

**[DISCUSSION DRAFT]**

118<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R.** \_\_\_\_\_

To amend title XIX of the Social Security Act to require reporting on certain directed payments under the Medicaid program.

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IN THE HOUSE OF REPRESENTATIVES

M\_\_\_\_. \_\_\_\_\_ introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend title XIX of the Social Security Act to require reporting on certain directed payments under the Medicaid program.

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 “\_\_\_\_\_ Act of 2024”.

1 **SEC. 2. STATE DIRECTED PAYMENT REPORTING REQUIRE-**  
2 **MENTS.**

3 Section 1903 of the Social Security Act (42 U.S.C.  
4 1396b) is amended by adding at the end the following new  
5 subsection:

6 “(cc) STATE DIRECTED PAYMENT REPORTING RE-  
7 QUIREMENTS.—

8 “(1) COLLECTION AND AVAILABILITY OF DI-  
9 RECTED PAYMENT DATA.—

10 “(A) IN GENERAL.—Not later than Janu-  
11 ary 1, 2026, the Secretary shall establish a sys-  
12 tem for each State to submit a report, at inter-  
13 vals as determined appropriate by the Sec-  
14 retary, on directed payment data, as a require-  
15 ment for a State plan or a State plan amend-  
16 ment that would provide for a directed payment  
17 arrangement.

18 “(B) REQUIREMENTS.—Each report sub-  
19 mitted by a State in accordance with the re-  
20 quirement established under subparagraph (A)  
21 shall include the following:

22 “(i) An explanation of how directed  
23 payments made under the State plan or a  
24 State plan amendment will result in pay-  
25 ments that are consistent with section  
26 1902(a)(30)(A), including standards with

1 respect to efficiency, economy, quality of  
2 care, and access, along with the stated  
3 purpose and intended effects of the di-  
4 rected payment.

5 “(ii) The criteria used to determine  
6 which providers are eligible to receive the  
7 directed payment.

8 “(iii) A comprehensive description of  
9 the methodology used to calculate the  
10 amount of, and distribute, the directed  
11 payment to each eligible provider, includ-  
12 ing—

13 “(I) data on the amount of the  
14 directed payment made to each eligi-  
15 ble provider, if known, or, if the total  
16 amount is distributed using a formula  
17 based on data from 1 or more fiscal  
18 years, data on the total amount of the  
19 directed payments for the fiscal year  
20 or years available to all providers eli-  
21 gible to receive a directed payment;

22 “(II) if applicable, the specific  
23 criteria with respect to Medicaid serv-  
24 ice, utilization, or cost data to be used  
25 as the basis for calculations regarding

1 the amount or distribution of the di-  
2 rected payment; and

3 “(III) the timing of the directed  
4 payment made to each eligible pro-  
5 vider.

6 “(iv) An analysis of how total Med-  
7 icaid payments made to an eligible pro-  
8 vider, including the directed payment, com-  
9 pare relative to the upper payment limit  
10 for such provider and the average commer-  
11 cial rate for the services to which the pay-  
12 ment relates.

13 “(v) The net payment rate to a pro-  
14 vider receiving a directed payment that is  
15 inclusive of base payment rates, supple-  
16 mental payments (as defined in subsection  
17 (bb)), and any such directed payments.

18 “(C) PUBLIC AVAILABILITY.—The Sec-  
19 retary shall make all reports and related data  
20 submitted under this paragraph publicly avail-  
21 able on the website of the Centers for Medicare  
22 & Medicaid Services on a timely basis.

23 “(2) DEFINITIONS.—In this subsection:

24 “(A) DIRECTED PAYMENT ARRANGE-  
25 MENT.—The term ‘directed payment arrange-

1           ment’ means a contract arrangement between a  
2           State and a managed care organization, prepaid  
3           ambulatory health plan, or prepaid inpatient  
4           health plan that directs the expenditures of  
5           such managed care organization, prepaid ambu-  
6           latory health plan, or prepaid inpatient health  
7           plan in a manner allowable under section 438.6  
8           of title 42, Code of Federal Regulations (or any  
9           successor regulation).

10           “(B) DIRECTED PAYMENT.—The term ‘di-  
11           rected payment’ means a payment to a provider  
12           made pursuant to a directed payment arrange-  
13           ment.

14           “(C) PREPAID AMBULATORY HEALTH  
15           PLAN; PREPAID INPATIENT HEALTH PLAN.—  
16           The terms ‘prepaid ambulatory health plan’ and  
17           ‘prepaid inpatient health plan’ have the mean-  
18           ing given each such term in section 438.2 of  
19           title 42, Code of Federal Regulations (or any  
20           successor regulation).”.