

117TH CONGRESS
2D SESSION

S. 3917

To apply the Medicaid asset verification program to all applicants for, and recipients of, medical assistance in all States and territories, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 24, 2022

Mr. INHOFE (for himself, Mr. BRAUN, Mrs. BLACKBURN, Mr. KENNEDY, Mr. PAUL, Mr. SCOTT of Florida, and Mr. LANKFORD) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To apply the Medicaid asset verification program to all applicants for, and recipients of, medical assistance in all States and territories, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protecting Medicaid
5 Beneficiaries Act of 2022”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1 (1) Recent estimates show that the Social Secu-
 2 rity program loses over \$4,000,000,000 per year to
 3 fraud.

4 (2) In fiscal year 2020, the Medicaid program
 5 lost \$86,490,000,000 in improper payments and the
 6 Medicare program lost another almost
 7 \$43,000,000,000.

8 (3) The fiscal year 2020 national Children's
 9 Health Insurance Program (CHIP) improper pay-
 10 ment rate estimate is 27 percent, representing
 11 \$4,780,000,000 in improper payments.

12 (4) Millions of Americans experience homeless-
 13 ness, hunger, or lack of healthcare coverage. Yet,
 14 our country annually wastes more than
 15 \$130,000,000,000 in the very programs that were
 16 designed to correct these serious problems, dem-
 17 onstrating that our system is failing those who need
 18 it the most.

19 **SEC. 3. APPLICATION OF MEDICAID ASSET TEST TO ALL AP-**
 20 **PLICANTS FOR, AND RECIPIENTS OF, MED-**
 21 **ICAL ASSISTANCE IN ALL STATES AND TERRI-**
 22 **TORIES.**

23 (a) IN GENERAL.—Section 1940 of the Social Secu-
 24 rity Act (42 U.S.C. 1396w) is amended—

1 (1) in subsection (a), by striking paragraph (4);
2 and

3 (2) in subsection (b)(1)(A), by striking “on the
4 basis of being aged, blind, or disabled”.

5 (b) RULES.—The Secretary of Health and Human
6 Services shall promulgate such rules as are necessary to
7 implement the amendments made by subsection (a).

8 (c) EFFECTIVE DATE.—

9 (1) IN GENERAL.—Subject to paragraph (2),
10 the amendments made by subsection (a) shall take
11 effect on the date that is 2 years after the date of
12 enactment of this Act.

13 (2) PHASE-IN OF IMPLEMENTATION.—

14 (A) IN GENERAL.—During the 2-year pe-
15 riod that begins on the date of enactment of
16 this Act, the Secretary of Health and Human
17 Services shall require States to submit and im-
18 plement a plan for an electronic asset
19 verification program that meets the require-
20 ments under section 1940 of the Social Security
21 Act (as amended by subsection (a)).

22 (B) IMPLEMENTATION BEFORE EFFECTIVE
23 DATE.—Nothing in this subsection or section
24 1940 of the Social Security Act (42 U.S.C.
25 1396w) shall be construed as prohibiting a

State from implementing an asset verification program that meets the requirements of such section (as amended by subsection (a)) in advance of the effective date specified under paragraph (1).

(C) DELAY OF EFFECTIVE DATE.—If a State requests a delay of the effective date specified under paragraph (1) on the basis of ongoing economic hardship limitations, as determined by the chief executive officer of the State, the Secretary of Health and Human Services may delay such effective date for up to 365 days.

SEC. 4. MEDICAID RESOURCES ELIGIBILITY REQUIREMENT.

(a) IN GENERAL.—Section 1902(e)(14)(C) of the Social Security Act (42 U.S.C. 1396a(e)(14)(C)) is amended to read as follows—

“(C) RESOURCES TEST REQUIREMENT.—

“(i) IN GENERAL.—Notwithstanding any other provision of this title, in the case of an individual with respect to whom a determination of income eligibility for medical assistance under the State plan or under any waiver of such plan is required,

the State shall also apply a resources eligibility test that meets the requirement of clause (ii).

“(ii) REQUIREMENT.—A State resources eligibility test meets the requirement of this clause if the test precludes eligibility for any individual whose resources (as determined under section 1613 for purposes of the supplemental security income program) exceed the maximum amount of resources that an individual may have and obtain benefits under that program, or such amount as the State shall establish.”.

(b) NO EFFECT ON CONTINUOUS ELIGIBILITY FOR PREGNANT WOMEN.—Section 1902(e)(6) of the Social Security Act (42 U.S.C. 1396a(e)(6)) is amended by inserting “or resources” after “income” each place it appears.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendment made by subsection (a) shall take effect on the date that is 2 years after the date of enactment of this Act.

(2) RULE FOR CHANGES REQUIRING STATE LEGISLATION.—In the case of a State plan under title XIX of the Social Security Act (42 U.S.C. 1396

1 et seq.) which the Secretary of Health and Human
2 Services determines requires State legislation (other
3 than legislation appropriating funds) in order for the
4 State plan to meet the additional requirement im-
5 posed by the amendment made by subsection (a),
6 the State plan shall not be regarded as failing to
7 comply with the requirements of such title solely on
8 the basis of its failure to meet this additional re-
9 quirement before the first day of the first calendar
10 quarter beginning after the close of the first regular
11 session of the State legislature that begins after the
12 effective date of this Act. For purposes of the pre-
13 vious sentence, in the case of a State that has a 2-
14 year legislative session, each year of such session
15 shall be deemed to be a separate regular session of
16 the State legislature.

17 **SEC. 5. ALLOWING STATES TO RETAIN SAVINGS FROM**
18 **ASSET VERIFICATION PROGRAM AND RE-**
19 **SOURCES ELIGIBILITY REQUIREMENTS.**

20 (a) IN GENERAL.—For each of the first 2 years fol-
21 lowing the date that is 2 years after the date of enactment
22 of this Act, the Secretary of Health and Human Services
23 shall pay to the State an amount equal to the savings (as
24 estimated by the Secretary) in Federal expenditures that

1 are attributable to the State meeting the requirements im-
 2 posed by the amendments made by sections 3 and 4.

3 (b) USE OF FUNDS.—A State that receives a pay-
 4 ment under subsection (a) shall use the funds received
 5 under such payment to support enrollment in, and the
 6 conduct of, programs for maternal and child health under
 7 the State Medicaid program, or for such other purpose
 8 in support of the State Medicaid program as the Secretary
 9 of Health and Human Services shall approve.

10 **SEC. 6. REQUIRING CMS TO TRACK STATE ASSET**
 11 **VERIFICATION PROGRAMS.**

12 (a) TRACKING ASSET VERIFICATION PROGRAM SAV-
 13 INGS.—No later than 3 years after the date of enactment
 14 of this Act, the Secretary of Health and Human Services,
 15 acting through the Centers for Medicare & Medicaid Serv-
 16 ices, shall create a Federal tracking system of the savings
 17 in Federal expenditures on the Medicaid program under
 18 title XIX of the Social Security Act (42 U.S.C. 1396 et
 19 seq.) that are associated with the asset verification pro-
 20 gram requirement added under section 3(a).

21 (b) REPORTS TO CONGRESS.—Beginning in the fifth
 22 year after the date of enactment of this Act, the Adminis-
 23 trator of the Centers for Medicare & Medicaid Services
 24 shall issue biannual reports to Congress detailing the per-
 25 formance of State Medicaid asset verification programs

1 during the applicable reporting period. Each such report
2 shall include—

3 (1) an overview of the savings, both pre- and
4 post-reporting period, attributed to such programs;
5 and

6 (2) any material changes to the composition of
7 the State Medicaid populations as a result of such
8 programs.

9 **SEC. 7. GAO REPORT TO CONGRESS ON THE EFFICACY OF**
10 **STRENGTHENING THE FISCAL INTEGRITY OF**
11 **THE MEDICAID PROGRAM.**

12 No sooner than 5 years after the date of enactment
13 of this Act, the Comptroller General of the United States
14 shall submit to the Committee on Finance of the Senate
15 and the Committee on Energy and Commerce of the
16 House of Representatives a report that assesses the effi-
17 cacy of State asset verification programs that meet the
18 requirements of section 1940 of the Social Security Act
19 (42 U.S.C. 1396w) (as amended by section 3(a)). Such
20 report shall include—

21 (1) an overview of Medicaid enrollment before
22 and after the implementation of the changes to the
23 asset verification system requirements under such
24 section 1940;

1 (2) an overview of Medicaid spending before
2 and after the implementation of such changes;

3 (3) information on what is known about the
4 number of individuals who applied for Medicaid or
5 who applied for redetermination of Medicaid and
6 were deemed ineligible due to their financial cir-
7 cumstances (income and resources) after the imple-
8 mentation of such changes; and

9 (4) any additional recommendations for further
10 changes to the Medicaid asset verification program
11 requirements under title XIX of the Social Security
12 Act (42 U.S.C. 1396 et seq.).

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