

114TH CONGRESS  
2D SESSION

# H. R. 4362

To amend the Social Security Act to replace the Medicaid program and the Children's Health Insurance program with a block grant to the States, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 11, 2016

Mr. ROKITA (for himself, Mr. BISHOP of Utah, Mrs. BLACK, Mrs. BLACKBURN, Mr. BRIDENSTINE, Mr. COLE, Mr. CRAMER, Mr. CULBERSON, Mr. DUNCAN of South Carolina, Mr. FRANKS of Arizona, Mr. GARRETT, Mr. HARPER, Mr. HUIZENGA of Michigan, Mr. JORDAN, Mr. MEADOWS, Mr. MESSER, Mr. MOOLENAAR, Mr. MULVANEY, Mr. PITTENGER, Mr. RIBBLE, Mr. SCHWEIKERT, Mr. STEWART, Mr. STUTZMAN, Mr. TIPTON, Mr. WALBERG, Mr. WESTMORELAND, and Mr. ALLEN) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, Education and the Workforce, the Judiciary, Natural Resources, House Administration, Rules, and Appropriations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Social Security Act to replace the Medicaid program and the Children's Health Insurance program with a block grant to the States, 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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the  
3 “State Health Flexibility Act of 2016”.

4 (b) **TABLE OF CONTENTS.**—The table of contents of  
5 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Health grants to the States for health care services to indigent individuals.

“TITLE XXII—BLOCK GRANTS TO STATES FOR HEALTH CARE  
SERVICES TO INDIGENT INDIVIDUALS

“Sec. 2201. Purpose.

“Sec. 2202. Grants to States.

“Sec. 2203. Administrative and fiscal accountability.

“Sec. 2204. Nondiscrimination provisions.

“Sec. 2205. Emergency assistance.

“Sec. 2206. Definitions.”.

Sec. 3. Repeal of PPACA, HCERA, and the Federal requirements of Medicaid and CHIP.

Sec. 4. Severability.

Sec. 5. Effective date.

6 **SEC. 2. HEALTH GRANTS TO THE STATES FOR HEALTH**  
7 **CARE SERVICES TO INDIGENT INDIVIDUALS.**

8 (a) **HEALTH CARE BLOCK GRANT TO STATES.**—The  
9 Social Security Act is amended by adding at the end the  
10 following new title:

11 **“TITLE XXII—BLOCK GRANTS TO**  
12 **STATES FOR HEALTH CARE**  
13 **SERVICES TO INDIGENT INDI-**  
14 **VIDUALS**

15 **“SEC. 2201. PURPOSE.**

16 “The purpose of this title is to provide Federal finan-  
17 cial assistance to the States, in the form of a single grant,  
18 to allow the States maximum flexibility in providing, and

1 financing the provision of, health-care-related items and  
2 services to indigent individuals.

3 **“SEC. 2202. GRANTS TO STATES.**

4 “(a) IN GENERAL.—Subject to the requirements of  
5 this title, each State is entitled to receive from the Sec-  
6 retary of the Treasury a grant for each quarter of each  
7 of fiscal years 2017 through 2025, in an amount that is  
8 equal to 25 percent of the total amount received by a State  
9 under title XIX and title XXI for fiscal year 2013.

10 “(b) APPROPRIATION.—Out of any money in the  
11 Treasury of the United States not otherwise appropriated,  
12 there are appropriated for each of fiscal years 2017  
13 through 2026 such sums as are necessary for grants under  
14 this section.

15 “(c) REQUIREMENTS RELATING TO INTERGOVERN-  
16 MENTAL FINANCING.—The Secretary of the Treasury  
17 shall make the transfer of funds under grants under sub-  
18 section (a) directly to each State in accordance with the  
19 requirements of section 6503 of title 31, United States  
20 Code.

21 “(d) EXPENDITURE OF FUNDS.—

22 “(1) IN GENERAL.—Except as provided in para-  
23 graph (2), amounts received by a State under this  
24 title for any fiscal year shall be expended by the

1 State in such fiscal year or in the succeeding fiscal  
2 year.

3 “(2) USE OF RAINY DAY FUND PERMITTED.—

4 Of the amounts received by a State under this title,  
5 the State may set aside, in a separate account, such  
6 amounts as the State deems necessary to provide,  
7 without fiscal limitation, health-care-related items  
8 and services for indigent individuals during—

9 “(A) periods of unexpectedly high rates of  
10 unemployment; or

11 “(B) periods related to circumstances that  
12 are not described in subparagraph (A) and that  
13 cause unexpected increases in the need for such  
14 items and services for such individuals.

15 “(3) FUNDS REMAINING AFTER FISCAL YEAR  
16 2026.—If, after fiscal year 2026, a State has funds  
17 in the account under paragraph (2), the State may  
18 only expend such funds if such funds are used in a  
19 manner that is permitted under subsection (e), as  
20 such subsection is in effect on September 30, 2026.

21 “(e) USE OF FUNDS.—A State may only use the  
22 amounts received under subsection (a) as follows:

23 “(1) GENERAL PURPOSE.—For the purpose  
24 under section 2201, including the provision of  
25 health-care-related items and services as required

1 under section 2205. Nothing in this title shall be  
2 construed as limiting the flexibility of a State to de-  
3 termine which providers of such items and services  
4 qualify to receive payment from a grant made to the  
5 State under this title.

6 “(2) FUNDING FOR RISK ADJUSTMENT MECHA-  
7 NISMS.—To fund qualified high risk pools, reinsur-  
8 ance pools, or other risk-adjustment mechanisms  
9 used for the purpose of subsidizing the purchase of  
10 private health insurance for the high-risk population.

11 “(3) AUTHORITY TO USE PORTION OF FEDERAL  
12 ASSISTANCE FOR OTHER WELFARE-RELATED PRO-  
13 GRAMS.—

14 “(A) IN GENERAL.—Subject to the limit  
15 under subparagraph (B), to carry out a State  
16 program pursuant to any or all of the following  
17 provisions of law:

18 “(i) Part A of title IV of this Act.

19 “(ii) Section 1616 of this Act.

20 “(iii) The Food and Nutrition Act of  
21 2008.

22 “(B) LIMITATION.—A State may not use  
23 more than 30 percent of the amount received  
24 under subsection (a) for a fiscal year to carry

1 out a State program, or programs, under sub-  
2 paragraph (A).

3 “(C) REQUIREMENTS ON FUNDS.—Any  
4 amounts that are used under subparagraph  
5 (A)—

6 “(i) shall not be subject to any of the  
7 requirements of subsection (d), subsection  
8 (f), section 2204, or section 2205; and

9 “(ii) shall be subject to—

10 “(I) the audit requirements  
11 under section 2203; and

12 “(II) any requirements that  
13 apply to Federal funds provided di-  
14 rectly for such State program.

15 “(f) MAINTENANCE OF CURRENT LAW RESTRIC-  
16 TIONS ON USE OF FEDERAL FUNDS.—

17 “(1) IN GENERAL.—

18 “(A) NO FUNDING FOR ABORTIONS.—  
19 None of the funds appropriated in this title  
20 shall be expended for any abortion.

21 “(B) NO FUNDS FOR COVERAGE OF ABOR-  
22 TION.—None of the funds appropriated in this  
23 title shall be expended for health benefits cov-  
24 erage that includes coverage of abortion.

1           “(C) HEALTH BENEFITS COVERAGE DE-  
2           FINED.—For purposes of this subsection, the  
3           term ‘health benefits coverage’ means the pack-  
4           age of services covered by a managed care pro-  
5           vider or organization pursuant to a contract or  
6           other arrangement.

7           “(2) EXCEPTIONS.—The limitations established  
8           in paragraph (1) shall not apply to an abortion—

9                   “(A) if the pregnancy is the result of an  
10                   act of rape or incest; or

11                   “(B) in the case where a woman suffers  
12                   from a physical disorder, physical injury, or  
13                   physical illness that would, as certified by a  
14                   physician, place the woman in danger of death  
15                   unless an abortion is performed, including a  
16                   life-endangering physical condition caused by or  
17                   arising from the pregnancy itself.

18           “(3) STATE FUNDS USED IN CONJUNCTION  
19           WITH FEDERAL FUNDS.—The limitations established  
20           in paragraph (1) shall apply to any State funds used  
21           in conjunction with Federal funds appropriated  
22           under this title to provide, or finance the provision  
23           of, health-care-related items and services to indigent  
24           individuals pursuant to section 2201 or subsections  
25           (d)(2), (e)(1), or (e)(2) of this section.

1           “(4) OPTION TO PURCHASE SEPARATE COV-  
2 ERAGE OR PLAN.—Nothing in this subsection shall  
3 be construed as prohibiting a State from purchasing  
4 separate coverage for abortions for which funding is  
5 prohibited under this subsection, or a health plan  
6 that includes such abortions, so long as such cov-  
7 erage or plan is paid for entirely using funds not  
8 provided by this title.

9           “(5) OPTION TO OFFER COVERAGE OR PLAN.—  
10 Nothing in this subsection shall restrict any health  
11 insurance issuer from offering separate coverage for  
12 abortions for which funding is prohibited under this  
13 subsection, or a health plan that includes such abor-  
14 tions, so long as—

15                 “(A) premiums for such separate coverage  
16 or plan are paid entirely with funds not pro-  
17 vided by this title; and

18                 “(B) administrative costs and all services  
19 offered through such separate coverage or plan  
20 are paid for using only premiums collected for  
21 such coverage or plan.

22           “(6) CONSCIENCE PROTECTIONS.—

23                 “(A) None of the funds appropriated in  
24 this Act may be made available to a Federal  
25 agency or program, or to a State or local gov-



1           ernment, if such agency, program, or govern-  
2           ment subjects any institutional or individual  
3           health care entity to discrimination on the basis  
4           that the health care entity does not provide, pay  
5           for, provide coverage of, or refer for abortions.

6           “(B) In this paragraph, the term ‘health  
7           care entity’ includes an individual physician or  
8           other health care professional, a hospital, a pro-  
9           vider-sponsored organization, a health mainte-  
10          nance organization, a health insurance plan, or  
11          any other kind of health care facility, organiza-  
12          tion, or plan.

13          “(g) NO FUNDING FOR ILLEGAL ALIENS.—Except as  
14          provided under this section and section 2205, no funds  
15          appropriated in this title may be used to provide health-  
16          care-related items and services to an alien who is not law-  
17          fully admitted for permanent residence or otherwise per-  
18          manently residing in the United States under color of law.

19          “(h) NONENTITLEMENT.—Nothing in this title shall  
20          be construed as providing an individual with an entitle-  
21          ment to health-care-related items and services under this  
22          title.

23          **“SEC. 2203. ADMINISTRATIVE AND FISCAL ACCOUNT-**  
24          **ABILITY.**

25          “(a) AUDITS.—

1           “(1) CONTRACT WITH APPROVED AUDITING EN-  
2           TITY.—Not later than October 1, 2017, and annu-  
3           ally thereafter, a State shall contract with an ap-  
4           proved auditing entity (as defined under paragraph  
5           (3)(B)) for purposes of conducting an audit under  
6           paragraph (2) (with respect to the fiscal year ending  
7           September 30 of such year).

8           “(2) AUDIT REQUIREMENT.—Under a contract  
9           under paragraph (1), an approved auditing entity  
10          shall conduct an audit of the expenditures or trans-  
11          fers made by a State from amounts received under  
12          a grant under this title, or from State funds de-  
13          scribed in section 2202(f)(3), with respect to the fis-  
14          cal year which such audit covers, to determine the  
15          extent to which such expenditures and transfers  
16          were expended in accordance with this title.

17          “(3) ENTITY CONDUCTING AUDIT.—

18                 “(A) IN GENERAL.—With respect to a  
19                 State, the audit under paragraph (2) shall be  
20                 conducted by an approved auditing entity in ac-  
21                 cordance with generally accepted auditing prin-  
22                 ciples.

23                 “(B) APPROVED AUDITING ENTITY.—For  
24                 purposes of this section, the term ‘approved au-

1            auditing entity’ means, with respect to a State, an  
2            entity that is—

3                    “(i) approved by the Secretary of the  
4            Treasury;

5                    “(ii) approved by the chief executive  
6            officer of the State; and

7                    “(iii) independent of any Federal,  
8            State, or local agency.

9            “(4) SUBMISSION OF AUDIT.—Not later than  
10          December 31, 2017, and annually thereafter, a State  
11          shall submit the results of the audit under para-  
12          graph (2) (with respect to the fiscal year ending on  
13          September 30 of such year) to the State legislature  
14          and to the Secretary of the Treasury.

15          “(5) ADDITIONAL ACCOUNTING REQUIRE-  
16          MENTS.—The provisions of chapter 75 of title 31,  
17          United States Code, shall apply to the audit require-  
18          ments of this section.

19          “(b) REIMBURSEMENT AND PENALTY.—

20                  “(1) IN GENERAL.—If, through an audit con-  
21          ducted under subsection (a), an approved auditing  
22          entity finds that any amounts paid to a State under  
23          a grant under this title were not expended in accord-  
24          ance with this title—

1           “(A) the State shall pay to the Treasury of  
2           the United States any such amount, plus 10  
3           percent of such amount as a penalty; or

4           “(B) the Secretary of the Treasury shall  
5           offset such amount plus the 10 percent penalty  
6           against any other amount in any other fiscal  
7           year that the State may be entitled to receive  
8           under a grant under this title.

9           “(2) MISUSE OF STATE FUNDS.—If, through an  
10          audit conducted under subsection (a), an approved  
11          auditing entity finds that a State violated the re-  
12          quirements of section 2202(f)(3), the State shall pay  
13          to the Treasury of the United States 100 percent of  
14          the amount of State funds that were used in viola-  
15          tion of section 2202(f)(3) as a penalty. Insofar as a  
16          State fails to pay any such penalty, the Secretary of  
17          the Treasury shall offset the amount not so paid  
18          against the amount of any grant otherwise payable  
19          to the State under this title.

20          “(c) ANNUAL REPORTING REQUIREMENTS.—

21                 “(1) IN GENERAL.—Not later than January 31,  
22                 2018, and annually thereafter, each State shall sub-  
23                 mit to the Secretary of the Treasury and the State  
24                 legislature a report on the activities carried out by  
25                 the State during the most recently completed fiscal

1 year with funds received by the State under a grant  
2 under this title for such fiscal year.

3 “(2) CONTENT.—A report under paragraph (1)  
4 shall, with respect to a fiscal year—

5 “(A) contain the results of the audit con-  
6 ducted by an approved auditing entity for a  
7 State for such fiscal year, in accordance with  
8 the requirements of subsection (a) of this sec-  
9 tion;

10 “(B) specify the amount of the grant made  
11 to the State under this title that is used to  
12 carry out a program under section 2202(e)(3);  
13 and

14 “(C) be in such form and contain such  
15 other information as the State determines is  
16 necessary to provide—

17 “(i) an accurate description of the ac-  
18 tivities conducted by the State for the pur-  
19 pose described under section 2201 and any  
20 other use of funds permitted under sub-  
21 sections (d) and (e) of section 2202; and

22 “(ii) a complete record of the pur-  
23 poses for which amounts were expended in  
24 accordance with this title.

1           “(3) CONFORMITY WITH ACCOUNTING PRIN-  
2           CIPALS.—Any financial information in the report  
3           under paragraph (1) shall be prepared and reported  
4           in accordance with generally accepted accounting  
5           principles, including the provisions of chapter 75 of  
6           title 31, United States Code.

7           “(4) PUBLIC AVAILABILITY.—A State shall  
8           make copies of the reports required under this sec-  
9           tion available on a public Web site and shall make  
10          copies available in other formats upon request.

11          “(d) FAILURE TO COMPLY WITH REQUIREMENTS.—  
12          The Secretary of the Treasury shall not make any pay-  
13          ment to a State under a grant authorized by section  
14          2202(a)—

15                 “(1) if an audit for a State is not submitted as  
16                 required under subsection (a), during the period be-  
17                 tween the date such audit is due and the date on  
18                 which such audit is submitted;

19                 “(2) if a State fails to submit a report as re-  
20                 quired under subsection (c), during the period be-  
21                 tween the date such report is due and the date on  
22                 which such report is submitted; or

23                 “(3) if a State violates a requirement of section  
24                 2202(f), during the period beginning on the date the  
25                 Secretary becomes aware of such violation and the

1 date on which such violation is corrected by the  
2 State.

3 “(e) ADMINISTRATIVE SUPERVISION AND OVER-  
4 SIGHT.—

5 “(1) LIMITED ROLE FOR SECRETARY OF THE  
6 TREASURY AND THE ATTORNEY GENERAL.—

7 “(A) TREASURY.—The authority of the  
8 Secretary of the Treasury under this title is  
9 limited to—

10 “(i) promulgating regulations, issuing  
11 rules, or publishing guidance documents to  
12 the extent necessary for purposes of imple-  
13 menting subsection (a)(3)(B), subsection  
14 (b), and subsection (d);

15 “(ii) making quarterly payments to  
16 the States under grants under this title in  
17 accordance with section 2202(a);

18 “(iii) approving entities under sub-  
19 section (a)(3)(B) for purposes of the audits  
20 required under subsection (a);

21 “(iv) withholding payment to a State  
22 of a grant under subsection (d) or offset-  
23 ting a payment of such a grant to a State  
24 under subsection (b); and

1           “(v) exercising the authority relating  
2           to nondiscrimination that is specified in  
3           section 2204(b).

4           “(B) ATTORNEY GENERAL.—The authority  
5           of the Attorney General to supervise the  
6           amounts received by a State under this title is  
7           limited to the authority under section 2204(c).

8           “(2) FEDERAL SUPERVISION.—

9           “(A) IN GENERAL.—Except as provided  
10          under paragraph (1), an administrative officer,  
11          employee, department, or agency of the United  
12          States (including the Secretary of Health and  
13          Human Services) may not—

14                 “(i) supervise—

15                         “(I) the amounts received by the  
16                         States under this title; or

17                         “(II) the use of such amounts by  
18                         the States; or

19                         “(ii) promulgate regulations or issue  
20                         rules in accordance with this title.

21           “(B) LIMITATION ON SECRETARY OF  
22          HEALTH AND HUMAN SERVICES.—The Sec-  
23          retary of Health and Human Services shall  
24          have no authority over any provision of this  
25          title.



1       “(f) RESERVATION OF STATE POWERS.—Nothing in  
2 this section shall be construed to limit the power of a  
3 State, including the power of a State to pursue civil and  
4 criminal penalties under State law against any individual  
5 or entity that misuses, or engages in fraud or abuse re-  
6 lated to, the funds provided to a State under this title.

7       **“SEC. 2204. NONDISCRIMINATION PROVISIONS.**

8       “(a) NO DISCRIMINATION AGAINST INDIVIDUALS.—  
9 No individual shall be excluded from participation in, de-  
10 nied the benefits of, or subjected to discrimination under,  
11 any program or activity funded in whole or in part with  
12 amounts paid to a State under this title on the basis of  
13 such individual’s—

14               “(1) disability under section 504 of the Reha-  
15 bilitation Act of 1973 (29 U.S.C. 794);

16               “(2) sex under title IX of the Education  
17 Amendments of 1972 (20 U.S.C. 1681 et seq.); or

18               “(3) race, color, or national origin under title  
19 VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d  
20 et seq.).

21       “(b) COMPLIANCE.—

22               “(1) If the Secretary of the Treasury deter-  
23 mines that a State or an entity that has received  
24 funds from amounts paid to a State under a grant  
25 under this title has failed to comply with a provision

1 of law referred to in subsection (a), the Secretary of  
2 the Treasury shall notify the chief executive officer  
3 of the State of such failure to comply and shall re-  
4 quest that such chief executive officer secure such  
5 compliance.

6 “(2) If, not later than 60 days after receiving  
7 notification under paragraph (1), the chief executive  
8 officer of a State fails or refuses to secure compli-  
9 ance with the provision of law referred to in such  
10 notification, the Secretary of the Treasury may—

11 “(A) refer the matter to the Attorney Gen-  
12 eral with a recommendation that an appropriate  
13 civil action be instituted; or

14 “(B) exercise the powers and functions  
15 provided under section 505 of the Rehabilita-  
16 tion Act of 1973 (29 U.S.C. 794a), title IX of  
17 the Education Amendments of 1972 (20 U.S.C.  
18 1681 et seq.), or title VI of the Civil Rights Act  
19 of 1964 (42 U.S.C. 2000d et seq.) (as applica-  
20 ble).

21 “(c) CIVIL ACTIONS.—If a matter is referred to the  
22 Attorney General under subsection (b)(2)(A), or the At-  
23 torney General has reason to believe that a State or entity  
24 has failed to comply with a provision of law referred to  
25 in subsection (a), the Attorney General may bring a civil

1 action in an appropriate district court of the United States  
2 for such relief as may be appropriate, including injunctive  
3 relief.

4 **“SEC. 2205. EMERGENCY ASSISTANCE.**

5 “(a) IN GENERAL.—A State that receives a grant  
6 under this title for a fiscal year shall provide payment for  
7 health-care-related items and services provided to a cit-  
8 izen, legal resident, or an alien who is not lawfully admit-  
9 ted for permanent residence or otherwise permanently re-  
10 siding in the United States under color of law, consistent  
11 with the requirements of section 1867, if—

12 “(1) such health-care-related items and services  
13 are—

14 “(A) necessary for the treatment of an  
15 emergency medical condition; and

16 “(B) health-care-related items and services  
17 that such State would provide payment for  
18 under this title, if provided to an indigent indi-  
19 vidual;

20 “(2) the individual meets all necessary eligi-  
21 bility requirements for health-care-related items and  
22 services under the State program funded under this  
23 title, except for any requirement related to immigra-  
24 tion status; and

1           “(3) such items and services are not related to  
2           an organ transplant procedure.

3           “(b) EMERGENCY MEDICAL CONDITION.—For pur-  
4           poses of this section, the term ‘emergency medical condi-  
5           tion’ means a medical condition (including emergency  
6           labor and delivery) manifesting itself by acute symptoms  
7           of sufficient severity (including severe pain) such that the  
8           absence of immediate medical attention could reasonably  
9           be expected to result in—

10           “(1) placing the patient’s health in serious jeop-  
11           ardy;

12           “(2) serious impairment to bodily functions; or

13           “(3) serious dysfunction of any bodily organ or  
14           part.

15   **“SEC. 2206. DEFINITIONS.**

16           “For purposes of this title:

17           “(1) HEALTH-CARE-RELATED ITEMS AND SERV-  
18           ICES.—The term ‘health-care-related items and serv-  
19           ices’ shall be defined by a State with respect to use  
20           of such term for purposes of the application of this  
21           title to the State.

22           “(2) HIGH-RISK POPULATION.—The term ‘high-  
23           risk population’ means individuals who are described  
24           in one of the following subparagraphs:

1           “(A) Individuals who, by reason of the ex-  
2           istence or history of a medical condition, are  
3           able to acquire health coverage only at rates  
4           which are at least 150 percent of the standard  
5           risk rates for such coverage.

6           “(B) Individuals who are provided health  
7           coverage by a qualified high risk pool.

8           “(3) INDIGENT INDIVIDUAL.—The term ‘indi-  
9           gent individual’ shall be defined by a State with re-  
10          spect to use of such term for purposes of the appli-  
11          cation of this title to the State.

12          “(4) QUALIFIED HIGH RISK POOL.—The term  
13          ‘qualified high risk pool’ has the meaning given such  
14          term in section 2745(g)(1)(A) of the Public Health  
15          Service Act.

16          “(5) RISK-ADJUSTMENT MECHANISM DE-  
17          FINED.—For purposes of this section, the term  
18          ‘risk-adjustment mechanism’ means any risk-spread-  
19          ing mechanism to subsidize the purchase of private  
20          health insurance for the high-risk population, includ-  
21          ing a qualified high risk pool.”.

22          (b) REPORT ON REDUCTION OF FEDERAL ADMINIS-  
23          TRATIVE EXPENDITURES.—Beginning not later than Oc-  
24          tober 31, 2017, and annually thereafter until October 31,  
25          2026, the Secretary of Health and Human Services, in

1 consultation with the Secretary of the Treasury, shall sub-  
2 mit a report to the Committee on Energy and Commerce  
3 in the House of Representatives and the Finance Com-  
4 mittee in the Senate containing a description of the total  
5 reduction in Federal expenditures required to administer  
6 and provide oversight for the programs to provide health-  
7 care-related items and services to indigent individuals  
8 under this Act, compared to the expenditures required to  
9 administer and provide oversight for the programs under  
10 titles XIX and XXI of the Social Security Act, as in effect  
11 on September 30, 2012.

12 (c) STATE DEFINED.—Section 1101(a)(1) of the So-  
13 cial Security Act (42 U.S.C. 1301(a)(1)) is amended—

14 (1) in the first sentence, by striking “and XXI”  
15 and inserting “XXI, and XXII”; and

16 (2) in the fourth sentence, by striking “and  
17 XXI” and inserting “, XXI, and XXII”.

18 **SEC. 3. REPEAL OF PPACA, HCERA, AND THE FEDERAL RE-**

19 **QUIREMENTS OF MEDICAID AND CHIP.**

20 (a) PPACA.—The Patient Protection and Affordable  
21 Care Act (Public Law 111–148) is repealed, and the provi-  
22 sions of law amended or repealed by such Act are restored  
23 or revived as if such Act had not been enacted.

24 (b) HCERA.—Title I and subtitle B of title II of the  
25 Health Care and Education Reconciliation Act of 2010

1 (Public Law 111–152) are repealed, and the provisions of  
2 law amended or repealed by such title or subtitle, respec-  
3 tively, are restored or revived as if such title and subtitle  
4 had not been enacted.

5 (c) MEDICAID AND CHIP.—Titles XIX and XXI of  
6 the Social Security Act are repealed.

7 **SEC. 4. SEVERABILITY.**

8 If any provision of this Act, or the application of such  
9 provision to any person or circumstance, is found to be  
10 unconstitutional, the remainder of this Act, or the applica-  
11 tion of that provision to other persons or circumstances,  
12 shall not be affected.

13 **SEC. 5. EFFECTIVE DATE.**

14 This Act and the amendments and repeals made by  
15 this Act shall take effect with respect to items and services  
16 furnished on or after October 1, 2016.

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