

CHIP MENTAL HEALTH PARITY ACT

JUNE 12, 2018.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WALDEN, from the Committee on Energy and Commerce, submitted the following

R E P O R T

[To accompany H.R. 3192]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 3192) to amend title XXI of the Social Security Act to ensure access to mental health services for children under the Children’s Health Insurance Program, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

CONTENTS

	Page
Purpose and Summary .....	2
Background and Need for Legislation .....	3
Committee Action .....	5
Committee Votes .....	6
Oversight Findings and Recommendations .....	6
New Budget Authority, Entitlement Authority, and Tax Expenditures .....	6
Congressional Budget Office Estimate .....	6
Federal Mandates Statement .....	28
Statement of General Performance Goals and Objectives .....	28
Duplication of Federal Programs .....	28
Committee Cost Estimate .....	28
Earmark, Limited Tax Benefits, and Limited Tariff Benefits .....	29
Disclosure of Directed Rule Makings .....	29
Advisory Committee Statement .....	29
Applicability to Legislative Branch .....	29
Section-by-Section Analysis of the Legislation .....	29
Changes in Existing Law Made by the Bill, as Reported .....	30

The amendment is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “CHIP Mental Health Parity Act”.

**SEC. 2. ENSURING ACCESS TO MENTAL HEALTH AND SUBSTANCE USE DISORDER SERVICES FOR CHILDREN AND PREGNANT WOMEN UNDER THE CHILDREN'S HEALTH INSURANCE PROGRAM.**

(a) **IN GENERAL.**—Section 2103(c)(1) of the Social Security Act (42 U.S.C. 1397cc(c)(1)) is amended by adding at the end the following new subparagraph:

“(E) Mental health and substance use disorder services (as defined in paragraph (5)).”.

(b) **MENTAL HEALTH AND SUBSTANCE USE DISORDER SERVICES.**—

(1) **IN GENERAL.**—Section 2103(c) of the Social Security Act (42 U.S.C. 1397cc(c)) is amended—

(A) by redesignating paragraphs (5), (6), (7), and (8) as paragraphs (6), (7), (8), and (9), respectively; and

(B) by inserting after paragraph (4) the following new paragraph:

“(5) **MENTAL HEALTH AND SUBSTANCE USE DISORDER SERVICES.**—In the case of a State that provides child health assistance for targeted low-income children or targeted low-income pregnant women (as defined in section 2112(d)) in the form of providing any health benefits coverage described in subsection (a), such child health assistance shall—

“(A) include coverage of mental health services (including behavioral health treatment) necessary to prevent, diagnose, and treat a broad range of mental health symptoms and disorders, including substance use disorders; and

“(B) be delivered in a culturally and linguistically appropriate manner.”.

(2) **CONFORMING AMENDMENTS.**—

(A) Section 2103(a) of the Social Security Act (42 U.S.C. 1397cc(a)) is amended, in the matter before paragraph (1), by striking “paragraphs (5), (6), and (7)” and inserting “paragraphs (5), (6), (7), and (8)”.

(B) Section 2110(a) of the Social Security Act (42 U.S.C. 1397jj(a)) is amended—

(i) in paragraph (18), by striking “substance abuse” each place it appears and inserting “substance use”; and

(ii) in paragraph (19), by striking “substance abuse” and inserting “substance use”.

(C) Section 2110(b)(5)(A)(i) of the Social Security Act (42 U.S.C. 1397jj(b)(5)(A)(i)) is amended by striking “subsection (c)(5)” and inserting “subsection (c)(6)”.

(c) **ASSURING ACCESS TO CARE.**—Section 2102(a)(7)(B) of the Social Security Act (42 U.S.C. 1397bb(c)(2)) is amended by striking “section 2103(c)(5)” and inserting “paragraphs (5) and (6) of section 2103(c)”.

(d) **MENTAL HEALTH SERVICES PARITY.**—Subparagraph (A) of paragraph (7) of section 2103(c) of the Social Security Act (42 U.S.C. 1397cc(c)) (as redesignated by subsection (b)(1)) is amended to read as follows:

“(A) **IN GENERAL.**—A State child health plan shall ensure that the financial requirements and treatment limitations applicable to mental health and substance use disorder services (as described in paragraph (5)) provided under such plan comply with the requirements of section 2726(a) of the Public Health Service Act in the same manner as such requirements or limitations apply to a group health plan under such section.”.

(e) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Subject to paragraph (2), the amendments made by this section shall take effect with respect to child health assistance provided on or after the date that is one year after the date of the enactment of this Act.

(2) **EXCEPTION FOR STATE LEGISLATION.**—In the case of a State child health plan under title XXI of the Social Security Act (or a waiver of such plan), which the Secretary of Health and Human Services determines requires State legislation in order for the respective plan (or waiver) to meet any requirement imposed by the amendments made by this section, the respective plan (or waiver) shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet such an additional requirement 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 section. 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 considered to be a separate regular session of the State legislature.

**PURPOSE AND SUMMARY**

H.R. 3192 was introduced on July 7, 2017, by Rep. Joseph Kennedy, III (D-MA). The bill requires comprehensive mental health

and substance use disorder services as a mandatory benefit under the CHIP program for pregnant women and children.

#### BACKGROUND AND NEED FOR LEGISLATION

Deaths due to overdoses of opioids and other drugs have ravaged American communities. According to the Centers for Disease Control and Prevention (CDC), on average, 1,000 people are treated for opioid misuse in emergency departments per day, an average of 115 Americans die per day, and opioid-related overdoses have increased steadily since 1999.<sup>1</sup>

While the impacts to Americans' health outcomes are staggering, the opioid crisis has negatively impacted society in numerous ways. The Centers for Disease Control and Prevention note that life expectancy dropped in 2015 and 2016 and that one of the reasons was an increase in unintentional injuries, a category that includes drug overdoses.<sup>2</sup> The opioid crisis has also resulted in a contraction in the labor force by almost 1 million workers in the years between 1999 and 2015, which resulted in a loss of \$702 billion in real output.<sup>3</sup> In 2015, the total economic burden of the opioid epidemic was estimated to be \$504 billion.<sup>4</sup> While all states were negatively impacted, there is geographic variation in the burden. West Virginia had the greatest loss per person (\$4,378) and Nebraska had the lowest loss per person (\$394).<sup>4</sup> One recent analysis found that the annual cost for private sector employers for treating opioid addiction and overdoses has increased more than eight-fold since 2004, and more than one in five persons aged 55 to 64 had at least one opioid prescription in 2016.<sup>5</sup>

Medicaid is the largest source of federal funding for behavioral health services—mental health and substance use disorder services—with nearly \$71 billion in projected 2017 spending.<sup>6</sup> As the Medicaid and CHIP Payment and Access Commission (MACPAC) stated in 2017, “the opioid epidemic, which has reached most communities across the U.S., disproportionately affects Medicaid beneficiaries.”<sup>7</sup> Medicaid provides care to four in ten adults with opioid use disorder and compared to other insurance types, provides a significantly higher percentage of inpatient and outpatient substance use disorder treatment.<sup>8</sup>

<sup>1</sup>Centers for Disease Control and Prevention. “Drug Overdose Death Data.” December 19, 2017. Available at <https://www.cdc.gov/drugoverdose/data/statedeaths.html>.

<sup>2</sup>Dowell, D., Arias E., Kochanek K. et al. “Contribution of Opioid-Involved Poisoning to the Change in Life Expectancy in the United States, 2000–2015.” *JAMA*, September 2017. Available at <https://jamanetwork.com/journals/jama/fullarticle/2654372>.

<sup>3</sup>American Action Forum. “The Labor Force and Output Consequences of the Opioid Crisis.” March 27, 2018. Available at <https://www.americanactionforum.org/research/labor-force-output-consequences-opioid-crisis/>.

<sup>4</sup>American Enterprise Institute. “The Geographic Variation in the Cost of the Opioid Crisis”. Available at [https://www.aei.org/wp-content/uploads/2018/03/Geographic\\_Variation\\_in\\_Cost\\_of\\_Opioid\\_Crisis.pdf](https://www.aei.org/wp-content/uploads/2018/03/Geographic_Variation_in_Cost_of_Opioid_Crisis.pdf).

<sup>5</sup>Kaiser Family Foundation, “A Look at How the Opioid Crisis Has Affected People with Employer Coverage,” April 2018. Available online at: <https://www.kff.org/health-costs/press-release/analysis-cost-of-treating-opioid-addiction-rose-rapidly-for-large-employers-as-the-number-of-prescriptions-has-declined/>.

<sup>6</sup>Government Accountability Office, “Medicaid: States Fund Services for Adults in Institutions for Mental Disease Using a Variety of Strategies,” GAO–17–652, August 2017. Available at <https://www.gao.gov/assets/690/686456.pdf>.

<sup>7</sup>Medicaid and CHIP Payment and Access Commission, “Medicaid and the Opioid Epidemic,” Chapter 2 in June 2017 *Report to Congress on Medicaid and CHIP*. Available at: <https://www.macpac.gov/wp-content/uploads/2017/06/Medicaid-and-the-Opioid-Epidemic.pdf>.

<sup>8</sup>Kaiser Family Foundation. “Medicaid’s Role in Addressing the Opioid Epidemic.” Available at <https://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>.

MACPAC found that “Medicaid beneficiaries are prescribed pain relievers at higher rates than those with other sources of insurance. They also have a higher risk of overdose and other negative outcomes, from both prescription opioids and illegal opioids such as heroin and illicitly manufactured fentanyl.”<sup>9</sup> Not only are the number of Medicaid beneficiaries with opioid misuse disproportionately high, so too are the number of overdoses. Studies from North Carolina and Washington indicate high rates of opioid-related deaths for the Medicaid population (33 percent and 45 percent, respectively).

For treatment, Medicaid has several pharmacy and medical benefits for treating opioid use disorder that vary by state. A primary pharmaceutical treatment offered to patients with opioid abuse and/or substance use disorder is medication-assisted treatment (MAT). The Substance Abuse and Mental Health Services Administration (SAMHSA) describes MAT as “the use of FDA-approved medications, in combination with counseling and behavioral therapies, to provide a ‘whole-patient’ approach to the treatment of substance use disorders.”<sup>10</sup>

Non-pharmaceutical treatment of opioid use disorder in Medicaid occurs in inpatient, outpatient, residential, and community-based settings. MACPAC’s 2017 analysis found that “Medicaid is responding to the opioid crisis by covering treatment, innovating in the delivery of care, and working with other state agencies to reduce misuse of prescription opioids.” State Medicaid programs adopt strategies and design their programs to meet the needs of their Medicaid beneficiaries resulting in variations in covered treatment services and settings. It is important state Medicaid programs provide a continuum of care to serve the needs of Medicaid beneficiaries.

However, as MACPAC noted, “there are gaps in the continuum of care, and states vary in the extent to which they cover needed treatment.” One of the barriers to appropriate treatment consistently identified by Medicaid directors and health policy experts is a statutory prohibition on federal Medicaid matching funds for paying for care for certain Medicaid beneficiaries in Institutions for Mental Diseases (IMD). As MACPAC has explained, “the Medicaid IMD exclusion acts a barrier for individuals with an opioid use disorder to receive residential treatment, which, depending on an individual’s treatment plan, may be the most appropriate setting for care.” Given these and other findings, there continues to be an opportunity for Congress and state Medicaid programs to work to improve access to timely, high-quality treatment across the continuum of care.

States may design their CHIP programs in three ways. They may cover eligible children under their Medicaid programs (i.e., CHIP Medicaid expansion), create a separate CHIP program, or adopt a combination approach where the state operates a CHIP Medicaid expansion and one or more separate CHIP programs concurrently. Regardless of the choice of benefit design, all states must cover emergency services, well-baby and well-child care, including age-appropriate immunizations, vision, and dental services under CHIP. All CHIP programs cover some level of outpatient and inpa-

<sup>9</sup> Medicaid and CHIP Payment and Access Commission, “Medicaid and the Opioid Epidemic,” Chapter 2 in June 2017 *Report to Congress on Medicaid and CHIP*. Available at: <https://www.macpac.gov/wp-content/uploads/2017/06/Medicaid-and-the-Opioid-Epidemic.pdf>.

<sup>10</sup> See SAMHSA website. Available at: <https://www.samhsa.gov/medication-assisted-treatment>.

tient mental health services, but not all cover substance use disorder treatment.<sup>11</sup>

In general, states with CHIP Medicaid expansion programs must provide CHIP-eligible children with the same benefits provided to children enrolled in the Medicaid program. Under Medicaid, states are required to provide Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services, which covers health screenings and services, including assessments of each child’s physical and mental health development. States are required to provide all federally allowed treatment to correct problems identified through screenings—including mental health, substance use disorder, and behavioral health treatment needs. EPSDT sets Medicaid benefit coverage for children (including CHIP children) apart from other sources of health insurance in that it permits coverage of all services listed in Medicaid statute (regardless of whether a given benefit is covered in the state plan). Coverage of EPSDT is deemed to be compliant with mental health parity, including the financial requirements and treatment limitations for individuals entitled to such benefits.<sup>12 13</sup>

States that offer separate CHIP programs have more latitude in designing benefit coverage, and benefits must be on par with an approved benchmark plan. Such states can determine which services to cover and may place limits on the services that they offer. States are not required to offer mental health services and substance use disorder services (including behavioral health treatment) under separate CHIP programs. However, if offered, such services must meet federal mental health parity requirements related to financial requirements and treatment limitations for such benefits.<sup>14</sup> This benefit coverage must be benchmarked to one of the following: a federal employees health benefits program equivalent, state employee coverage, or coverage offered through a health maintenance organization.<sup>15</sup> The benchmark can also be an existing comprehensive state-based program or one approved by the Secretary. Reviews of separate CHIP programs found that nearly all covered outpatient and inpatient substance use disorder services.<sup>16</sup> In addition, the level of benefits offered varied greatly.

#### COMMITTEE ACTION

On April 11 and 12, 2018, the Subcommittee on Health held a hearing on H.R. 3192. The Subcommittee received testimony from:

- Kimberly Brandt, Principal Deputy Administrator for Operations, Centers for Medicare and Medicaid Services, U.S. Department of Health and Human Services;

<sup>11</sup> Kaiser Family Foundation, “The Impact of the Children’s Health Insurance Program (CHIP): What Does the Research Tell US?”, July 17, 2014. Available at: <https://www.kff.org/report-section/the-impact-of-the-childrens-health-insurance-program-chip-issue-brief/>.

<sup>12</sup> § 1937(b)(6)(B) of the Social Security Act (SSA); 42 C.F.R. § 440.395(c).

<sup>13</sup> Financial requirements refer to deductibles, copayments, coinsurance, or out of pocket maximums, while treatment limitations include limits on frequency of treatment, number of visits, days of coverage, or other similar limits on scope of coverage.

<sup>14</sup> SSA § 2103(c)(6)(A).

<sup>15</sup> Section 2103 of the Social Security Act.

<sup>16</sup> Anita Cardwell, et al., National Academy for State Health Policy and Georgetown University Health Policy Institute, Center for Children and Families; Benefits and Cost Sharing in Separate CHIP Programs, May 2014. Available at <http://ccf.georgetown.edu/wp-content/uploads/2014/05/Benefits-and-Cost-Sharing-in-Separate-CHIP-Programs.pdf>.

- Michael Botticelli, Executive Director, Grayken Center for Addiction, Boston Medical Center;
- Toby Douglas, Senior Vice President, Medicaid Solutions, Centene Corporation;
- David Guth, Chief Executive Officer, Centerstone;
- John Kravitz, Chief Information Officer, Geisinger Health System; and,
- Sam Srivastava, Chief Executive Officer, Magellan Health.

On April 25, 2018, the Subcommittee on Health met in open markup session and forwarded H.R. 3192, without amendment, to the full Committee by a voice vote. On May 17, 2018, the full Committee on Energy and Commerce met in open markup session and ordered H.R. 3192, as amended, favorably reported to the House by a voice vote.

#### COMMITTEE VOTES

Clause 3(b) of rule XIII requires the Committee to list the record votes on the motion to report legislation and amendments thereto. There were no record votes taken in connection with ordering H.R. 3192 reported.

#### OVERSIGHT FINDINGS AND RECOMMENDATIONS

Pursuant to clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII, the Committee held a hearing and made findings that are reflected in this report.

#### NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII, the Committee finds that H.R. 3192 would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

#### CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, June 6, 2018.*

Hon. GREG WALDEN,  
*Chairman, Committee on Energy and Commerce,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed document with cost estimates for the opioid-related legislation ordered to be reported on May 9 and May 17, 2018.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Tom Bradley and Chad Chirico.

Sincerely,

MARK P. HADLEY  
(For Keith Hall, Director).

Enclosure.

*Opioid Legislation*

Summary: On May 9 and May 17, 2018, the House Committee on Energy and Commerce ordered 59 bills to be reported related to the nation's response to the opioid epidemic. Generally, the bills would:

- Provide grants to facilities and providers that treat people with substance use disorders,
- Direct various agencies within the Department of Health and Human Services (HHS) to explore nonopioid approaches to treating pain and to educate providers about those alternatives,
- Modify requirements under Medicaid and Medicare for prescribing controlled substances,
- Expand Medicaid coverage for substance abuse treatment, and
- Direct the Food and Drug Administration (FDA) to modify its oversight of opioid drugs and other medications that are used to manage pain.

Because of the large number of related bills ordered reported by the Committee, CBO is publishing a single comprehensive document that includes estimates for each piece of legislation.

CBO estimates that enacting 20 of the bills would affect direct spending, and 2 of the bills would affect revenues; therefore, pay-as-you-go procedures apply for those bills.

CBO estimates that enacting H.R. 4998, the Health Insurance for Former Foster Youth Act, would increase net direct spending by more than \$2.5 billion and on-budget deficits by more than \$5 billion in at least one of the four consecutive 10-year periods beginning in 2029. None of the remaining 58 bills included in this estimate would increase net direct spending by more than \$2.5 billion or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2029.

One of the bills reviewed for this document, H.R. 5795, would impose both intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the costs of those mandates on public and private entities would fall below the thresholds in UMRA (\$80 million and \$160 million, respectively, in 2018, adjusted annually for inflation). Five bills, H.R. 5228, H.R. 5333, H.R. 5554, H.R. 5687, and H.R. 5811, would impose private-sector mandates as defined in UMRA. CBO estimates that the costs of the mandates in three of the bills (H.R. 5333, H.R. 5554, and H.R. 5811) would not exceed the UMRA threshold for private entities. Because CBO is uncertain how federal agencies would implement new authority granted in the other two bills, H.R. 5228 and H.R. 5687, CBO cannot determine whether the costs of those mandates would exceed the UMRA threshold.

Estimated cost to the Federal Government: The estimates in this document do not include the effects of interactions among the bills. If all 59 bills were combined and enacted as one piece of legislation, the budgetary effects would be different from the sum of the estimates in this document, although CBO expects that any such differences would be small. The costs of this legislation fall within

budget functions 550 (health), 570 (Medicare), 750 (administration of justice), and 800 general government).

Basis of estimate: For this estimate, CBO assumes that all of the legislation will be enacted late in 2018 and that authorized and estimated amounts will be appropriated each year. Outlays for discretionary programs are estimated based on historical spending patterns for similar programs.

*Uncertainty*

CBO aims to produce estimates that generally reflect the middle of a range of the most likely budgetary outcomes that would result if the legislation was enacted. Because data on the utilization of mental health and substance abuse treatment under Medicaid and Medicare is scarce, CBO cannot precisely predict how patients or providers would respond to some policy changes or what budgetary effects would result. In addition, several of the bills would give the Department of Health and Human Services (HHS) considerable latitude in designing and implementing policies. Budgetary effects could differ from those provided in CBO's analyses depending on those decisions.

*Direct spending and revenues*

Table 1 lists the 22 bills of the 59 ordered to be reported that would affect direct spending or revenues.



TABLE 1.—ESTIMATED CHANGES IN MANDATORY SPENDING AND REVENUES

By fiscal year, in millions of dollars—

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019– 2023	2019–2028
<b>INCREASES OR DECREASES (–) IN DIRECT SPENDING</b>													
Legislation Primarily Affecting Medicaid:													
H.R. 1925, At-Risk Youth Medicaid Protection Act of 2017 .....	0	*	5	5	5	10	10	10	10	10	10	25	75
H.R. 4998, Health Insurance for Former Foster Youth Act .....	0	0	0	0	0	*	10	21	33	46	61	*	171
H.R. 5477, Rural Development of Opioid Capacity Services Act .....	0	13	35	58	68	83	27	9	3	3	3	256	301
H.R. 5583, a bill to amend title XI of the Social Security Act to require States to annually report on certain adult health quality measures, and for other purposes .....	0	*	*	*	*	*	*	*	*	*	*	*	*
H.R. 5797, IMD CARE Act .....	0	38	158	251	265	279	0	0	0	0	0	991	991
H.R. 5799, Medicaid DRUG Improvement Act <sup>a</sup> .....	0	*	*	1	1	1	1	1	1	1	1	2	5
H.R. 5801, Medicaid Providers Are Required To Note Experiences in Record Systems to Help In-Need Patients (PARTNERSHIP) Act <sup>a</sup> .....	0	*	*	*	*	*	*	*	*	*	*	*	*
H.R. 5808, Medicaid Pharmaceutical Home Act of 2018 <sup>a</sup> .....	0	*	-1	-1	-1	-1	-2	-2	-2	-2	-2	-4	-13
H.R. 5810, Medicaid Health HOME Act .....	0	94	58	62	56	52	48	43	38	32	25	323	509
Legislation Primarily Affecting Medicare:													
H.R. 3528, Every Prescription Conveyed Securely Act .....	0	0	0	-24	-35	-33	-30	-33	-32	-31	-32	-92	-250
H.R. 4841, Standardizing Electronic Prior Authorization for Safe Prescribing Act of 2018 .....	0	0	0	*	*	*	*	*	*	*	*	*	*
H.R. 5603, Access to Telehealth Services for Opioid Use Disorders Act .....	0	2	*	*	*	1	1	1	2	2	2	3	11
H.R. 5605, Advancing High Quality Treatment for Opioid Use Disorders in Medicare Act .....	0	0	0	15	26	24	23	23	10	1	*	65	122
H.R. 5675, a bill to amend title XVIII of the Social Security Act to require prescription drug plan sponsors under the Medicare program to establish drug management programs for at-risk beneficiaries .....	0	0	0	-6	-7	-7	-7	-8	-9	-9	-11	-20	-64
H.R. 5684, Protecting Seniors From Opioid Abuse Act .....	0	0	0	*	*	*	*	*	*	*	*	*	*
H.R. 5796, Responsible Education Achieves Care and Healthy Outcomes for Users' Treatment Act of 2018 .....	0	10	25	50	10	5	0	0	0	0	0	100	100
H.R. 5798, Opioid Screening and Chronic Pain Management Alternatives for Seniors Act .....	0	0	*	1	1	1	1	1	1	1	1	2	5
H.R. 5804, Post-Surgical Injections as an Opioid Alternative Act <sup>a</sup> .....	0	0	25	30	25	20	10	5	0	0	0	100	115
H.R. 5809, Postoperative Opioid Prevention Act of 2018 .....	0	0	0	0	10	15	20	25	30	35	45	25	180
Legislation Primarily Affecting the Food and Drug Administration:													

TABLE 1.—ESTIMATED CHANGES IN MANDATORY SPENDING AND REVENUES—Continued

	By fiscal year, in millions of dollars—												
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019– 2023	2019–2028
H.R. 5333, Over-the-Counter Monograph Safety, Innovation, and Reform Act of 2018 <sup>a</sup> .....	0	0	*	*	*	*	*	*	*	*	*	*	*
H.R. 5752, Stop Illicit Drug Importation Act of 2018 .....	0	*	*	*	*	*	*	*	*	*	*	*	*
<b>INCREASES OR DECREASES (–) IN REVENUES<sup>b</sup></b>													

Annual amounts may not sum to totals because of rounding. \* = between –\$500,000 and \$500,000. Budget authority is equivalent to outlays.

<sup>a</sup>This bill also would affect spending subject to appropriation.

<sup>b</sup>One additional bill, H.R. 5228, the Stop Counterfeit Drugs by Regulating and Enhancing Enforcement Now Act, would have a negligible effect on revenues.

Legislation Primarily Affecting Medicaid. The following nine bills would affect direct spending for the Medicaid program.

*H.R. 1925, the At-Risk Youth Medicaid Protection Act of 2017*, would require states to suspend, rather than terminate, Medicaid eligibility for juvenile enrollees (generally under 21 years of age) who become inmates of public correctional institutions. States also would have to redetermine those enrollees' Medicaid eligibility before their release and restore their coverage upon release if they qualify for the program. States would be required to process Medicaid applications submitted by or on behalf of juveniles in public correctional institutions who were not enrolled in Medicaid before becoming inmates and ensure that Medicaid coverage is provided when they are released if they are found to be eligible. On the basis of an analysis of juvenile incarceration trends and of the per enrollee spending for Medicaid foster care children, who have a similar health profile to incarcerated juveniles, CBO estimates that implementing the bill would cost \$75 million over the 2019–2028 period.

*H.R. 4998, the Health Insurance for Former Foster Youth Act*, would require states to provide Medicaid coverage to adults up to age 25 who had aged out of foster care in any state. Under current law, such coverage is mandatory only if the former foster care youth has aged out in the state in which the individual applies for coverage. The policy also would apply to former foster children who had been in foster care upon turning 14 years of age but subsequently left foster care to enter into a legal guardianship with a kinship caregiver. The provisions would take effect respect for foster youth who turn 18 on or after January 1, 2023. On the basis of spending for Medicaid foster care children and data from the Census Bureau regarding annual migration rates between states, CBO estimates that implementing the bill would cost \$171 million over the 2019–2028 period.

*H.R. 5477, the Rural Development of Opioid Capacity Services Act*, would direct the Secretary of HHS to conduct a five-year demonstration to increase the number and ability of providers participating in Medicaid to provide treatment for substance use disorders. On the basis of an analysis of federal and state spending for treatment of substance use disorders and the prevalence of such disorders, CBO estimates that enacting the bill would increase direct spending by \$301 million over the 2019–2028 period.

*H.R. 5583, a bill to amend title XI of the Social Security Act to require States to annually report on certain adult health quality measures, and for other purposes*, would require states to include behavioral health indicators in their annual reports on the quality of care under Medicaid. Although the bill would add a requirement for states, CBO estimates that its enactment would not have a significant budgetary effect because most states have systems in place for reporting such measures to the federal government.

*H.R. 5797, the IMD CARE Act*, would expand Medicaid coverage for people with opioid use disorder who are in institutions for mental disease (IMDs) for up to 30 days per year. Under a current-law policy known as the IMD exclusion, the federal government generally does not make matching payments to state Medicaid programs for most services provided by IMDs to adults between the ages of 21 and 64. Recent administrative changes have made fed-

eral financing for IMDs available in limited circumstances, but the statutory prohibition remains in place. CBO analyzed several data sets, primarily those collected by the Substance Abuse and Mental Health Services Administration (SAMHSA), to estimate current federal spending under Medicaid for IMD services and to estimate spending under H.R. 5797. Using that analysis, CBO estimates that enacting H.R. 5797 would increase direct spending by \$991 million over the 2019–2028 period.

*H.R. 5799, the Medicaid DRUG Improvement Act*, would require state Medicaid programs to implement additional reviews of opioid prescriptions, monitor concurrent prescribing of opioids and certain other drugs, and monitor use of antipsychotic drugs by children. CBO estimates that the bill would increase direct spending by \$5 million over 2019–2028 period to cover the administrative costs of complying with those requirements. On the basis of stakeholder feedback, CBO expects that the bill would not have a significant effect on Medicaid spending for prescription drugs because many of the bill's requirements would duplicate current efforts to curb opioid and antipsychotic drug use. (If enacted, H.R. 5799 also would affect spending subject to appropriation; CBO has not completed an estimate of that amount.)

*H.R. 5801, the Medicaid Providers Are Required To Note Experiences in Record Systems to Help In-Need Patients (PARTNERSHIP) Act*, would require providers who are permitted to prescribe controlled substances and who participate in Medicaid to query prescription drug monitoring programs (PDMPs) before prescribing controlled substances to Medicaid patients. PDMPs are statewide electronic databases that collect data on controlled substances dispensed in the state. The bill also would require PDMPs to comply with certain data and system criteria, and it would provide additional federal matching funds to certain states to help cover administrative costs. On the basis of a literature review and stakeholder feedback, CBO estimates that the net budgetary effect of enacting H.R. 5801 would be insignificant. Costs for states to come into compliance with the systems and administrative requirements would be roughly offset by savings from small reductions in the number of controlled substances paid for by Medicaid under the proposal. (If enacted, H.R. 5801 also would affect spending subject to appropriation; CBO has not completed an estimate of that amount.)

*H.R. 5808, the Medicaid Pharmaceutical Home Act of 2018*, would require state Medicaid programs to operate pharmacy programs that would identify people at high risk of abusing controlled substances and require those patients to use a limited number of providers and pharmacies. Although nearly all state Medicaid programs currently meet such a requirement, a small number of high-risk Medicaid beneficiaries are not now monitored. Based on an analysis of information about similar state and federal programs, CBO estimates that net Medicaid spending under the bill would decrease by \$13 million over the 2019–2028 period. That amount represents a small increase in administrative costs and a small reduction in the number of controlled substances paid for by Medicaid under the proposal. (If enacted, H.R. 5808 also would affect spending subject to appropriation; CBO has not completed an estimate of that amount.)

*H.R. 5810, the Medicaid Health HOME Act*, would allow states to receive six months of enhanced federal Medicaid funding for programs that coordinate care for people with substance use disorders. Based on enrollment and spending data from states that currently participate in Medicaid's Health Homes program, CBO estimates that the expansion would cost approximately \$469 million over the 2019–2028 period. The bill also would require states to cover all FDA-approved drugs used in medication-assisted treatment for five years, although states could seek a waiver from that requirement. (Medication-assisted treatment combines behavioral therapy and pharmaceutical treatment for substance use disorders.) Under current law, states already cover most FDA-approved drugs used in such programs in some capacity, although a few exclude methadone dispensed by opioid treatment programs. CBO estimates that a small share of those states would begin to cover methadone if this bill was enacted at a federal cost of about \$39 million over the 2019–2028 period. In sum, CBO estimates that the enacting H.R. 5810 would increase direct spending by \$509 million over the 2019–2028 period.

Legislation Primarily Affecting Medicare. The following ten bills would affect direct spending for the Medicare program.

*H.R. 3528, the Every Prescription Conveyed Securely Act*, would require prescriptions for controlled substances covered under Medicare Part D to be transmitted electronically, starting on January 1, 2021. Based on CBO's analysis of prescription drug spending, spending for controlled substances is a small share of total drug spending. CBO also assumes a small share of those prescriptions would not be filed because they are not converted to an electronic format. Therefore, CBO expects that enacting H.R. 3528 would reduce the number of prescriptions filled and estimates that Medicare spending be reduced by \$250 million over the 2019–2028 period.

*H.R. 4841, the Standardizing Electronic Prior Authorization for Safe Prescribing Act of 2018*, would require health care professionals to submit prior authorization requests electronically, starting on January 1, 2021, for drugs covered under Medicare Part D. Taking into account that many prescribers already use electronic methods to submit such requests, CBO estimates that enacting H.R. 4841 would not significantly affect direct spending for Part D.

*H.R. 5603, the Access to Telehealth Services for Opioid Use Disorders Act*, would permit the Secretary of HHS to lift current geographic and other restrictions on coverage of telehealth services under Medicare for treatment of substance use disorders or co-occurring mental health disorders. Under the bill, the Secretary of HHS would be directed to encourage other payers to coordinate payments for opioid use disorder treatments and to evaluate the extent to which the demonstration reduces hospitalizations, increases the use of medication-assisted treatments, and improves the health outcomes of individuals with opioid use disorders during and after the demonstration. Based on current use of Medicare telehealth services for treatment of substance use disorders, CBO estimates that expanding that coverage would increase direct spending by \$11 million over the 2019–2028 period.

*H.R. 5605, the Advancing High Quality Treatment for Opioid Use Disorders in Medicare Act*, would establish a five-year demonstra-

tion program to increase access to treatment for opioid use disorder. The demonstration would provide incentive payments and funding for care management services based on criteria such as patient engagement, use of evidence-based treatments, and treatment length and intensity. Under the bill, the Secretary of HHS would be directed to encourage other payers to coordinate payments for opioid use disorder treatments and to evaluate the extent to which the demonstration reduces hospitalizations, increases the use of medication-assisted treatments, and improves the health outcomes of individuals with opioid use disorders during and after the demonstration. Based on historical utilization of opioid use disorder treatments and projected spending on incentive payments and care management fees, CBO estimates that increased use of treatment services and the demonstration's incentive payments would increase direct spending by \$122 million over the 2019–2028 period.

*H.R. 5675, a bill to amend title XVIII of the Social Security Act to require prescription drug plan sponsors under the Medicare program to establish drug management programs for at-risk beneficiaries*, would require Part D prescription drug plans to provide drug management programs for Medicare beneficiaries who are at risk for prescription drug abuse. (Under current law, Part D plans are permitted but not required to establish such programs as of 2019.) Based on an analysis of the number of plans currently providing those programs, CBO estimates that enacting H.R. 5675 would lower federal spending by \$64 million over the 2019–2028 period by reducing the number of prescriptions filled and Medicare's payments for controlled substances.

*H.R. 5684, the Protecting Seniors From Opioid Abuse Act*, would expand medication therapy management programs under Medicare Part D to include beneficiaries who are at risk for prescription drug abuse. Because relatively few beneficiaries would be affected by this bill, CBO estimates that its enactment would not significantly affect direct spending for Part D.

*H.R. 5796, the Responsible Education Achieves Care and Healthy Outcomes for Users' Treatment Act of 2018*, would allow the Secretary of HHS to award grants to certain organizations that provide technical assistance and education to high-volume prescribers of opioids. The bill would appropriate \$100 million for fiscal year 2019. Based on historical spending patterns for similar activities, CBO estimates that implementing H.R. 5796 would cost \$100 million over the 2019–2028 period.

*H.R. 5798, the Opioid Screening and Chronic Pain Management Alternatives for Seniors Act*, would add an assessment of current opioid prescriptions and screening for opioid use disorder to the Welcome to Medicare Initial Preventive Physical Examination. Based on historical use of the examinations and pain management alternatives, CBO expects that enacting the bill would increase use of pain management services and estimates that direct spending would increase by \$5 million over the 2019–2028 period.

*H.R. 5804, the Post-Surgical Injections as an Opioid Alternative Act*, would freeze the Medicare payment rate for certain analgesic injections provided in ambulatory surgical centers (ASCs). (For injections identified by specific billing codes, Medicare would pay the 2016 rate, which is higher than the current rate, during the 2020–2024 period.) Based on current utilization in the ASC setting, CBO

estimates that enacting the legislation would increase direct spending by about \$115 million over the 2019–2028 period. (If enacted, H.R. 5804 also would affect spending subject to appropriation; see Table 3.)

*H.R. 5809, the Postoperative Opioid Prevention Act of 2018*, would create an additional payment under Medicare for nonopioid analgesics. Under current law, certain new drugs and devices may receive an additional payment—separate from the bundled payment for a surgical procedure—in outpatient hospital departments and ambulatory surgical centers. The bill would allow nonopioid analgesics to qualify for a five-year period of additional payments. Based on its assessment of current spending for analgesics and on the probability of new nonopioid analgesics coming to market, CBO estimates that H.R. 5809 would increase direct spending by about \$180 million over the 2019–2028 period.

Legislation Primarily Affecting the Food and Drug Administration. One bill related to the FDA would affect direct spending.

*H.R. 5333, the Over-the-Counter Monograph Safety, Innovation, and Reform Act of 2018*, would change the way that the FDA regulates the marketing of over-the-counter (OTC) medicines, and it would authorize that agency to grant 18 months of exclusive market protection for certain qualifying OTC drugs, thus delaying the entry of other versions of the same qualifying OTC product. Medicaid currently provides some coverage for OTC medicines, but only if a medicine is the least costly alternative in its drug class. On the basis of stakeholder feedback, CBO expects that delaying the availability of additional OTC versions of a drug would not significantly affect the average net price paid by Medicaid. As a result, CBO estimates that enacting H.R. 5333 would have a negligible effect on the federal budget. (If enacted, H.R. 5333 also would affect spending subject to appropriation; see Table 3.)

Legislation with Revenue Effects. Two bills would affect revenues. However, CBO estimates that one bill, H.R. 5228, the Stop Counterfeit Drugs by Regulating and Enhancing Enforcement Now Act, would have only a negligible effect.

*H.R. 5752, the Stop Illicit Drug Importation Act of 2018*, would amend the Federal Food, Drug, and Cosmetic Act (FDCA) to strengthen the FDA’s seizure powers and enhance its authority to detain, refuse, seize, or destroy illegal products offered for import. The legislation would subject more people to debarment under the FDCA and thus increase the potential for violations, and subsequently, the assessment of civil penalties, which are recorded in the budget as revenues. CBO estimates that those collections would result in an insignificant increase in revenues. Because H.R. 5752 would prohibit the importation of drugs that are in the process of being scheduled, it also could reduce amounts collected in customs duties. CBO anticipates that the result would be a negligible decrease in revenues. With those results taken together, CBO estimates, enacting H.R. 5752 would generate an insignificant net increase in revenues over the 2019–2028 period.

#### *Spending subject to appropriation*

For this document, CBO has grouped bills with spending that would be subject to appropriation into four general categories:

- Bills that would have no budgetary effect,

- Bills with provisions that would authorize specified amounts to be appropriated (see Table 2),
- Bills with provisions for which CBO has estimated an authorization of appropriations (see Table 3), and
- Bills with provisions that would affect spending subject to appropriation for which CBO has not yet completed an estimate.

No Budgetary Effect. CBO estimates that 6 of the 59 bills would have no effect on direct spending, revenues, or spending subject to appropriation.

*H.R. 3192, the CHIP Mental Health Parity Act*, would require all Children’s Health Insurance Program (CHIP) plans to cover mental health and substance abuse treatment. In addition, states would not be allowed to impose financial or utilization limits on mental health treatment that are lower than limits placed on physical health treatment. Based on information from the Centers for Medicare and Medicaid Services, CBO estimates that enacting the bill would have no budgetary effect because all CHIP enrollees are already in plans that meet those requirements.

*H.R. 3331, a bill to amend title XI of the Social Security Act to promote testing of incentive payments for behavioral health providers for adoption and use of certified electronic health record technology*, would give the Center for Medicare and Medicaid Innovation (CMMI) explicit authorization to test a program offering incentive payments to behavioral health providers that adopt and use certified electronic health record technology. Because it is already clear to CMMI that it has that authority, CBO estimates that enacting the legislation would not affect federal spending.

*H.R. 5202, the Ensuring Patient Access to Substance Use Disorder Treatments Act of 2018*, would clarify permission for pharmacists to deliver controlled substances to providers under certain circumstances. Because this provision would codify current practice, CBO estimates that H.R. 5202 would not affect direct spending or revenues during the 2019–2028 period.

*H.R. 5685, the Medicare Opioid Safety Education Act of 2018*, would require the Secretary of HHS to include information on opioid use, pain management, and nonopioid pain management treatments in future editions of *Medicare & You*, the program’s handbook for beneficiaries, starting on January 1, 2019. Because H.R. 5685 would add information to an existing administrative document, CBO estimates that enacting the bill would have no budgetary effect.

*H.R. 5686, the Medicare Clear Health Options in Care for Enrollees Act of 2018*, would require prescription drug plans that provide coverage under Medicare Part D to furnish information to beneficiaries about the risks of opioid use and the availability of alternative treatments for pain. CBO estimates that enacting the bill would not affect direct spending because the required activities would not impose significant administrative costs.

*H.R. 5716, the Commit to Opioid Medical Prescriber Accountability and Safety for Seniors Act*, would require the Secretary of HHS on an annual basis to identify high prescribers of opioids and furnish them with information about proper prescribing methods. Because HHS already has the capacity to meet those requirements,



CBO estimates that enacting that provision would not impose additional administrative costs on the agency.

Specified Authorizations. Table 2 lists the ten bills that would authorize specified amounts to be appropriated over the 2019–2023 period. Spending from those authorized amounts would be subject to appropriation.

TABLE 2.—ESTIMATED SPENDING SUBJECT TO APPROPRIATION FOR BILLS WITH SPECIFIED AUTHORIZATIONS

	By fiscal year, in millions of dollars—						
	2018	2019	2020	2021	2022	2023	2019–2023
INCREASES IN SPENDING SUBJECT TO APPROPRIATION							
H.R. 4684, Ensuring Access to Quality Sober Living Act:							
Authorization Level .....	0	3	0	0	0	0	3
Estimated Outlays .....	0	1	2	*	*	*	3
H.R. 5102, Substance Use Disorder Workforce Loan Repayment Act of 2018:							
Authorization Level .....	0	25	25	25	25	25	125
Estimated Outlays .....	0	9	19	23	25	25	100
H.R. 5176, Preventing Overdoses While in Emergency Rooms Act of 2018:							
Authorization Level .....	0	50	0	0	0	0	50
Estimated Outlays .....	0	16	26	6	2	1	50
H.R. 5197, Alternatives to Opioids (ALTO) in the Emergency Department Act:							
Authorization Level .....	0	10	10	10	0	0	30
Estimated Outlays .....	0	3	8	10	7	2	30
H.R. 5261, Treatment, Education, and Community Help to Combat Addiction Act of 2018:							
Authorization Level .....	0	4	4	4	4	4	20
Estimated Outlays .....	0	1	3	4	4	4	16
H.R. 5327, Comprehensive Opioid Recovery Centers Act of 2018:							
Authorization Level .....	0	10	10	10	10	10	50
Estimated Outlays .....	0	3	8	10	10	10	41
H.R. 5329, Poison Center Network Enhancement Act of 2018:							
Authorization Level .....	0	30	30	30	30	30	151
Estimated Outlays .....	0	12	25	29	29	29	125
H.R. 5353, Eliminating Opioid-Related Infectious Diseases Act of 2018:							
Authorization Level .....	0	40	40	40	40	40	200
Estimated Outlays .....	0	15	34	38	39	40	166
H.R. 5580, Surveillance and Testing of Opioids to Prevent Fentanyl Deaths Act of 2018:							
Authorization Level .....	30	30	30	30	30	0	120
Estimated Outlays .....	0	11	25	29	29	19	113
H.R. 5587, Peer Support Communities of Recovery Act:							
Authorization Level .....	0	15	15	15	15	15	75
Estimated Outlays .....	0	5	13	14	15	15	62

Annual amounts may not sum to totals because of rounding. \* = between zero and \$500,000.

*H.R. 4684, the Ensuring Access to Quality Sober Living Act*, would direct the Secretary of HHS to develop and disseminate best practices for organizations that operate housing designed for people recovering from substance use disorders. The bill would authorize a total of \$3 million over the 2019–2021 period for that purpose. Based on historical spending patterns for similar activities, CBO estimates that implementing *H.R. 4684* would cost \$3 million over the 2019–2023 period.

*H.R. 5102, the Substance Use Disorder Workforce Loan Repayment Act of 2018*, would establish a loan repayment program for

mental health professionals who practice in areas with few mental health providers or with high rates of death from overdose and would authorize \$25 million per year over the 2019–2028 period for that purpose. Based on historical spending patterns for similar activities, CBO estimates that implementing H.R. 5102 would cost \$100 million over the 2019–2023 period; the remaining amounts would be spent in years after 2023.

*H.R. 5176, the Preventing Overdoses While in Emergency Rooms Act of 2018*, would require the Secretary of HHS to develop protocols and a grant program for health care providers to address the needs of people who survive a drug overdose, and it would authorize \$50 million in 2019 for that purpose. Based on historical spending patterns for similar activities, CBO estimates that implementing H.R. 5176 would cost \$50 million over the 2019–2023 period.

*H.R. 5197, the Alternatives to Opioids (ALTO) in the Emergency Department Act*, would direct the Secretary of HHS to carry out a demonstration program for hospitals and emergency departments to develop alternative protocols for pain management that limit the use of opioids and would authorize \$10 million annually in grants for fiscal years 2019 through 2021. Based on historical spending patterns for similar programs, CBO estimates that implementing H.R. 5197 would cost \$30 million over the 2019–2023 period.

*H.R. 5261, the Treatment, Education, and Community Help to Combat Addiction Act of 2018*, would direct the Secretary of HHS to designate regional centers of excellence to improve the training of health professionals who treat substance use disorders. The bill would authorize \$4 million annually for grants to those programs over the 2019–2023 period. Based on historical spending patterns for similar activities, CBO estimates that implementing H.R. 5261 would cost \$16 million over the 2019–2023 period; the remaining amounts would be spent in years after 2023.

*H.R. 5327, the Comprehensive Opioid Recovery Centers Act of 2018*, would direct the Secretary of HHS to award grants to at least 10 providers that offer treatment services for people with opioid use disorder, and it would authorize \$10 million per year over the 2019–2023 period for that purpose. Based on historical spending patterns for similar activities, CBO estimates that implementing H.R. 5327 would cost \$41 million over the 2019–2023 period; the remaining amounts would be spent in years after 2023.

*H.R. 5329, the Poison Center Network Enhancement Act of 2018*, would reauthorize the poison control center toll-free number, national media campaign, and grant program under the Public Health Service Act. Among other actions, H.R. 5329 would increase the share of poison control center funding that could be provided by federal grants. The bill would authorize a total of about \$30 million per year over the 2019–2023 period. Based on historical spending patterns for similar activities, CBO estimates that implementing H.R. 5329 would cost \$125 million over the 2019–2023 period; the remaining amounts would be spent in years after 2023.

*H.R. 5353, the Eliminating Opioid Related Infectious Diseases Act of 2018*, would amend Public Health Service Act by broadening the focus of surveillance and education programs from preventing and treating hepatitis C virus to preventing and treating infections associated with injection drug use. It would authorize \$40 million

per year over 2019–2023 period for that purpose. Based on historical spending patterns for similar activities, CBO estimates that implementing H.R. 5353 would cost \$166 million over the 2019–2023 period; the remaining amounts would be spent in years after 2023.

*H.R. 5580, the Surveillance and Testing of Opioids to Prevent Fentanyl Deaths Act of 2018*, would establish a grant program for public health laboratories that conduct testing for fentanyl and other synthetic opioids. It also would direct the Centers for Disease Control and Prevention to expand its drug surveillance program, with a particular focus on collecting data on fentanyl. The bill would authorize a total of \$30 million per year over the 2018–2022 period for those activities. Based on historical spending patterns for similar activities, CBO estimates that implementing H.R. 5580 would cost \$113 million over the 2019–2023 period; the remaining amounts would be spent in years after 2023.

*H.R. 5587, Peer Support Communities of Recovery Act*, would direct the Secretary of HHS to award grants to nonprofit organizations that support community-based, peer-delivered support, including technical support for the establishment of recovery community organizations, independent, nonprofit groups led by people in recovery and their families. The bill would authorize \$15 million per year for the 2019–2023 period. Based on historical spending patterns for similar activities, CBO estimates that implementing H.R. 5587 would cost \$62 million over the 2019–2023 period; the remaining amounts would be spent in years after 2023.

Estimated Authorizations. Table 3 shows CBO’s estimates of the appropriations that would be necessary to implement 19 of the bills. Spending would be subject to appropriation of those amounts.

*H.R. 449, the Synthetic Drug Awareness Act of 2018*, would require the Surgeon General to report to the Congress on the health effects of synthetic psychoactive drugs on children between the ages of 12 and 18. Based on spending patterns for similar activities, CBO estimates that implementing H.R. 449 would cost approximately \$1 million over the 2019–2023 period.

*H.R. 4005, the Medicaid Reentry Act*, would direct the Secretary of HHS to convene a group of stakeholders to develop and report to the Congress on best practices for addressing issues related to health care faced by those returning from incarceration to their communities. The bill also would require the Secretary to issue a letter to state Medicaid directors about relevant demonstration projects. Based on an analysis of anticipated workload, CBO estimates that implementing H.R. 4005 would cost less than \$500,000 over the 2018–2023 period.

*H.R. 4275, the Empowering Pharmacists in the Fight Against Opioid Abuse Act*, would require the Secretary of HHS to develop and disseminate materials for training pharmacists, health care practitioners, and the public about the circumstances under which a pharmacist may decline to fill a prescription. Based on historical spending patterns for similar activities, CBO estimates that costs to the federal government for the development and distribution of those materials would not be significant.

TABLE 3.—ESTIMATED SPENDING SUBJECT TO APPROPRIATION FOR BILLS WITH ESTIMATED AUTHORIZATIONS

	By fiscal year, in millions of dollars—						
	2018	2019	2020	2021	2022	2023	2019–2023
<b>INCREASES IN SPENDING SUBJECT TO APPROPRIATION</b>							
H.R. 449, Synthetic Drug Awareness Act of 2018:							
Estimated Authorization Level .....	0	*	*	*	0	0	1
Estimated Outlays .....	0	*	*	*	0	0	1
H.R. 4005, Medicaid Reentry Act:							
Estimated Authorization Level .....	*	*	0	0	0	0	*
Estimated Outlays .....	*	*	0	0	0	0	*
H.R. 4275, Empowering Pharmacists in the Fight Against Opioid Abuse Act:							
Estimated Authorization Level .....	0	*	*	*	*	*	*
Estimated Outlays .....	0	*	*	*	*	*	*
H.R. 5009, Jessie’s Law:							
Estimated Authorization Level .....	0	*	*	*	*	*	*
Estimated Outlays .....	0	*	*	*	*	*	*
H.R. 5041, Safe Disposal of Unused Medication Act:							
Estimated Authorization Level .....	0	*	*	*	*	*	*
Estimated Outlays .....	0	*	*	*	*	*	*
H.R. 5272, Reinforcing Evidence-Based Standards Under Law in Treating Substance Abuse Act of 2018:							
Estimated Authorization Level .....	0	1	1	1	1	1	4
Estimated Outlays .....	0	1	1	1	1	1	4
H.R. 5333, Over-the-Counter Monograph Safety, Innovation, and Reform Act of 2018: <sup>a</sup>							
Food and Drug Administration:							
Collections from fees:							
Estimated Authorization Level .....	0	–22	–22	–26	–35	–42	–147
Estimated Outlays .....	0	–22	–22	–26	–35	–42	–147
Spending of fees:							
Estimated Authorization Level .....	0	22	22	26	35	42	147
Estimated Outlays .....	0	6	17	30	44	41	137
Net effect on FDA:							
Estimated Authorization Level .....	0	0	0	0	0	0	0
Estimated Outlays .....	0	–17	–6	4	9	*	–10
Government Accountability Office:							
Estimated Authorization Level .....	0	0	0	0	0	*	*
Estimated Outlays .....	0	0	0	0	0	*	*
<b>Total, H.R. 5333:</b>							
Estimated Authorization Level .....	0	0	0	0	0	*	*
Estimated Outlays .....	0	–17	–6	4	9	*	–10
H.R. 5473, Better Pain Management Through Better Data Act of 2018:							
Estimated Authorization Level .....	0	*	*	*	*	0	1
Estimated Outlays .....	0	*	*	*	*	*	1
H.R. 5483, Special Registration for Telemedicine Clarification Act of 2018:							
Estimated Authorization Level .....	0	*	*	*	*	*	*
Estimated Outlays .....	0	*	*	*	*	*	*
H.R. 5554, Animal Drug and Animal Generic Drug User Fee Amendments of 2018:							
Collections from fees:							
Animal drug fees .....	0	–30	–31	–32	–33	–34	–159
Generic animal drug fees .....	0	–18	–19	–19	–20	–21	–97
Total, Estimated Authorization Level .....	0	–49	–50	–51	–53	–55	–257
Total, Estimated Outlays .....	0	–49	–50	–51	–53	–55	–257
Spending of fees:							
Animal drug fees .....	0	30	31	32	33	34	159
Generic animal drug fees .....	0	18	19	19	20	21	97
Total, Estimated Authorization Level .....	0	49	50	51	53	55	257
Total, Estimated Outlays .....	0	39	47	51	52	54	243

TABLE 3.—ESTIMATED SPENDING SUBJECT TO APPROPRIATION FOR BILLS WITH ESTIMATED AUTHORIZATIONS—Continued

	By fiscal year, in millions of dollars—						
	2018	2019	2020	2021	2022	2023	2019–2023
Net changes in fees:							
Estimated Authorization Level .....	0	0	0	0	0	0	0
Estimated Outlays .....	0	–10	–3	*	*	*	–14
Other effects:							
Estimated Authorization Level .....	0	3	1	1	1	1	6
Estimated Outlays .....	0	2	1	1	1	1	6
<b>Total, H.R. 5554:</b>							
Estimated Authorization Level .....	0	3	1	1	1	1	6
Estimated Outlays .....	0	–8	–2	1	*	*	–8
H.R. 5582, Abuse Deterrent Access Act of 2018:							
Estimated Authorization Level .....	0	0	*	0	0	0	*
Estimated Outlays .....	0	0	*	0	0	0	*
H.R. 5590, Opioid Addiction Action Plan Act:							
Estimated Authorization Level .....	*	*	*	*	*	*	2
Estimated Outlays .....	*	*	*	*	*	*	2
H.R. 5687, Securing Opioids and Unused Narcotics with Deliberate Disposal and Packaging Act of 2018:							
Estimated Authorization Level .....	0	*	*	*	*	*	*
Estimated Outlays .....	0	*	*	*	*	*	*
H.R. 5715, Strengthening Partnerships to Prevent Opioid Abuse Act:							
Estimated Authorization Level .....	0	2	2	2	2	2	9
Estimated Outlays .....	0	2	2	2	2	2	9
H.R. 5789, a bill to require the Secretary of Health and Human Services to issue guidance to improve care for infants with neonatal abstinence syndrome and their mothers, and to require the Comptroller General of the United States to conduct a study on gaps in Medicaid coverage for pregnant and postpartum women with substance use disorder:							
Estimated Authorization Level .....	0	2	0	0	0	0	2
Estimated Outlays .....	0	2	0	0	0	0	2
H.R. 5795, Overdose Prevention and Patient Safety Act:							
Estimated Authorization Level .....	0	1	0	0	0	0	1
Estimated Outlays .....	0	1	0	0	0	0	1
H.R. 5800, Medicaid IMD ADDITIONAL INFO Act:							
Estimated Authorization Level .....	0	1	0	0	0	0	1
Estimated Outlays .....	0	*	*	0	0	0	1
H.R. 5804, Post-Surgical Injections as an Opioid Alternative Act: <sup>a</sup>							
Estimated Authorization Level .....	0	0	0	0	1	1	1
Estimated Outlays .....	0	0	0	0	1	1	1
H.R. 5811, a bill to amend the Federal Food, Drug, and Cosmetic Act with respect to postapproval study requirements for certain controlled substances, and for other purposes:							
Estimated Authorization Level .....	0	*	*	*	*	*	*
Estimated Outlays .....	0	*	*	*	*	*	*

Annual amounts may not sum to totals because of rounding. \* = between –\$500,000 and \$500,000.  
<sup>a</sup>This bill also would affect mandatory spending (see Table 1).

*H.R. 5009, Jessie’s Law*, would require HHS, in collaboration with outside experts, to develop best practices for displaying information about opioid use disorder in a patient’s medical record. HHS also would be required to develop and disseminate written materials annually to health care providers about what disclosures could be made while still complying with federal laws that govern health care privacy. Based on spending patterns for similar activities, CBO estimates that implementing H.R. 5009 would have an insignificant effect on spending over the 2019–2023 period.

*H.R. 5041, the Safe Disposal of Unused Medication Act*, would require hospice programs to have written policies and procedures for the disposal of controlled substances after a patient's death. Certain licensed employees of hospice programs would be permitted to assist in the disposal of controlled substances that were lawfully dispensed. Using information from the Department of Justice (DOJ), CBO estimates that implementing the bill would cost less than \$500,000 over the 2019–2023 period.

*H.R. 5272, the Reinforcing Evidence-Based Standards Under Law in Treating Substance Abuse Act of 2018*, would require the newly established National Mental Health and Substance Use Policy Laboratory to issue guidance to applicants for SAMHSA grants that support evidence-based practices. Using information from HHS about the historical cost of similar activities, CBO estimates that enacting this bill would cost approximately \$4 million over the 2019–2023 period.

*H.R. 5333, the Over-the-Counter Monograph Safety, Innovation, and Reform Act of 2018*, would change the FDA's oversight of the commercial marketing of OTC medicines and authorize the collection and spending of fees through 2023 to cover the costs of expediting the FDA's administrative procedures for certain regulatory activities relating to OTC products. Under H.R. 5333, CBO estimates, the FDA would assess about \$147 million in fees over the 2019–2023 period that could be collected and made available for obligation only to the extent and in the amounts provided in advance in appropriation acts. Because the FDA could spend those fees, CBO estimates that the estimated budget authority for collections and spending would offset each other exactly in each year, although CBO expects that spending initially would lag behind collections. Assuming appropriation action consistent with the bill, CBO estimates that implementing H.R. 5333 would reduce net discretionary outlays by \$10 million over the 2019–2023 period, primarily because of that lag. The bill also would require the Government Accountability Office to study exclusive market protections for certain qualifying OTC drugs authorized by the bill—a provision that CBO estimates would cost less than \$500,000. (If enacted, H.R. 5333 also would affect mandatory spending; see Table 1.)

*H.R. 5473, the Better Pain Management Through Better Data Act of 2018*, would require that the FDA conduct a public meeting and issue guidance to industry addressing data collection and labeling for medical products that reduce pain while enabling the reduction, replacement, or avoidance of oral opioids. Using information from the agency, CBO estimates that implementing H.R. 5473 would cost about \$1 million over the 2019–2023 period.

*H.R. 5483, the Special Registration for Telemedicine Clarification Act of 2018*, would direct DOJ, within one year of the bill's enactment, to issue regulations concerning the practice of telemedicine (for remote diagnosis and treatment of patients). Using information from DOJ, CBO estimates that implementing the bill would cost less than \$500,000 over the 2019–2023 period.

*H.R. 5554, the Animal Drug and Animal Generic Drug User Fee Amendments of 2018*, would authorize the FDA to collect and spend fees to cover the cost of expedited approval for the development and marketing of certain drugs for use in animals. The legislation would extend through fiscal year 2023, and make several changes

to, the FDA's existing approval processes and fee programs for brand-name and generic veterinary drugs, which expire at the end of fiscal year 2018. CBO estimates that implementing H.R. 5554 would reduce net discretionary outlays by \$8 million over the 2019–2023 period, primarily because the spending of fees lags somewhat behind their collection.

Fees authorized under the bill would supplement funds appropriated to cover the FDA's cost of reviewing certain applications and investigational submissions for brand-name and generic drugs for use in animals. Those fees could be collected and made available for obligation only to the extent and in the amounts provided in advance in appropriation acts. Under H.R. 5554, CBO estimates, the FDA would assess about \$257 million in fees over the 2019–2023 period. Because the FDA could spend those funds, CBO estimates that budget authority for collections and spending would offset each other exactly in each year. CBO estimates that the delay between collecting and spending fees under the reauthorized programs would reduce net discretionary outlays by \$14 million over the 2019–2023 period, assuming appropriation actions consistent with the bill.

Enacting H.R. 5554 would increase the FDA's workload because the legislation would expand eligibility for conditional approval for certain drugs. The agency's administrative costs also would increase because of regulatory activities required by a provision concerning petitions for additives intended for use in animal food. H.R. 5554 also would require the FDA to publish guidance or produce regulations on a range of topics, transmit a report to the Congress, and hold public meetings. CBO expects that the costs associated with those activities would not be covered by fees, and it estimates that implementing such provisions would cost \$6 million over the 2019–2023 period.

*H.R. 5582, the Abuse Deterrent Access Act of 2018*, would require the Secretary of HHS to report to the Congress on existing barriers to access to "abuse-deterrent opioid formulations" by Medicare Part C and D beneficiaries. Such formulations make the drugs more difficult to dissolve for injection, for example, and thus can impede their abuse. Assuming the availability of appropriated funds and based on historical spending patterns for similar activities, CBO estimates that implementing the legislation would cost less than \$500,000 over the 2019–2023 period.

*H.R. 5590, the Opioid Addiction Action Plan Act*, would require the Secretary of HHS to develop an action plan by January 1, 2019, for increasing access to medication-assisted treatment among Medicare and Medicaid enrollees. The bill also would require HHS to convene a stakeholder meeting and issue a request for information within three months of enactment, and to submit a report to the Congress by June 1, 2019. Based on historical spending patterns for similar activities, CBO estimates that implementing H.R. 5590 would cost approximately \$2 million over the 2019–2023 period.

*H.R. 5687, the Securing Opioids and Unused Narcotics with Deliberate Disposal and Packaging Act of 2018*, would permit the FDA to require certain packaging and disposal technologies, controls, or measures to mitigate the risk of abuse and misuse of drugs. Based on information from the FDA, CBO estimates that implementing H.R. 5687 would not significantly affect spending over the 2019–

2023 period. This bill would also require that the GAO study the effectiveness and use of packaging technologies for controlled substances—a provision that CBO estimates would cost less than \$500,000.

*H.R. 5715, the Strengthening Partnerships to Prevent Opioid Abuse Act*, would require the Secretary of HHS to establish a secure Internet portal to allow HHS, Medicare Advantage plans, and Medicare Part D plans to exchange information about fraud, waste, and abuse among providers and suppliers no later than two years after enactment. H.R. 5715 also would require organizations with Medicare Advantage contracts to submit information on investigations related to providers suspected of prescribing large volumes of opioids through a process established by the Secretary no later than January 2021. Based on historical spending patterns for similar activities, CBO estimates that implementing H.R. 5715 would cost approximately \$9 million over the 2019–2023 period.

*H.R. 5789, a bill to require the Secretary of Health and Human Services to issue guidance to improve care for infants with neonatal abstinence syndrome and their mothers, and to require the Comptroller General of the United States to conduct a study on gaps in Medicaid coverage for pregnant and postpartum women with substance use disorder*, would direct the Secretary of HHS to issue guidance to states on best practices under Medicaid and CHIP for treating infants with neonatal abstinence syndrome. H.R. 5789 also would direct the Government Accountability Office to study Medicaid coverage for pregnant and postpartum women with substance use disorders. Based on information from HHS and historical spending patterns for similar activities, CBO estimates that enacting H.R. 5789 would cost approximately \$2 million over the 2019–2023 period.

*H.R. 5795, the Overdose Prevention and Patient Safety Act*, would amend the Public Health Service Act so that requirements pertaining to the confidentiality and disclosure of medical records relating to substance use disorders align with the provisions of the Health Insurance Portability and Accountability Act of 1996. The bill would require the Office of the Secretary of HHS to issue regulations prohibiting discrimination based on data disclosed from such medical records, to issue regulations requiring covered entities to provide written notice of privacy practices, and to develop model training programs and materials for health care providers and patients and their families. Based on spending patterns for similar activities, CBO estimates that implementing H.R. 5795 would cost approximately \$1 million over the 2019–2023 period.

*H.R. 5800, Medicaid IMD ADDITIONAL INFO Act*, would direct the Medicaid and CHIP Payment and Access Commission to study institutions for mental diseases in a representative sample of states. Based on information from the commission about the cost of similar work, CBO estimates that implementing H.R. 5800 would cost about \$1 million over the 2019–2023 period.

*H.R. 5804, the Post-Surgical Injections as an Opioid Alternative Act*, would freeze the Medicare payment rate for certain analgesic injections provided in ambulatory surgical centers. The bill also would mandate two studies of Medicare coding and payments arising from enactment of this legislation. Based on the cost of similar activities, CBO estimates that those reports would cost \$1 million



over the 2019–2023 period. (If enacted, H.R. 5804 also would affect mandatory spending; see Table 1.)

*H.R. 5811, a bill to amend the Federal Food, Drug, and Cosmetic Act with respect to postapproval study requirements for certain controlled substances, and for other purposes*, would allow the FDA to require that pharmaceutical manufacturers study certain drugs after they are approved to assess any potential reduction in those drugs' effectiveness for the conditions of use prescribed, recommended, or suggested in labeling. CBO anticipates that implementing H.R. 5811 would not significantly affect the FDA's costs over the 2019–2023 period.

**Other Authorizations.** The following nine bills would increase authorization levels, but CBO has not completed estimates of amounts. All authorizations would be subject to future appropriation action.

- H.R. 4284, Indexing Narcotics, Fentanyl, and Opioids Act of 2017
- H.R. 5002, Advancing Cutting Edge Research Act
- H.R. 5228, Stop Counterfeit Drugs by Regulating and Enhancing Enforcement Now Act (see Table 1 for an estimate of the revenue effects of H.R. 5228)
- H.R. 5752, Stop Illicit Drug Importation Act of 2018 (see Table 1 for an estimate of the revenue effects of H.R. 5752)
- H.R. 5799, Medicaid DRUG Improvement Act (see Table 1 for an estimate of the direct spending effects of H.R. 5799)
- H.R. 5801, Medicaid Providers and Pharmacists Are Required to Note Experiences in Record Systems to Help In-Need Patients (PARTNERSHIP) Act (see Table 1 for an estimate of the direct spending effects of H.R. 5801)
- H.R. 5806, 21st Century Tools for Pain and Addiction Treatments Act
- H.R. 5808, Medicaid Pharmaceutical Home Act of 2018 (see Table 1 for an estimate of the direct spending effects of H.R. 5808)
- H.R. 5812, Creating Opportunities that Necessitate New and Enhanced Connections That Improve Opioid Navigation Strategies Act (CONNECTIONS) Act

**Pay-As-You-Go considerations:** The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. Twenty-two of the bills discussed in this document contain direct spending or revenues and are subject to pay-as-you-go procedures. Details about the amount of direct spending and revenues in those bills can be found in Table 1.

**Increase in long-term direct spending and deficits:** CBO estimates that enacting H.R. 4998, the Health Insurance for Former Foster Youth Act, would increase net direct spending by more than \$2.5 billion and on-budget deficits by more than \$5 billion in at least one of the four consecutive 10-year periods beginning in 2029.

CBO estimates that none of the remaining 58 bills included in this estimate would increase net direct spending by more than \$2.5 billion or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2029.

**Mandates:** One of the 59 bills included in this document, H.R. 5795, would impose both intergovernmental and private-sector

mandates as defined in UMRA. CBO estimates that the costs of that bill's mandates on public and private entities would fall below UMRA's thresholds (\$80 million and \$160 million, respectively, for public- and private-sector entities in 2018, adjusted annually for inflation).

In addition, five bills would impose private-sector mandates as defined in UMRA. CBO estimates that the costs of the mandates in three of those bills (H.R. 5333, H.R. 5554, and H.R. 5811) would fall below the UMRA threshold. Because CBO does not know how federal agencies would implement new authority granted in the other two of those five bills, H.R. 5228 and 5687, CBO cannot determine whether the costs of their mandates would exceed the threshold.

For large entitlement grant programs, including Medicaid and CHIP, UMRA defines an increase in the stringency of conditions on states or localities as an intergovernmental mandate if the affected governments lack authority to offset those costs while continuing to provide required services. Because states possess significant flexibility to alter their responsibilities within Medicaid and CHIP, the requirements imposed by various bills in the markup on state administration of those programs would not constitute mandates as defined in UMRA.

#### *Mandates Affecting Public and Private Entities*

*H.R. 5795, the Overdose Prevention and Patient Safety Act*, would impose intergovernmental and private-sector mandates by requiring entities that provide treatment for substance use disorders to notify patients of their privacy rights and also to notify patients in the event that the confidentiality of their records is breached. In certain circumstances, H.R. 5795 also would prohibit public and private entities from denying entry to treatment on the basis of information in patient health records. Those requirements would either supplant or narrowly expand responsibilities under existing law, and compliance with them would not impose significant additional costs. CBO estimates that the costs of the mandates would fall below the annual thresholds established in UMRA.

#### *Mandates Affecting Private Entities*

Five bills included in this document would impose private-sector mandates:

*H.R. 5228, the Stop Counterfeit Drugs by Regulating and Enhancing Enforcement Now Act*, would require drug distributors to cease distributing any drug that the Secretary of HHS determines might present an imminent or substantial hazard to public health. CBO cannot determine what drugs could be subject to such an order nor can it determine how private entities would respond. Consequently, CBO cannot determine whether the aggregate cost of the mandate would exceed the annual threshold for private-sector mandates.

*H.R. 5333, the Over-the-Counter Monograph Safety, Innovation, and Reform Act of 2018*, would require developers and manufacturers of OTC drugs to pay certain fees to the FDA. CBO estimates that about \$30 million would be collected each year, on average, for a total of \$147 million over the 2019–2023 period. Those amounts

would not exceed the annual threshold for private-sector mandates in any year during that period.

*H.R. 5554, the Animal Drug and Animal Generic Drug User Fee Amendments of 2018*, would require developers and manufacturers of brand-name and generic veterinary drugs to pay application, product, establishment, and sponsor fees to the FDA. CBO estimates that about \$51 million would be collected annually, on average, for a total of \$257 million over the 2019–2023 period. Those amounts would not exceed the annual threshold for private-sector mandates in any year during that period.

*H.R. 5687, the Securing Opioids and Unused Narcotics with Deliberate Disposal and Packaging Act of 2018*, would permit the Secretary of HHS to require drug developers and manufacturers to implement new packaging and disposal technology for certain drugs. Based on information from the agency, CBO expects that the Secretary would use the new regulatory authority provided in the bill; however, it is uncertain how or when those requirements would be implemented. Consequently, CBO cannot determine whether the aggregate cost of the mandate would exceed the annual threshold for private entities.

*H.R. 5811, a bill to amend the Federal Food, Drug, and Cosmetic Act with respect to postapproval study requirements for certain controlled substances, and for other purposes*, would expand an existing mandate that requires drug developers to conduct postapproval studies or clinical trials for certain drugs. Under current law, in certain instances, the FDA can require studies or clinical trials after a drug has been approved. H.R. 5811 would permit the FDA to use that authority if the reduction in a drug's effectiveness meant that its benefits no longer outweighed its costs. CBO estimates that the incremental cost of the mandate would fall below the annual threshold established in UMRA because of the small number of drugs affected and the narrow expansion of the authority that exists under current law.

None of the remaining 53 bills included in this document would impose an intergovernmental or private-sector mandate.

Previous CBO estimate: On June 6, 2018, CBO issued an estimate for seven opioid-related bills ordered reported by the House Committee on Ways and Means on May 16, 2018. Two of those bills contain provisions that are identical or similar to the legislation ordered reported by the Committee on Energy and Commerce, and for those provisions, CBO's estimates are the same.

In particular, five bills listed in this estimate contain provisions that are identical or similar to those in several sections of H.R. 5773, the Preventing Addiction for Susceptible Seniors Act of 2018:

- H.R. 5675, which would require prescription drug plans to implement drug management programs, is identical to section 2 of H.R. 5773.
- H.R. 4841, regarding electronic prior authorization for prescriptions under Medicare's Part D, is similar to section 3 of H.R. 5773.
- H.R. 5715, which would mandate the creation of a new Internet portal to allow various stakeholders to exchange information, is identical to section 4 of H.R. 5773.
- H.R. 5684, which would expand medication therapy management, is the same as section 5 of H.R. 5773.

- H.R. 5716, regarding prescriber notification, is identical to section 6 of H.R. 5773.

In addition, in this estimate, a provision related to Medicare beneficiary education in H.R. 5686, the Medicare Clear Health Options in Care for Enrollees Act of 2018, is the same as a provision in section 2 of H.R. 5775, the Providing Reliable Options for Patients and Educational Resources Act of 2018, in CBO's estimate for the Committee on Ways and Means.

Estimate prepared by: Federal Costs: Rebecca Yip (Centers for Disease Control and Prevention), Mark Grabowicz (Drug Enforcement Agency), Julia Christensen, Ellen Werble (Food and Drug Administration), Emily King, Andrea Noda, Lisa Ramirez-Branum, Robert Stewart (Medicaid and Children's Health Insurance Program), Philippa Haven, Lara Robillard, Colin Yee, Rebecca Yip (Medicare), Philippa Haven (National Institutes of Health), Alice Burns, Andrea Noda (Office of the Secretary of the Department of Health and Human Services), Philippa Haven, Lori Housman, Emily King (Substance Abuse and Mental Health Services Administration, Health Resources and Services Administration); Federal Revenues: Jacob Fabian, Peter Huether, and Cecilia Pastrone; Fact Checking: Zachary Byrum and Kate Kelly; Mandates: Andrew Laughlin.

Estimate reviewed by: Tom Bradley, Chief Health Systems and Medicare Cost Estimates Unit; Chad M. Chirico, Chief Low-Income Health Programs and Prescription Drugs Cost Estimates Unit; Sarah Masi, Special Assistant for Health; Susan Willie, Chief, Mandates Unit; Leo Lex, Deputy Assistant Director for Budget Analysis; Theresa A. Gullo, Assistant Director for Budget Analysis.

#### FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

#### STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII, the general performance goal or objective of this legislation is to require comprehensive mental health and substance use disorder services as a mandatory benefit under the CHIP program for pregnant women and children.

#### DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII, no provision of H.R. 3192 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111-139 or the most recent Catalog of Federal Domestic Assistance.

#### COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(1) of rule XIII, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

EARMARK, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

Pursuant to clause 9(e), 9(f), and 9(g) of rule XXI, the Committee finds that H.R. 3192 contains no earmarks, limited tax benefits, or limited tariff benefits.

DISCLOSURE OF DIRECTED RULE MAKINGS

Pursuant to section 3(i) of H. Res. 5, the Committee finds that H.R. 3192 contains no directed rule makings.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

*Section 1. Short title*

Section 1 provides that the Act may be cited as the “CHIP Mental Health Parity Act.”

*Section 2. Ensuring access to mental health services for children under the Children’s Health Insurance Program*

Section 2 amends Section 2103(c)(1) of the Social Security Act to add mental health services and substance use disorder services (including behavioral health treatment) to the list of services that must be covered under separate CHIP programs. The provision would require mental health services to be delivered in a culturally and linguistically appropriate manner and to include services necessary to prevent, diagnose, and treat a broad range of mental health symptoms and disorders, including substance use disorders.

Section 2 also requires state child health plans to include a description of the methods used to monitor access to mental health services and substance use disorder services (including behavioral health treatment) under separate CHIP programs.

Section 2 requires separate CHIP programs to ensure the financial requirements and treatment limitations applicable to mental health services and substance use disorder services (including behavioral health treatment) comply with mental health parity requirements in the same manner as group health plans.

If, under a state child health plan (or waiver of such plan) for a separate CHIP program, state legislation would be needed in order for the state to meet a specific statutory requirement under H.R. 3192, then the requirement would be deemed to take effect on the first day of the first calendar quarter beginning after the close of the first regular session of the state legislature beginning after enactment.

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

**SOCIAL SECURITY ACT**

\* \* \* \* \*

**TITLE XXI—STATE CHILDREN'S HEALTH INSURANCE PROGRAM**

\* \* \* \* \*

**SEC. 2102. GENERAL CONTENTS OF STATE CHILD HEALTH PLAN; ELIGIBILITY; OUTREACH.**

(a) **GENERAL BACKGROUND AND DESCRIPTION.**—A State child health plan shall include a description, consistent with the requirements of this title, of—

(1) the extent to which, and manner in which, children in the State, including targeted low-income children and other classes of children classified by income and other relevant factors, currently have creditable health coverage (as defined in section 2110(c)(2));

(2) current State efforts to provide or obtain creditable health coverage for uncovered children, including the steps the State is taking to identify and enroll all uncovered children who are eligible to participate in public health insurance programs and health insurance programs that involve public-private partnerships;

(3) how the plan is designed to be coordinated with such efforts to increase coverage of children under creditable health coverage;

(4) the child health assistance provided under the plan for targeted low-income children, including the proposed methods of delivery, and utilization control systems;

(5) eligibility standards consistent with subsection (b);

(6) outreach activities consistent with subsection (c); and

(7) methods (including monitoring) used—

(A) to assure the quality and appropriateness of care, particularly with respect to well-baby care, well-child care, and immunizations provided under the plan;

(B) to assure access to covered services, including emergency services and services described in [section 2103(c)(5)] *paragraphs (5) and (6) of section 2103(c)*; and

(C) to ensure that the State agency involved is in compliance with subparagraphs (A), (B), and (C) of section 1128K(b)(2).

(b) **GENERAL DESCRIPTION OF ELIGIBILITY STANDARDS AND METHODOLOGY.**—

(1) **ELIGIBILITY STANDARDS.**—

(A) **IN GENERAL.**—The plan shall include a description of the standards used to determine the eligibility of targeted

low-income children for child health assistance under the plan. Such standards may include (to the extent consistent with this title) those relating to the geographic areas to be served by the plan, age, income and resources (including any standards relating to spenddowns and disposition of resources), residency, disability status (so long as any standard relating to such status does not restrict eligibility), access to or coverage under other health coverage, and duration of eligibility. Such standards may not discriminate on the basis of diagnosis.

(B) LIMITATIONS ON ELIGIBILITY STANDARDS.—Such eligibility standards—

(i) shall, within any defined group of covered targeted low-income children, not cover such children with higher family income without covering children with a lower family income;

(ii) may not deny eligibility based on a child having a preexisting medical condition;

(iii) may not apply a waiting period (including a waiting period to carry out paragraph (3)(C)) in the case of a targeted low-income pregnant woman provided pregnancy-related assistance under section 2112;

(iv) at State option, may not apply a waiting period in the case of a child provided dental-only supplemental coverage under section 2110(b)(5); and

(v) shall, beginning January 1, 2014, use modified adjusted gross income and household income (as defined in section 36B(d)(2) of the Internal Revenue Code of 1986) to determine eligibility for child health assistance under the State child health plan or under any waiver of such plan and for any other purpose applicable under the plan or waiver for which a determination of income is required, including with respect to the imposition of premiums and cost-sharing, consistent with section 1902(e)(14).

(2) METHODOLOGY.—The plan shall include a description of methods of establishing and continuing eligibility and enrollment.

(3) ELIGIBILITY SCREENING; COORDINATION WITH OTHER HEALTH COVERAGE PROGRAMS.—The plan shall include a description of procedures to be used to ensure—

(A) through both intake and followup screening, that only targeted low-income children are furnished child health assistance under the State child health plan;

(B) that children found through the screening to be eligible for medical assistance under the State medicaid plan under title XIX are enrolled for such assistance under such plan;

(C) that the insurance provided under the State child health plan does not substitute for coverage under group health plans;

(D) the provision of child health assistance to targeted low-income children in the State who are Indians (as defined in section 4(c) of the Indian Health Care Improvement Act, 25 U.S.C. 1603(c)); and

(E) coordination with other public and private programs providing creditable coverage for low-income children.

(4) REDUCTION OF ADMINISTRATIVE BARRIERS TO ENROLLMENT.—

(A) IN GENERAL.—Subject to subparagraph (B), the plan shall include a description of the procedures used to reduce administrative barriers to the enrollment of children and pregnant women who are eligible for medical assistance under title XIX or for child health assistance or health benefits coverage under this title. Such procedures shall be established and revised as often as the State determines appropriate to take into account the most recent information available to the State identifying such barriers.

(B) DEEMED COMPLIANCE IF JOINT APPLICATION AND RENEWAL PROCESS THAT PERMITS APPLICATION OTHER THAN IN PERSON.—A State shall be deemed to comply with subparagraph (A) if the State's application and renewal forms and supplemental forms (if any) and information verification process is the same for purposes of establishing and renewing eligibility for children and pregnant women for medical assistance under title XIX and child health assistance under this title, and such process does not require an application to be made in person or a face-to-face interview.

(5) NONENTITLEMENT.—Nothing in this title shall be construed as providing an individual with an entitlement to child health assistance under a State child health plan.

(c) OUTREACH AND COORDINATION.—A State child health plan shall include a description of the procedures to be used by the State to accomplish the following:

(1) OUTREACH.—Outreach (through community health workers and others) to families of children likely to be eligible for child health assistance under the plan or under other public or private health coverage programs to inform these families of the availability of, and to assist them in enrolling their children in, such a program.

(2) COORDINATION WITH OTHER HEALTH INSURANCE PROGRAMS.—Coordination of the administration of the State program under this title with other public and private health insurance programs.

(3) PREMIUM ASSISTANCE SUBSIDIES.—In the case of a State that provides for premium assistance subsidies under the State child health plan in accordance with paragraph (2)(B), (3), or (10) of section 2105(c), or a waiver approved under section 1115, outreach, education, and enrollment assistance for families of children likely to be eligible for such subsidies, to inform such families of the availability of, and to assist them in enrolling their children in, such subsidies, and for employers likely to provide coverage that is eligible for such subsidies, including the specific, significant resources the State intends to apply to educate employers about the availability of premium assistance subsidies under the State child health plan.



**SEC. 2103. COVERAGE REQUIREMENTS FOR CHILDREN'S HEALTH INSURANCE.**

(a) **REQUIRED SCOPE OF HEALTH INSURANCE COVERAGE.**—The child health assistance provided to a targeted low-income child under the plan in the form described in paragraph (1) of section 2101(a) shall consist, consistent with [paragraphs (5), (6), and (7)] *paragraphs (5), (6), (7), and (8)* of subsection (c), of any of the following:

(1) **BENCHMARK COVERAGE.**—Health benefits coverage that is at least equivalent to the benefits coverage in a benchmark benefit package described in subsection (b).

(2) **BENCHMARK-EQUIVALENT COVERAGE.**—Health benefits coverage that meets the following requirements:

(A) **INCLUSION OF BASIC SERVICES.**—The coverage includes benefits for items and services within each of the categories of basic services described in subsection (c)(1).

(B) **AGGREGATE ACTUARIAL VALUE EQUIVALENT TO BENCHMARK PACKAGE.**—The coverage has an aggregate actuarial value that is at least actuarially equivalent to one of the benchmark benefit packages.

(C) **SUBSTANTIAL ACTUARIAL VALUE FOR ADDITIONAL SERVICES INCLUDED IN BENCHMARK PACKAGE.**—With respect to each of the categories of additional services described in subsection (c)(2) for which coverage is provided under the benchmark benefit package used under subparagraph (B), the coverage has an actuarial value that is equal to at least 75 percent of the actuarial value of the coverage of that category of services in such package.

(3) **EXISTING COMPREHENSIVE STATE-BASED COVERAGE.**—Health benefits coverage under an existing comprehensive State-based program, described in subsection (d)(1).

(4) **SECRETARY-APPROVED COVERAGE.**—Any other health benefits coverage that the Secretary determines, upon application by a State, provides appropriate coverage for the population of targeted low-income children proposed to be provided such coverage.

(b) **BENCHMARK BENEFIT PACKAGES.**—The benchmark benefit packages are as follows:

(1) **FEHBP-EQUIVALENT CHILDREN'S HEALTH INSURANCE COVERAGE.**—The standard Blue Cross/Blue Shield preferred provider option service benefit plan, described in and offered under section 8903(1) of title 5, United States Code.

(2) **STATE EMPLOYEE COVERAGE.**—A health benefits coverage plan that is offered and generally available to State employees in the State involved.

(3) **COVERAGE OFFERED THROUGH HMO.**—The health insurance coverage plan that—

(A) is offered by a health maintenance organization (as defined in section 2791(b)(3) of the Public Health Service Act), and

(B) has the largest insured commercial, non-medicaid enrollment of covered lives of such coverage plans offered by such a health maintenance organization in the State involved.

(c) CATEGORIES OF SERVICES; DETERMINATION OF ACTUARIAL VALUE OF COVERAGE.—

(1) CATEGORIES OF BASIC SERVICES.—For purposes of this section, the categories of basic services described in this paragraph are as follows:

- (A) Inpatient and outpatient hospital services.
- (B) Physicians' surgical and medical services.
- (C) Laboratory and x-ray services.
- (D) Well-baby and well-child care, including age-appropriate immunizations.
- (E) *Mental health and substance use disorder services (as defined in paragraph (5)).*

(2) CATEGORIES OF ADDITIONAL SERVICES.—For purposes of this section, the categories of additional services described in this paragraph are as follows:

- (A) Coverage of prescription drugs.
- (B) Vision services.
- (C) Hearing services.

(3) TREATMENT OF OTHER CATEGORIES.—Nothing in this subsection shall be construed as preventing a State child health plan from providing coverage of benefits that are not within a category of services described in paragraph (1) or (2).

(4) DETERMINATION OF ACTUARIAL VALUE.—The actuarial value of coverage of benchmark benefit packages, coverage offered under the State child health plan, and coverage of any categories of additional services under benchmark benefit packages and under coverage offered by such a plan, shall be set forth in an actuarial opinion in an actuarial report that has been prepared—

- (A) by an individual who is a member of the American Academy of Actuaries;
- (B) using generally accepted actuarial principles and methodologies;
- (C) using a standardized set of utilization and price factors;
- (D) using a standardized population that is representative of privately insured children of the age of children who are expected to be covered under the State child health plan;
- (E) applying the same principles and factors in comparing the value of different coverage (or categories of services);
- (F) without taking into account any differences in coverage based on the method of delivery or means of cost control or utilization used; and
- (G) taking into account the ability of a State to reduce benefits by taking into account the increase in actuarial value of benefits coverage offered under the State child health plan that results from the limitations on cost sharing under such coverage.

The actuary preparing the opinion shall select and specify in the memorandum the standardized set and population to be used under subparagraphs (C) and (D).

(5) *MENTAL HEALTH AND SUBSTANCE USE DISORDER SERVICES.*—*In the case of a State that provides child health assist-*

ance for targeted low-income children or targeted low-income pregnant women (as defined in section 2112(d)) in the form of providing any health benefits coverage described in subsection (a), such child health assistance shall—

(A) include coverage of mental health services (including behavioral health treatment) necessary to prevent, diagnose, and treat a broad range of mental health symptoms and disorders, including substance use disorders; and

(B) be delivered in a culturally and linguistically appropriate manner.

**[(5)] (6) DENTAL BENEFITS.—**

(A) IN GENERAL.—The child health assistance provided to a targeted low-income child shall include coverage of dental services necessary to prevent disease and promote oral health, restore oral structures to health and function, and treat emergency conditions.

(B) PERMITTING USE OF DENTAL BENCHMARK PLANS BY CERTAIN STATES.—A State may elect to meet the requirement of subparagraph (A) through dental coverage that is equivalent to a benchmark dental benefit package described in subparagraph (C).

(C) BENCHMARK DENTAL BENEFIT PACKAGES.—The benchmark dental benefit packages are as follows:

(i) FEHBP CHILDREN'S DENTAL COVERAGE.—A dental benefits plan under chapter 89A of title 5, United States Code, that has been selected most frequently by employees seeking dependent coverage, among such plans that provide such dependent coverage, in either of the previous 2 plan years.

(ii) STATE EMPLOYEE DEPENDENT DENTAL COVERAGE.—A dental benefits plan that is offered and generally available to State employees in the State involved and that has been selected most frequently by employees seeking dependent coverage, among such plans that provide such dependent coverage, in either of the previous 2 plan years.

(iii) COVERAGE OFFERED THROUGH COMMERCIAL DENTAL PLAN.—A dental benefits plan that has the largest insured commercial, non-medicaid enrollment of dependent covered lives of such plans that is offered in the State involved.

**[(6)] (7) MENTAL HEALTH SERVICES PARITY.—**

**[(A) IN GENERAL.—In the case of a State child health plan that provides both medical and surgical benefits and mental health or substance use disorder benefits, such plan shall ensure that the financial requirements and treatment limitations applicable to such mental health or substance use disorder benefits comply with the requirements of section 2705(a) of the Public Health Service Act in the same manner as such requirements apply to a group health plan.]**

*(A) IN GENERAL.—A State child health plan shall ensure that the financial requirements and treatment limitations applicable to mental health and substance use disorder services (as described in paragraph (5)) provided under*

*such plan comply with the requirements of section 2726(a) of the Public Health Service Act in the same manner as such requirements or limitations apply to a group health plan under such section.*

(B) DEEMED COMPLIANCE.—To the extent that a State child health plan includes coverage with respect to an individual described in section 1905(a)(4)(B) and covered under the State plan under section 1902(a)(10)(A) of the services described in section 1905(a)(4)(B) (relating to early and periodic screening, diagnostic, and treatment services defined in section 1905(r)) and provided in accordance with section 1902(a)(43), such plan shall be deemed to satisfy the requirements of subparagraph (A).

[(7)] (8) CONSTRUCTION ON PROHIBITED COVERAGE.—Nothing in this section shall be construed as requiring any health benefits coverage offered under the plan to provide coverage for items or services for which payment is prohibited under this title, notwithstanding that any benchmark benefit package includes coverage for such an item or service.

[(8)] (9) AVAILABILITY OF COVERAGE FOR ITEMS AND SERVICES FURNISHED THROUGH SCHOOL-BASED HEALTH CENTERS.—Nothing in this title shall be construed as limiting a State's ability to provide child health assistance for covered items and services that are furnished through school-based health centers (as defined in section 2110(c)(9)).

(d) DESCRIPTION OF EXISTING COMPREHENSIVE STATE-BASED COVERAGE.—

(1) IN GENERAL.—A program described in this paragraph is a child health coverage program that—

(A) includes coverage of a range of benefits;

(B) is administered or overseen by the State and receives funds from the State;

(C) is offered in New York, Florida, or Pennsylvania; and

(D) was offered as of the date of the enactment of this title.

(2) MODIFICATIONS.—A State may modify a program described in paragraph (1) from time to time so long as it continues to meet the requirement of subparagraph (A) and does not reduce the actuarial value of the coverage under the program below the lower of—

(A) the actuarial value of the coverage under the program as of the date of the enactment of this title, or

(B) the actuarial value described in subsection (a)(2)(B), evaluated as of the time of the modification.

(e) COST-SHARING.—

(1) DESCRIPTION; GENERAL CONDITIONS.—

(A) DESCRIPTION.—A State child health plan shall include a description, consistent with this subsection, of the amount (if any) of premiums, deductibles, coinsurance, and other cost sharing imposed. Any such charges shall be imposed pursuant to a public schedule.

(B) PROTECTION FOR LOWER INCOME CHILDREN.—The State child health plan may only vary premiums, deductibles, coinsurance, and other cost sharing based on the family income of targeted low-income children in a

manner that does not favor children from families with higher income over children from families with lower income.

(2) NO COST SHARING ON BENEFITS FOR PREVENTIVE SERVICES OR PREGNANCY-RELATED ASSISTANCE.—The State child health plan may not impose deductibles, coinsurance, or other cost sharing with respect to benefits for services within the category of services described in subsection (c)(1)(D) or for pregnancy-related assistance.

(3) LIMITATIONS ON PREMIUMS AND COST-SHARING.—

(A) CHILDREN IN FAMILIES WITH INCOME BELOW 150 PERCENT OF POVERTY LINE.—In the case of a targeted low-income child whose family income is at or below 150 percent of the poverty line, the State child health plan may not impose—

(i) an enrollment fee, premium, or similar charge that exceeds the maximum monthly charge permitted consistent with standards established to carry out section 1916(b)(1) (with respect to individuals described in such section); and

(ii) a deductible, cost sharing, or similar charge that exceeds an amount that is nominal (as determined consistent with regulations referred to in section 1916(a)(3), with such appropriate adjustment for inflation or other reasons as the Secretary determines to be reasonable).

(B) OTHER CHILDREN.—For children not described in subparagraph (A), subject to paragraphs (1)(B) and (2), any premiums, deductibles, cost sharing or similar charges imposed under the State child health plan may be imposed on a sliding scale related to income, except that the total annual aggregate cost-sharing with respect to all targeted low-income children in a family under this title may not exceed 5 percent of such family's income for the year involved.

(C) PREMIUM GRACE PERIOD.—The State child health plan—

(i) shall afford individuals enrolled under the plan a grace period of at least 30 days from the beginning of a new coverage period to make premium payments before the individual's coverage under the plan may be terminated; and

(ii) shall provide to such an individual, not later than 7 days after the first day of such grace period, notice—

(I) that failure to make a premium payment within the grace period will result in termination of coverage under the State child health plan; and

(II) of the individual's right to challenge the proposed termination pursuant to the applicable Federal regulations.

For purposes of clause (i), the term “new coverage period” means the month immediately following the last month for which the premium has been paid.

(4) RELATION TO MEDICAID REQUIREMENTS.—Nothing in this subsection shall be construed as affecting the rules relating to the use of enrollment fees, premiums, deductions, cost sharing, and similar charges in the case of targeted low-income children who are provided child health assistance in the form of coverage under a medicaid program under section 2101(a)(2).

(f) APPLICATION OF CERTAIN REQUIREMENTS.—

(1) RESTRICTION ON APPLICATION OF PREEXISTING CONDITION EXCLUSIONS.—

(A) IN GENERAL.—Subject to subparagraph (B), the State child health plan shall not permit the imposition of any preexisting condition exclusion for covered benefits under the plan.

(B) GROUP HEALTH PLANS AND GROUP HEALTH INSURANCE COVERAGE.—If the State child health plan provides for benefits through payment for, or a contract with, a group health plan or group health insurance coverage, the plan may permit the imposition of a preexisting condition exclusion but only insofar as it is permitted under the applicable provisions of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 and title XXVII of the Public Health Service Act.

(2) COMPLIANCE WITH OTHER REQUIREMENTS.—Coverage offered under this section shall comply with the requirements of subpart 2 of part A of title XXVII of the Public Health Service Act insofar as such requirements apply with respect to a health insurance issuer that offers group health insurance coverage.

(3) COMPLIANCE WITH MANAGED CARE REQUIREMENTS.—The State child health plan shall provide for the application of subsections (a)(4), (a)(5), (b), (c), (d), and (e) of section 1932 (relating to requirements for managed care) to coverage, State agencies, enrollment brokers, managed care entities, and managed care organizations under this title in the same manner as such subsections apply to coverage and such entities and organizations under title XIX.

\* \* \* \* \*

**SEC. 2110. DEFINITIONS.**

(a) CHILD HEALTH ASSISTANCE.—For purposes of this title, the term “child health assistance” means payment for part or all of the cost of health benefits coverage for targeted low-income children that includes any of the following (and includes, in the case described in section 2105(a)(1)(D)(i), payment for part or all of the cost of providing any of the following), as specified under the State plan:

- (1) Inpatient hospital services.
- (2) Outpatient hospital services.
- (3) Physician services.
- (4) Surgical services.
- (5) Clinic services (including health center services) and other ambulatory health care services.
- (6) Prescription drugs and biologicals and the administration of such drugs and biologicals, only if such drugs and biologicals are not furnished for the purpose of causing, or assisting in

causing, the death, suicide, euthanasia, or mercy killing of a person.

(7) Over-the-counter medications.

(8) Laboratory and radiological services.

(9) Prenatal care and pre-pregnancy family planning services and supplies.

(10) Inpatient mental health services, other than services described in paragraph (18) but including services furnished in a State-operated mental hospital and including residential or other 24-hour therapeutically planned structured services.

(11) Outpatient mental health services, other than services described in paragraph (19) but including services furnished in a State-operated mental hospital and including community-based services.

(12) Durable medical equipment and other medically-related or remedial devices (such as prosthetic devices, implants, eyeglasses, hearing aids, dental devices, and adaptive devices).

(13) Disposable medical supplies.

(14) Home and community-based health care services and related supportive services (such as home health nursing services, home health aide services, personal care, assistance with activities of daily living, chore services, day care services, respite care services, training for family members, and minor modifications to the home).

(15) Nursing care services (such as nurse practitioner services, nurse midwife services, advanced practice nurse services, private duty nursing care, pediatric nurse services, and respiratory care services) in a home, school, or other setting.

(16) Abortion only if necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest.

(17) Dental services.

(18) Inpatient **【substance abuse】** *substance use* treatment services and residential **【substance abuse】** *substance use* treatment services.

(19) Outpatient **【substance abuse】** *substance use* treatment services.

(20) Case management services.

(21) Care coordination services.

(22) Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders.

(23) Hospice care (concurrent, in the case of an individual who is a child, with care related to the treatment of the child's condition with respect to which a diagnosis of terminal illness has been made).

(24) Any other medical, diagnostic, screening, preventive, restorative, remedial, therapeutic, or rehabilitative services (whether in a facility, home, school, or other setting) if recognized by State law and only if the service is—

(A) prescribed by or furnished by a physician or other licensed or registered practitioner within the scope of practice as defined by State law,

(B) performed under the general supervision or at the direction of a physician, or

- (C) furnished by a health care facility that is operated by a State or local government or is licensed under State law and operating within the scope of the license.
- (25) Premiums for private health care insurance coverage.
- (26) Medical transportation.
- (27) Enabling services (such as transportation, translation, and outreach services) only if designed to increase the accessibility of primary and preventive health care services for eligible low-income individuals.
- (28) Any other health care services or items specified by the Secretary and not excluded under this section.
- (b) TARGETED LOW-INCOME CHILD DEFINED.—For purposes of this title—
- (1) IN GENERAL.—Subject to paragraph (2), the term “targeted low-income child” means a child—
- (A) who has been determined eligible by the State for child health assistance under the State plan;
- (B)(i) who is a low-income child, or
- (ii) is a child—
- (I) whose family income (as determined under the State child health plan) exceeds the medicaid applicable income level (as defined in paragraph (4)), but does not exceed 50 percentage points above the medicaid applicable income level;
- (II) whose family income (as so determined) does not exceed the medicaid applicable income level (as defined in paragraph (4) but determined as if “June 1, 1997” were substituted for “March 31, 1997”); or
- (III) who resides in a State that does not have a medicaid applicable income level (as defined in paragraph (4)); and
- (C) who is not found to be eligible for medical assistance under title XIX or, subject to paragraph (5), covered under a group health plan or under health insurance coverage (as such terms are defined in section 2791 of the Public Health Service Act).
- (2) CHILDREN EXCLUDED.—Such term does not include—
- (A) a child who is an inmate of a public institution or a patient in an institution for mental diseases; or
- (B) except as provided in paragraph (6), a child who is a member of a family that is eligible for health benefits coverage under a State health benefits plan on the basis of a family member’s employment with a public agency in the State.
- (3) SPECIAL RULE.—A child shall not be considered to be described in paragraph (1)(C) notwithstanding that the child is covered under a health insurance coverage program that has been in operation since before July 1, 1997, and that is offered by a State which receives no Federal funds for the program’s operation.
- (4) MEDICAID APPLICABLE INCOME LEVEL.—The term “medicaid applicable income level” means, with respect to a child, the effective income level (expressed as a percent of the poverty line) that has been specified under the State plan under title XIX (including under a waiver authorized by the Secretary



or under section 1902(r)(2)), as of March 31, 1997, for the child to be eligible for medical assistance under section 1902(l)(2) or 1905(n)(2) (as selected by a State) for the age of such child.

(5) OPTION FOR STATES WITH A SEPARATE CHIP PROGRAM TO PROVIDE DENTAL-ONLY SUPPLEMENTAL COVERAGE.—

(A) IN GENERAL.—Subject to subparagraphs (B) and (C), in the case of any child who is enrolled in a group health plan or health insurance coverage offered through an employer who would, but for the application of paragraph (1)(C), satisfy the requirements for being a targeted low-income child under a State child health plan that is implemented under this title, a State may waive the application of such paragraph to the child in order to provide—

(i) dental coverage consistent with the requirements of [subsection (c)(5)] *subsection (c)(6)* of section 2103; or

(ii) cost-sharing protection for dental coverage consistent with such requirements and the requirements of subsection (e)(3)(B) of such section.

(B) LIMITATION.—A State may limit the application of a waiver of paragraph (1)(C) to children whose family income does not exceed a level specified by the State, so long as the level so specified does not exceed the maximum income level otherwise established for other children under the State child health plan.

(C) CONDITIONS.—A State may not offer dental-only supplemental coverage under this paragraph unless the State satisfies the following conditions:

(i) INCOME ELIGIBILITY.—The State child health plan under this title—

(I) has the highest income eligibility standard permitted under this title (or a waiver) as of January 1, 2009;

(II) does not limit the acceptance of applications for children or impose any numerical limitation, waiting list, or similar limitation on the eligibility of such children for child health assistance under such State plan; and

(III) provides benefits to all children in the State who apply for and meet eligibility standards.

(ii) NO MORE FAVORABLE TREATMENT.—The State child health plan may not provide more favorable dental coverage or cost-sharing protection for dental coverage to children provided dental-only supplemental coverage under this paragraph than the dental coverage and cost-sharing protection for dental coverage provided to targeted low-income children who are eligible for the full range of child health assistance provided under the State child health plan.

(6) EXCEPTIONS TO EXCLUSION OF CHILDREN OF EMPLOYEES OF A PUBLIC AGENCY IN THE STATE.—

(A) IN GENERAL.—A child shall not be considered to be described in paragraph (2)(B) if—

(i) the public agency that employs a member of the child's family to which such paragraph applies satisfies subparagraph (B); or

(ii) subparagraph (C) applies to such child.

(B) MAINTENANCE OF EFFORT WITH RESPECT TO AGENCY CONTRIBUTION FOR FAMILY COVERAGE.—For purposes of subparagraph (A)(i), a public agency satisfies this subparagraph if the amount of annual agency expenditures made on behalf of employees enrolled in health coverage paid for by the agency that includes dependent coverage for the most recent State fiscal year is not less than the amount of such expenditures made by the agency for the 1997 State fiscal year, increased by the percentage increase in the medical care expenditure category of the Consumer Price Index for All-Urban Consumers (all items: U.S. City Average) for such preceding fiscal year.

(C) HARDSHIP EXCEPTION.—For purposes of subparagraph (A)(ii), this subparagraph applies to a child if the State determines that the annual aggregate amount of premiums and cost-sharing imposed for coverage of the family of the child would exceed 5 percent of such family's income for the year involved.

(c) ADDITIONAL DEFINITIONS.—For purposes of this title:

(1) CHILD.—The term “child” means an individual under 19 years of age.

(2) CREDITABLE HEALTH COVERAGE.—The term “creditable health coverage” has the meaning given the term “creditable coverage” under section 2701(c) of the Public Health Service Act (42 U.S.C. 300gg(c)) and includes coverage that meets the requirements of section 2103 provided to a targeted low-income child under this title or under a waiver approved under section 2105(c)(2)(B) (relating to a direct service waiver).

(3) GROUP HEALTH PLAN; HEALTH INSURANCE COVERAGE; ETC.—The terms “group health plan”, “group health insurance coverage”, and “health insurance coverage” have the meanings given such terms in section 2791 of the Public Health Service Act.

(4) LOW-INCOME.—The term “low-income child” means a child whose family income is at or below 200 percent of the poverty line for a family of the size involved.

(5) POVERTY LINE DEFINED.—The term “poverty line” has the meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section.

(6) PREEXISTING CONDITION EXCLUSION.—The term “pre-existing condition exclusion” has the meaning given such term in section 2701(b)(1)(A) of the Public Health Service Act (42 U.S.C. 300gg(b)(1)(A)).

(7) STATE CHILD HEALTH PLAN; PLAN.—Unless the context otherwise requires, the terms “State child health plan” and “plan” mean a State child health plan approved under section 2106.

(8) UNCOVERED CHILD.—The term “uncovered child” means a child that does not have creditable health coverage.

(9) SCHOOL-BASED HEALTH CENTER.—

(A) IN GENERAL.—The term “school-based health center” means a health clinic that—

(i) is located in or near a school facility of a school district or board or of an Indian tribe or tribal organization;

(ii) is organized through school, community, and health provider relationships;

(iii) is administered by a sponsoring facility;

(iv) provides through health professionals primary health services to children in accordance with State and local law, including laws relating to licensure and certification; and

(v) satisfies such other requirements as a State may establish for the operation of such a clinic.

(B) SPONSORING FACILITY.—For purposes of subparagraph (A)(iii), the term “sponsoring facility” includes any of the following:

(i) A hospital.

(ii) A public health department.

(iii) A community health center.

(iv) A nonprofit health care agency.

(v) A local educational agency (as defined under section 8101 of the Elementary and Secondary Education Act of 1965).

(vi) A program administered by the Indian Health Service or the Bureau of Indian Affairs or operated by an Indian tribe or a tribal organization.

\* \* \* \* \*

