnerships shall establish and maintain a public website that shall display the following:

``(1) A copy of, or method of accessing, each notice published regarding a social impact partnership project pursuant to this subtitle.``

``(2) A copy of each feasibility study funded under this subtitle.``

``(3) For each State or local government that has entered into an agreement with the Secretary for a social impact partnership project, the website shall contain the following information:

``(A) The outcome goals of the project.``

``(B) A description of each intervention in the project.``

``(C) The target population that will be served by the project.``
“(D) The expected social benefits to participants who receive the intervention and others who may be impacted.

“(E) The detailed roles, responsibilities, and purposes of each Federal, State, or local government entity, intermediary, service provider, independent evaluator, investor, or other stakeholder.

“(F) The payment terms, methodology used to calculate outcome payments, the payment schedule, and performance thresholds.

“(G) The project budget.

“(H) The project timeline.

“(I) The project eligibility criteria.

“(J) The evaluation design.

“(K) The metrics used to determine whether the proposed outcomes have been achieved and how these metrics are measured.

“(4) A copy of the progress reports and the final reports relating to each social impact partnership project.

“(5) An estimate of the savings to the Federal, State, and local government, on a program-by-program basis and in the aggregate, resulting from the
successful completion of the social impact partnership project.

"REGULATIONS"

"SEC. 2062. The Secretary, in consultation with the Federal Interagency Council on Social Impact Partnerships, may issue regulations as necessary to carry out this subtitle.

"DEFINITIONS"

"SEC. 2063. In this subtitle:

"(1) AGENCY.—The term ‘agency’ has the meaning given that term in section 551 of title 5, United States Code.

"(2) INTERVENTION.—The term ‘intervention’ means a specific service delivered to achieve an impact through a social impact partnership project.

"(3) SECRETARY.—The term ‘Secretary’ means the Secretary of the Treasury.

"(4) SOCIAL IMPACT PARTNERSHIP PROJECT.—The term ‘social impact partnership project’ means a project that finances social services using a social impact partnership model.

"(5) SOCIAL IMPACT PARTNERSHIP MODEL.—The term ‘social impact partnership model’ means a method of financing social services in which—

“(A) Federal funds are awarded to a State or local government only if a State or local gov-
ernment achieves certain outcomes agreed on by
the State or local government and the Secretary;
and
“(B) the State or local government coordi-
nates with service providers, investors (if appli-
cable to the project), and (if necessary) an inter-
mediary to identify—
“(i) an intervention expected to
produce the outcome;
“(ii) a service provider to deliver the
intervention to the target population; and
“(iii) investors to fund the delivery of
the intervention.
“(6) STATE.—The term ‘State’ means each State
of the United States, the District of Columbia, each
commonwealth, territory or possession of the United
States, and each federally recognized Indian tribe.

“FUNDING

“SEC. 2064. Out of any money in the Treasury of the
United States not otherwise appropriated, there is hereby
appropriated $92,000,000 for fiscal year 2018 to carry out
this subtitle.”.
Subtitle C—Modernizing Child Support Enforcement Fees

SEC. 2691. MODERNIZING CHILD SUPPORT ENFORCEMENT FEES.

(a) In General.—Section 454(6)(B)(ii) of the Social Security Act (42 U.S.C. 654(6)(B)(ii)) is amended—

(1) by striking “$25” and inserting “$35”; and

(2) by striking “$500” each place it appears and inserting “$550”.

(b) Effective Date.—

(1) In General.—The amendment made by subsection (a) shall take effect on the 1st day of the 1st fiscal year that begins on or after the date of the enactment of this Act, and shall apply to payments under part D of title IV of the Social Security Act for calendar quarters beginning on or after such 1st day.

(2) Delay permitted if state legislation required.—If the Secretary of Health and Human Services determines that State legislation (other than legislation appropriating funds) is required in order for a State plan developed pursuant to part D of title IV of the Social Security Act to meet the requirement imposed by the amendment made by subsection (a), the plan shall not be regarded as failing to meet the
requirement before the 1st day of the 1st calendar quarter beginning after the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, if the State has a 2-year legislative session, each year of the session is deemed to be a separate regular session of the State legislature.

Subtitle D—Increasing Efficiency of Prison Data Reporting

SEC. 2699. INCREASING EFFICIENCY OF PRISON DATA REPORTING.

(a) In General.—Section 1611(e)(1)(I)(i)(II) of the Social Security Act (42 U.S.C. 1382(e)(1)(I)(i)(II)) is amended by striking “30 days” each place it appears and inserting “15 days”.

(b) Effective Date.—The amendments made by subsection (a) shall apply with respect to any payment made by the Commissioner of Social Security pursuant to section 1611(e)(1)(I)(i)(II) of the Social Security Act (as amended by such subsection) on or after the date that is 6 months after the date of enactment of this Act.
TITLE VII—OFFSETS

SEC. 2701. PAYMENT FOR EARLY DISCHARGES TO HOSPICE CARE.

(a) In General.—Section 1886(d)(5)(J) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(J)) is amended—

(1) in clause (ii)—

(A) in subclause (III), by striking “or” at the end;

(B) by redesignating subclause (IV) as subclause (V); and

(C) by inserting after subclause (III) the following new subclause:

“(IV) for discharges occurring on or after October 1, 2022, is provided hospice care by a hospice program; or”;

and

(2) in clause (iv)—

(A) by inserting after the first sentence the following new sentence: “The Secretary shall include in the proposed rule published for fiscal year 2023, a description of the effect of clause (ii)(IV).”; and

(B) in subclause (I), by striking “and (III)” and inserting “(III), and, in the case of
proposed and final rules for fiscal year 2023 and subsequent fiscal years, (IV)”.

(b) MedPAC Evaluation and Report on Hospital to Hospice Transfers.—

(1) Evaluation.—The Medicare Payment Advisory Commission (in this subsection referred to as the “Commission”) shall conduct an evaluation of the effects of the amendments made by subsection (a), including the effects on—

(A) the numbers of discharges of patients from an inpatient hospital setting to a hospice program;

(B) the lengths of stays of patients in an in-patient hospital setting who are discharged to a hospice program;

(C) spending under the Medicare program under title XVIII of the Social Security Act; and

(D) other areas determined appropriate by the Commission.

(2) Consideration.—In conducting the evaluation under paragraph (1), the Commission shall consider factors such as whether the timely access to hospice care by patients admitted to a hospital has been affected through changes to hospital policies or behaviors made as a result of such amendments.
(3) **PRELIMINARY RESULTS.**—Not later than March 15, 2024, the Commission shall provide Congress with preliminary results on the evaluation being conducted under paragraph (1).

(4) **REPORT.**—Not later than March 15, 2025, the Commission shall submit to Congress a report on the evaluation conducted under paragraph (1).

**SEC. 2702. HOME HEALTH MARKET BASKET REDUCTION.**

Section 1895(b)(3)(B) of the Social Security Act (42 U.S.C. 1395fff(b)(3)(B)) is amended—

(1) in clause (iii), in the last sentence, by inserting before the period at the end the following: “and for 2020 shall be 1.5 percent”; and

(2) in clause (vi), by inserting “and 2020” after “except 2018”.

**SEC. 2703. REDUCTION FOR NON-EMERGENCY ESRD AMBULANCE TRANSPORTS.**

Section 1834(l)(15) of the Social Security Act (42 U.S.C. 1395m(l)(15)) is amended by striking “on or after October 1, 2013” and inserting “during the period beginning on October 1, 2013, and ending on September 30, 2018, and by 23 percent for such services furnished on or after October 1, 2018”.
SEC. 2704. EXTENSION OF TARGET FOR RELATIVE VALUE ADJUSTMENTS FOR MISVALUED SERVICES AND TRANSITIONAL PAYMENT RULES FOR CERTAIN RADIATION THERAPY SERVICES UNDER THE PHYSICIAN FEE SCHEDULE.

Section 1848 of the Social Security Act (42 U.S.C. 1395w–4) is amended—

(1) in subsection (b)(11), by striking “2017 and 2018” and inserting “2017, 2018, and 2019”; and

(2) in subsection (c)(2)—

(A) in subparagraph (K)(iv), by striking “2017 and 2018” and inserting “2017, 2018, and 2019”; and

(B) in subparagraph (O), by striking “2018” and inserting “2019”.

SEC. 2705. DELAY IN AUTHORITY TO TERMINATE CONTRACTS FOR MEDICARE ADVANTAGE PLANS FAILING TO ACHIEVE MINIMUM QUALITY RATINGS.

Section 1857(h)(3) of the Social Security Act (42 U.S.C. 1395w–27(h)(3)) is amended by striking “2018” and inserting “2027”.

SEC. 2706. MEDICARE IMPROVEMENT FUND.

Section 1898(b)(1) of the Social Security Act (42 U.S.C. 1395iii(b)(1)) is amended by striking “during and after fiscal year 2021” and all that follows through the pe-
period at the end and inserting “during and after fiscal year 2021, $0.”.

SEC. 2707. PAYMENT FOR OUTPATIENT PHYSICAL THERAPY SERVICES AND OUTPATIENT OCCUPATIONAL THERAPY SERVICES FURNISHED BY A THERAPY ASSISTANT.

Section 1834 of the Social Security Act (42 U.S.C. 1395m), as amended by sections 2204 and 2414, is further amended by adding at the end the following new subsection:

“(x) PAYMENT FOR OUTPATIENT PHYSICAL THERAPY SERVICES AND OUTPATIENT OCCUPATIONAL THERAPY SERVICES FURNISHED BY A THERAPY ASSISTANT.—

“(1) IN GENERAL.—In the case of an outpatient physical therapy service or outpatient occupational therapy service furnished on or after January 1, 2022, for which payment is made under section 1848 or subsection (k), that is furnished in whole or in part by a therapy assistant (as defined by the Secretary), the amount of payment for such service shall be an amount equal to 85 percent of the amount of payment otherwise applicable for the service under this part. Nothing in the preceding sentence shall be construed to change applicable requirements with respect to such services.

“(2) USE OF MODIFIER.—
“(A) **ESTABLISHMENT.**—Not later than January 1, 2019, the Secretary shall establish a modifier to indicate (in a form and manner specified by the Secretary), in the case of an outpatient physical therapy service or outpatient occupational therapy service furnished in whole or in part by a therapy assistant (as so defined), that the service was furnished by a therapy assistant.

“(B) **REQUIRED USE.**—Each request for payment, or bill submitted, for an outpatient physical therapy service or outpatient occupational therapy service furnished in whole or in part by a therapy assistant (as so defined) on or after January 1, 2020, shall include the modifier established under subparagraph (A) for each such service.

“(3) **IMPLEMENTATION.**—The Secretary shall implement this subsection through notice and comment rulemaking.”.

**SEC. 2708. CHANGES TO LONG-TERM CARE HOSPITAL PAYMENTS.**

(a) **EXTENSION.**—Section 1886(m)(6)(B)(i) of the Social Security Act (42 U.S.C. 1395ww(m)(6)(B)(i)) is amended—
(1) in subclause (I), by striking “fiscal year 2016 or fiscal year 2017” and inserting “fiscal years 2016 through 2019”; and

(2) in subclause (II), by striking “2018” and inserting “2020”.

(b) TEMPORARY ADJUSTMENT TO SITE NEUTRAL PAYMENT RATES.—Section 1886(m)(6)(B) of the Social Security Act (42 U.S.C. 1395ww(m)(6)(B)) is amended—

(1) in clause (ii), in the matter preceding sub-clause (I), by striking “In this paragraph” and inserting “Subject to clause (iv), in this paragraph”; and

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

“(iv) ADJUSTMENT.—For each of fiscal years 2018 through 2026, the amount that would otherwise apply under clause (ii)(I) for the year (determined without regard to this clause) shall be reduced by 4.6 percent.”.

SEC. 2709. NON-BUDGET NEUTRAL TRANSITIONAL PASS-THROUGH PAYMENT CHANGE FOR CERTAIN PRODUCTS.

(a) IN GENERAL.—Subsection 1833(t)(6)(A)(iv) of the Social Security Act (42 U.S.C. 1395l(t)(6)(A)(iv)) is
amended by inserting “(except, beginning as of April 1, 2018, a biosimilar biological product (as defined under section 1847A(c)(6)(H)))” after “biological”.

(b) APPLICATION.—The amendment made by subsection (a) shall apply with respect to biosimilar biological products beginning on April 1, 2018, regardless of whether such products were receiving pass-through status for an additional payment under section 1833(t)(6) of the Social Security Act (42 U.S.C. 1395l(t)(6)) before such date. In the case of a product that was receiving such an additional payment pursuant to clause (iv) of subparagraph (A) of such section as of the day before such date and after application of the amendment under subsection (a) is not eligible for such an additional payment as of such date, such product may not be eligible for such an additional payment pursuant to any other clause of such subparagraph (A).

SEC. 2710. THIRD PARTY LIABILITY IN MEDICAID AND CHIP.

(a) MODIFICATION OF THIRD PARTY LIABILITY RULES RELATED TO SPECIAL TREATMENT OF CERTAIN TYPES OF CARE AND PAYMENTS.—

(1) IN GENERAL.—Section 1902(a)(25)(E) of the Social Security Act (42 U.S.C. 1396a(a)(25)(E)) is amended, in the matter preceding clause (i), by striking “prenatal or”.
(2) **Effective Date.**—The amendment made by paragraph (1) shall take effect on the date of enactment of this Act.

(b) **Delay in Effective Date and Repeal of Certain Bipartisan Budget Act of 2013 Amendments.**—

   (1) **Repeal.**—Effective as of September 30, 2017, subsection (b) of section 202 of the Bipartisan Budget Act of 2013 (Public Law 113–67; 127 Stat. 1177; 42 U.S.C. 1396a note) (including any amendments made by such subsection) is repealed and the provisions amended by such subsection shall be applied and administered as if such amendments had never been enacted.

   (2) **Delay in Effective Date.**—Subsection (c) of section 202 of the Bipartisan Budget Act of 2013 (Public Law 113–67; 127 Stat. 1177; 42 U.S.C. 1396a note) is amended to read as follows:

   “(c) **Effective Date.**—The amendments made by subsection (a) shall take effect on October 1, 2019.”.

   (3) **Effective Date; Treatment.**—The repeal and amendment made by this subsection shall take effect as if enacted on September 30, 2017, and shall apply with respect to any open claims, including claims pending, generated, or filed, after such date. The amendments made by subsections (a) and (b) of
section 202 of the Bipartisan Budget Act of 2013
(Public Law 113–67; 127 Stat. 1177; 42 U.S.C. 1396a note) that took effect on October 1, 2017, are null and void and section 1902(a)(25) of the Social Security Act (42 U.S.C. 1396a(a)(25)) shall be applied and administered as if such amendments had not taken effect on such date.

(c) GAO Study and Report.—Not later than 18 months after the date of enactment of this Act, the Controller General of the United States shall submit a report to the Committee on Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate on the impacts of the amendments made by subsections (a)(1) and (b)(2), including—

(1) the impact, or potential effect, of such amendments on access to prenatal and preventive pediatric care (including early and periodic screening, diagnostic, and treatment services) covered under State plans under such title (or waivers of such plans);

(2) the impact, or potential effect, of such amendments on access to services covered under such plans or waivers for individuals on whose behalf child support enforcement is being carried out by a State agency under part D of title IV of such Act; and
the impact, or potential effect, on providers
of services under such plans or waivers of delays in
payment or related issues that result from such
amendments.

(d) APPLICATION TO CHIP.—

(1) IN GENERAL.—Section 2107(e)(1) of the So-
cial Security Act (42 U.S.C. 1397gg(e)(1)) is amend-
ed—

(A) by redesignating subparagraphs (B)
through (R) as subparagraphs (C) through (S),
respectively; and

(B) by inserting after subparagraph (A) the
following new subparagraph:

“(B) Section 1902(a)(25) (relating to third
party liability).”.

(2) MANDATORY REPORTING.—Section
1902(a)(25)(I)(i) of the Social Security Act (42
U.S.C. 1396a(a)(25)(I)(i)) is amended—

(A) by striking “medical assistance under
the State plan” and inserting “medical assist-
ance under a State plan (or under a waiver of
the plan)”;

(B) by striking “(and, at State option,
child” and inserting “and child”; and
(C) by striking “title XXI)” and inserting “title XXI”.

SEC. 2711. TREATMENT OF LOTTERY WINNINGS AND OTHER LUMP-SUM INCOME FOR PURPOSES OF INCOME ELIGIBILITY UNDER MEDICAID.

(a) In General.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended—

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

(2) in subsection (e)(14), by adding at the end the following new subparagraph:

“(K) Treatment of certain lottery winnings and income received as a lump sum.—

“(i) In General.—In the case of an individual who is the recipient of qualified lottery winnings (pursuant to lotteries occurring on or after January 1, 2018) or qualified lump sum income (received on or after such date) and whose eligibility for medical assistance is determined based on the application of modified adjusted gross income under subparagraph (A), a State shall, in determining such eligibility, in-
clude such winnings or income (as applicable) as income received—

“(I) in the month in which such winnings or income (as applicable) is received if the amount of such winnings or income is less than $80,000;

“(II) over a period of 2 months if the amount of such winnings or income (as applicable) is greater than or equal to $80,000 but less than $90,000;

“(III) over a period of 3 months if the amount of such winnings or income (as applicable) is greater than or equal to $90,000 but less than $100,000; and

“(IV) over a period of 3 months plus 1 additional month for each increment of $10,000 of such winnings or income (as applicable) received, not to exceed a period of 120 months (for winnings or income of $1,260,000 or more), if the amount of such winnings or income is greater than or equal to $100,000.
“(ii) COUNTING IN EQUAL INSTALLMENTS.—For purposes of subclauses (II), (III), and (IV) of clause (i), winnings or income to which such subclause applies shall be counted in equal monthly installments over the period of months specified under such subclause.

“(iii) HARDSHIP EXEMPTION.—An individual whose income, by application of clause (i), exceeds the applicable eligibility threshold established by the State, shall continue to be eligible for medical assistance to the extent that the State determines, under procedures established by the State (in accordance with standards specified by the Secretary), that the denial of eligibility of the individual would cause an undue medical or financial hardship as determined on the basis of criteria established by the Secretary.

“(iv) NOTIFICATIONS AND ASSISTANCE REQUIRED IN CASE OF LOSS OF ELIGIBILITY.—A State shall, with respect to an individual who loses eligibility for medical
assistance under the State plan (or a waiver of such plan) by reason of clause (i)—

“(I) before the date on which the individual loses such eligibility, inform the individual—

“(aa) of the individual’s opportunity to enroll in a qualified health plan offered through an Exchange established under title I of the Patient Protection and Affordable Care Act during the special enrollment period specified in section 9801(f)(3) of the Internal Revenue Code of 1986 (relating to loss of Medicaid or CHIP coverage); and

“(bb) of the date on which the individual would no longer be considered ineligible by reason of clause (i) to receive medical assistance under the State plan or under any waiver of such plan and be eligible to reapply to receive such medical assistance; and
“(II) provide technical assistance to the individual seeking to enroll in such a qualified health plan.

“(v) QUALIFIED LOTTERY WINNINGS DEFINED.—In this subparagraph, the term ‘qualified lottery winnings’ means winnings from a sweepstakes, lottery, or pool described in paragraph (3) of section 4402 of the Internal Revenue Code of 1986 or a lottery operated by a multistate or multijurisdictional lottery association, including amounts awarded as a lump sum payment.

“(vi) QUALIFIED LUMP SUM INCOME DEFINED.—In this subparagraph, the term ‘qualified lump sum income’ means income that is received as a lump sum from monetary winnings from gambling (as defined by the Secretary and including gambling activities described in section 1955(b)(4) of title 18, United States Code).”.

(b) RULES OF CONSTRUCTION.—

(1) INTERCEPTION OF LOTTERY WINNINGS ALLOWED.—Nothing in the amendment made by subsection (a)(2) shall be construed as preventing a State from intercepting the State lottery winnings awarded
to an individual in the State to recover amounts paid
by the State under the State Medicaid plan under
title XIX of the Social Security Act (42 U.S.C. 1396
et seq.) for medical assistance furnished to the indi-
vidual.

(2) APPLICABILITY LIMITED TO ELIGIBILITY OF
RECIPIENT OF LOTTERY WINNINGS OR LUMP SUM IN-
COME.—Nothing in the amendment made by sub-
section (a)(2) shall be construed, with respect to a de-
termination of household income for purposes of a de-
termination of eligibility for medical assistance under
the State plan under title XIX of the Social Security
Act (42 U.S.C. 1396 et seq.) (or a waiver of such
plan) made by applying modified adjusted gross in-
come under subparagraph (A) of section 1902(e)(14)
of such Act (42 U.S.C. 1396a(e)(14)), as limiting the
eligibility for such medical assistance of any indi-
vidual that is a member of the household other than
the individual who received qualified lottery winnings
or qualified lump-sum income (as defined in subpara-
graph (K) of such section 1902(e)(14), as added by
subsection (a)(2) of this section).
SEC. 2712. MODIFYING REDUCTIONS IN MEDICAID DSH ALLOTMENTS.

Section 1923(f)(7)(A) of the Social Security Act (42 U.S.C. 1396r–4(f)(7)(A)) is amended—

(1) in clause (i), in the matter preceding subclause (I), by striking “2018” and inserting “2020”;

and

(2) in clause (ii), by striking subclauses (I) through (VIII) and inserting the following:

“(I) $4,000,000,000 for fiscal year 2020; and

“(II) $8,000,000,000 for each of fiscal years 2021 through 2025.”.

SEC. 2713. MEDICAID IMPROVEMENT FUND RESCISSION.

Section 1941(b) of the Social Security Act (42 U.S.C. 1396w–1(b)) is amended—

(1) in paragraph (1), by striking “$5,000,000” and inserting “$0”; and

(2) in paragraph (3)(A) (as added by section 3006(2)(B) of the Helping Ensure Access for Little Ones, Toddlers, and Hopeful Youth by Keeping Insurance Delivery Stable Act (Public Law 115–120)), by striking “$980,000,000” and inserting “$0”.

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SEC. 2714. SUNSETTING EXCLUSION OF BIOSIMILARS FROM MEDICARE PART D COVERAGE GAP DISCOUNT PROGRAM.

Section 1860D–14A(g)(2)(A) of the Social Security Act (42 U.S.C. 1395w–114a(g)(2)(A)) is amended by inserting “, with respect to a plan year before 2019,” after “other than”.

SEC. 2715. PREVENTION AND PUBLIC HEALTH FUND.

Section 4002(b) of the Patient Protection and Affordable Care Act (42 U.S.C. 300u–11(b)) is amended by striking paragraphs (1) through (9) and inserting the following new paragraphs:

“(1) for each of fiscal years 2018 and 2019, $900,000,000;

“(2) for each of fiscal years 2020 and 2021, $1,000,000,000;

“(3) for each of fiscal years 2022 through 2027, $1,100,000,000; and

“(4) for fiscal year 2028 and each subsequent fiscal year, $2,000,000,000.”.

DIVISION G—BUDGETARY EFFECTS

SEC. 3001. BUDGETARY EFFECTS.

(a) IN GENERAL.—The budgetary effects of division D and each succeeding division shall not be entered on either
PAYGO scorecard maintained pursuant to section 4(d) of the Statutory Pay-As-You-Go Act of 2010.

(b) Senate PAYGO Scorecards.—The budgetary effects of division D and each succeeding division shall not be entered on any PAYGO scorecard maintained for purposes of section 4106 of H. Con. Res. 71 (115th Congress).

(c) Classification of Budgetary Effects.—Notwithstanding Rule 3 of the Budget Scorekeeping Guidelines set forth in the joint explanatory statement of the committee of conference accompanying Conference Report 105–217 and section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985, the budgetary effects of division D and each succeeding division shall not be estimated—

(1) for purposes of section 251 of such Act; and

(2) for purposes of paragraph (4)(C) of section 3 of the Statutory Pay-As-You-Go Act of 2010 as being included in an appropriation Act.

Attest:

Clerk.