



MEMORANDUM

September 9, 2021

To: Committee on Energy and Commerce Members and Staff

Fr: Committee on Energy and Commerce Staff

Re: Full Committee Markup of Legislative Recommendations for Budget Reconciliation

On Monday, September 13, 2021, at 11 a.m. (EDT), and subsequent days as necessary, in the John D. Dingell Room, 2123 of the Rayburn House Office Building, and via Cisco Webex online video conferencing, the Committee on Energy and Commerce will hold a hybrid markup of the Committee's legislative recommendations for budget reconciliation. The Committee will consider 16 committee prints drafted as individual subtitles relating to: (1) Air Pollution; (2) Hazardous Materials; (3) Drinking Water; (4) Energy; (5) Drug Pricing; (6) Affordable Care Act; (7) Medicaid; (8) CHIP; (9) Medicare; (10) Public Health; (11) Next Generation 9-1-1; (12) Wireless Connectivity; (13) Distance Learning; (14) Manufacturing Supply Chain; (15) FTC Privacy Enforcement; and (16) Department of Commerce Inspector General.

I. OVERVIEW

On August 24, 2021, pursuant to the provisions of H. Res. 601, the House of Representatives adopted S. Con. Res. 14, a concurrent resolution setting forth the congressional budget for the United States Government for fiscal year (FY) 2022, setting forth the appropriate budgetary levels for FY 2023 through FY 2031, and providing reconciliation instructions. The resolution included the following budget reconciliation instructions for the Committee: *the Committee on Energy and Commerce of the House of Representatives shall report changes in laws within its jurisdiction that increase the deficit by not more than \$486,500,000,000 for the period of fiscal years 2022 through 2031.*

II. LEGISLATIVE RECOMMENDATIONS FOR BUDGET RECONCILIATION

A. Subtitle A: Budget Reconciliation Legislative Recommendations Relating to Air Pollution

i. Clean Heavy-Duty Vehicles (Sec. 30101)

Subsection (a) appropriates \$5 billion to carry out section 132 of the Clean Air Act (CAA), as added by subsection (b). Section 132(a) establishes a program to make awards of grants and rebates to replace Class 6 and Class 7 heavy-duty vehicles with zero-emission vehicles. Section 132(b) establishes an application requirement. Section 132(c) allocates 40 percent of funding to recipients proposing to

replace eligible heavy-duty vehicles serving communities located in nonattainment areas. Section 132(d) defines terms used in this section.

ii. Grants to Reduce Air Pollution at Ports (Sec. 30102)

This section provides \$3.5 billion for the purchase and installation of zero-emission equipment and technology at ports, as well as the development of climate action plans at ports. Requires that 40 percent of investments are made at ports in nonattainment areas.

iii. Greenhouse Gas Reduction Fund (Sec. 30103)

This section provides \$27.5 billion to invest in nonprofit, state, and local financing institutions designed to rapidly deploy low- and zero-emission technologies by leveraging investment from the private sector. Requires that at least 40 percent of investments benefit low-income and disadvantaged communities.

iv. Collaborative Community Wildfire Air Grants (Sec.30104)

This section provides the Environmental Protection Agency (EPA) \$150 million to assist communities in developing and implementing collaborative community plans to prepare for, reduce risks of, and mitigate the health and environmental effects of wildfire smoke.

v. Diesel Emissions Reductions (Sec. 30105)

This section provides EPA \$170 million for Diesel Emissions Reduction Act (DERA) grants to reduce diesel emissions from existing engines. Specifically directs \$100 million to projects addressing diesel emissions from goods movement facilities (e.g., airports, railyards, and distribution centers) and from vehicles servicing those facilities. Further directs \$20 million to projects addressing diesel emissions in low-income and disadvantaged communities.

vi. Funding to Address Air Pollution (Sec. 30106)

This section provides \$315 million to the EPA, of which \$265 million is for air quality monitoring via grants and other activities authorized under CAA sections 102, 103, and 105, and \$50 million is to carry out specified sections of the CAA with respect to greenhouse gases (GHG).

vii. Funding to Address Air Pollution at Schools (Sec. 30107)

This section appropriates \$10 million to EPA to monitor and reduce air pollution at public schools in low-income and disadvantaged communities under CAA sections 103 and 105.

viii. Low Emissions Electricity Program (Sec. 30108)

This section provides \$100 million to EPA to carry out CAA section 132, as added by this section. Section 132(b) directs that not less than \$40 million shall be used to help educate consumers, support low-income and disadvantaged communities, and offer technical assistance to industry, as well

as state and local governments, with respect to reductions in GHG emissions that result from domestic electricity generation and use. Section 132(b) further directs that not less than \$1 million be used to assess the emission reductions anticipated to occur over the next decade, and that not less than \$20 million be used to ensure the assessed reductions are achieved.

ix. Funding for Section 211 of the Clean Air Act (Sec. 30109)

This section provides EPA \$10 million to carry out CAA section 211, of which not less than \$5 million shall be for tests, protocols, analyses, and evaluations regarding environmental and public health effects and lifecycle emissions of transportation fuels.

x. Funding for Implementation of The American Innovation and Manufacturing Act (Sec. 30110)

This section provides \$42 million to EPA to carry out the American Innovation and Manufacturing Act, of which \$3.5 million is to deploy new implementation and compliance tools and \$15 million is for competitive grants for reclaim and innovative destruction technologies.

xi. Funding for Enforcement Technology and Public Information (Sec. 30111)

This section appropriates \$50 million to EPA, of which at least \$33 million is to update EPA's Integrated Compliance Information System, not more than \$7 million is for grants to EPA-authorized partners to update their systems, and not more than \$10 million is to acquire or update inspection software used by EPA and other authorized partners.

xii. Greenhouse Gas Corporate Reporting Assessment (Sec. 30112)

This section provides EPA \$5 million to support enhanced standardization and transparency of corporate climate action commitments and plans, and progress toward meeting such commitments and implementing such plans.

xiii. Environmental Product Declaration Assistance Program (Sec. 30113)

This section provides EPA \$250 million to establish and carry out an Environmental Product Declaration (EPD) Assistance program to support development and enhanced standardization and transparency of environmental product declaration for construction materials and products.

xiv. Environmental Protection Agency Methane Fee (Sec. 30114)

This section establishes a fee that EPA must impose upon and collect from the owner or operator of certain facilities that report methane emissions under Subpart W of the Greenhouse Gas Reporting Program.

For petroleum and natural gas production industry segments,¹ the fee only applies to the carbon dioxide equivalent tons (CO₂e) of reported methane emissions that exceed an intensity threshold of 0.2 percent of natural gas sent to sales. For nonproduction petroleum and natural gas industry segments,² the fee only applies to the CO₂e of reported methane emissions above an intensity threshold of 0.05 percent of natural gas sent to sales.

The section directs EPA to update regulations for reporting under Subpart W within two years. After that period, it imposes a fee of \$60 per CO₂e on applicable facilities' reported emissions above the intensity thresholds in 2022.

The section further requires that funds raised by the fee be transferred to EPA to: 1) cover the costs of developing and administering the methane fee; 2) provide financial and technical assistance to owners and operators of applicable facilities preparing and submitting GHG reports under Subpart W; 3) improve methane emissions monitoring under CAA section 103; and, 4) provide financial and technical assistance for activities that reduce methane and other GHG emissions from petroleum and natural gas systems, mitigate legacy pollution from petroleum and natural gas systems, and support communities around those systems.

B. Subtitle B: Budget Reconciliation Legislative Recommendations Relating to Hazardous Materials

i. Superfund Investments (Sec. 30201)

This section provides \$10 billion for response actions to be carried out by responsible federal agencies at federal facilities on the National Priority List pursuant to section 120 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

ii. Funding to Address Toxics in Schools (Sec. 30202)

This section appropriates \$10 million to EPA to reduce pollution at schools in low-income and disadvantaged communities under title V of the Toxic Substances Control Act.

iii. Grants To Reduce Waste in Communities (Sec. 30203)

This section provides \$750 million for investments in community-level waste reduction infrastructure, incentives, and related activities.

iv. Environmental and Climate Justice Block Grants (Sec. 30204)

¹ Offshore petroleum and natural gas production, and onshore petroleum and natural gas production.

² Natural gas processing, natural gas transmission and compression, underground natural gas storage, liquefied natural gas storage, liquefied natural gas import and export equipment, onshore petroleum and natural gas gathering and boosting, and onshore natural gas transmission pipelines.

This section provides \$5 billion for investments in community-led projects in disadvantaged communities and community capacity building centers to address disproportionate environmental and public health harms related to pollution and climate change.

C. Subtitle C: Budget Reconciliation Legislative Recommendations Relating to Drinking Water

i. Lead Service Line Replacement (Sec. 30301)

This section provides \$30 billion for lead service line replacement projects, to be distributed pursuant to section 1452 of the Safe Drinking Water Act (SDWA), the drinking water State Revolving Fund (SRF). It also specifies that no funds provided may be used for partial replacements of lead service lines or as leverage for the issuance of bonds.

ii. Community Water System Risk and Resilience (Sec. 30302)

This section provides \$500 million for grants to community water systems to improve their resilience to natural disasters and intentional acts, under SDWA section 1433, the Community Water System Risk and Resilience program.

iii. Grants For State Programs (Sec. 30303)

This section provides \$100 million for Public Water System Supervision (PWSS) grants to states, under SDWA section 1443.

iv. Assistance for Colonias (Sec. 30304)

This section provides \$100 million for grants to be provided by EPA pursuant to SDWA section 1456, Assistance to Colonias.

v. Grants to Reduce Lead in School Drinking Water (Sec. 30305)

This section provides \$700 million for grants to reduce lead in school drinking water under SDWA sections 1464 and 1465, of which \$500 million will be for grants to assist schools in the installation and maintenance of lead filtration stations; \$150 million shall be for grants for school and childcare program lead testing; and \$50 million will be for grants to schools for the replacement of school drinking water fountains that may contain lead.

vi. Grants for Indian Reservation Drinking Water Program (Sec. 30306)

This section provides \$100 million to implement eligible projects under the Indian Reservation Drinking Water program created by America's Water Infrastructure Act (AWIA).

vii. Assistance for Areas Affected by Natural Disasters (Sec. 30307)

This section provides \$100 million for grants pursuant to a program created under AWIA to encourage the extension of drinking water service into underserved areas affected by natural disasters and clarifies that the territories are eligible for the program, of which \$10 million will be for grants to assist underserved areas in the United States Territories.

viii. Assistance for Disadvantaged Communities (Sec. 30308)

This section provides \$200 million for grants under SDWA section 1459A(b), Assistance for Disadvantaged Communities.

ix. Grants for Contaminant Monitoring (Sec. 30309)

This section provides \$100 million for grants to cover the cost of contaminant monitoring under SDWA section 1445(a)(2).

x. Technical Assistance to Small Public Water Systems (Sec. 30310)

This section provides \$100 million for technical assistance for small public water systems under SDWA section 1442(e).

xi. Funding for Water Assistance Program (Sec. 30311)

This section provides \$500 million for grants, to be provided by the Secretary of Health and Human Services (HHS), to states and Tribes to assist low-income water customers in reducing arrearages and water rates for those customers.

D. Subtitle D: Budget Reconciliation Legislative Recommendations Relating to Energy

i. Part 1 – Clean Electric Performance Program (Sec. 30411)

Subsection (a) appropriates \$250 million for administrative expenses for the Department of Energy (DOE) to carry out the Clean Electricity Performance Program (CEPP) and such sums as are necessary to make grants to eligible electricity suppliers under the program.

Subsection (b) amends the Federal Power Act (FPA) to add the CEPP as Section 224.

New FPA section 224(a) requires DOE to establish a program to issue grants to and collect payments from eligible electricity suppliers.

New FPA section 224(b) establishes eligibility and calculations for grants. Based on its performance in each of calendar years 2023 through 2030, an eligible electricity supplier will be eligible for a grant from DOE if such supplier increases its certified clean electricity percentage by at least 4 percentage points compared to the previous year. The grant amount will be \$150 for each megawatt-hour of qualified clean electricity between 1.5 percent above the supplier's previous certified clean electricity percentage and its most recent certified clean electricity percentage. If an eligible electricity supplier submitted a payment to DOE in the previous year, to be eligible for a grant in the next year,

such supplier must increase its clean electricity percentage by 4 percent plus a percentage equivalent to the payment it submitted.

For calendar year 2023, eligibility of an electricity supplier is based on the increase in its certified clean electricity percentage relative to its baseline clean electricity percentage, which is based on its averaged 2019 and 2020 clean electricity percentage. The grant amount will be \$150 for each megawatt-hour of qualified clean electricity between 2.5 percent above the baseline and its 2023 certified clean electricity percentage.

Under new FPA section 224(c), based on its performance in each of calendar years 2023 through 2030, an eligible electricity supplier that does not increase its certified clean electricity percentage by at least four percent annually will owe a payment to DOE. The payment amount will be calculated as \$40 for each megawatt-hour of qualified clean electricity certified by the eligible load-serving entity that is below the annual four percent increase over the previous year (or the baseline, for performance year 2023).

New FPA section 224(d) provides that through calendar year 2029, an eligible electricity supplier may defer its grant or payment. This election is made on an annual basis and may not be made for more than two consecutive years.

New FPA section 224(e) establishes administrative requirements and conditions for eligibility. It also requires that grants be used exclusively for the benefit of the eligible electricity supplier's ratepayers, including direct bill assistance, investments in qualified clean electricity and energy efficiency, and worker retention.

New FPA section 224(f) defines terms for this section, including qualified clean electricity as electricity generation with a carbon intensity of not more than 0.10 metric tons of carbon dioxide equivalent per megawatt-hour.

ii. Part 2 – Residential Efficiency and Electrification Rebates (Sec. 30421 and 30422)

Section 30421 provides DOE \$9 billion to institute guidelines for state energy offices to provide rebates for whole-house energy saving retrofits. Of this amount, \$500 million shall be available for contractor training grants to support home energy efficiency retrofits. Specifies rebate amounts for single-family and multifamily energy efficiency retrofits. Provides that home energy efficiency retrofit rebates for high-efficiency natural gas heating, ventilation, air conditioning and cooling (HVAC) systems and water heaters are eligible for six years after the date of enactment.

Section 30422 amends section 124 of the Energy Policy Act of 2005 (EPACT05) to appropriate \$9 billion for DOE to provide homeowners and owners of multifamily buildings rebates for qualifying electrification projects. Specifies rebate amounts for the program. Requires that \$5.5 billion of the appropriated amount be made available for rebates carried out in tribal communities or for low- or moderate-income households.

iii. Part 3 – Build Efficiency and Resilience (Sec. 30431, 30432, and 30433)

Section 30431 appropriates \$3.5 billion for DOE’s Weatherization Assistance Program for low-income households. Of that funding, \$850 million is allocated to support weatherization readiness by addressing structural or health and safety repairs of homes through the Weatherization Enhancement and Innovation program. This section also increases the program’s average cost per dwelling unit to enable local weatherization implementers to spend the increased level of funding.

Section 30432 appropriates \$3.2 billion for DOE to provide funding to states for the purposes of resiliency, energy efficiency, renewable energy, and grid integration improvements at public and non-profit buildings.

Section 30433 appropriates \$300 million for State Energy Program grants to assist states and local communities adopting updated building energy codes for residential and commercial buildings. Specifically, \$100 million is available for the adoption and implementation of the latest building energy codes, and \$200 million is available for the adoption and implementation of zero energy and equivalent stretch codes.

iv. Part 4 – Zero Emissions Vehicle Infrastructure Buildout (Sec. 30441, 30442, 30443, 30444, and 30445)

Section 30441 defines terms used in Chapter 4 – Zero Emissions Vehicle Infrastructure Buildout.

Section 30442 appropriates \$2 billion to DOE for rebates for electric vehicle supply equipment (EVSE) located in publicly accessible places, such as workplaces, multi-unit dwellings, and other publicly accessible locations.

Section 30443 appropriates \$1 billion to DOE to provide technical assistance, grants, and education and outreach for EVSE located in low-income and underserved areas.

Section 30444 appropriates \$500 million to DOE to provide financial assistance to State energy offices to develop a state energy transportation plan for inclusion in a state energy conservation plan, as established in the Energy Policy and Conservation Act.

Section 30445 appropriates \$4 billion to DOE for the Plug-in electric drive vehicle program, established in the Energy Independence and Security Act of 2007 (EISA), to provide grants to carry out projects for plug-in electric drive vehicles. Appropriates \$6 billion for the Near-term Transportation Sector Electrification program, established in EISA, to provide grants for the conduct of qualified electric transportation projects.

v. Part 5 – DOE Loan and Grant Programs (Sec. 30451, 30452, 30453, and 30454)

Section 30451 provides the Secretary of Energy with authority to make commitments up to a total principal amount of \$30 billion to guarantee loans for eligible projects under EPACT05 section 1703. The section further appropriates \$700 million for the costs of guarantees made under section 1703 for renewable and/or energy efficient systems and manufacturing, and distributed energy generation, transmission, and distribution.

Section 30452 appropriates \$3 billion to the Secretary of Energy for the costs of providing direct loans under section EISA section 136, known as the Advanced Technology Vehicles Manufacturing program, to produce zero-emission medium and heavy-duty vehicles, trains or locomotives, maritime vessels, aircraft, or hyperloop technology. This section also removes the cap on the amount of direct loans the Secretary can issue under this program.

Section 30453 appropriates \$1 billion to the Secretary of Energy for domestic manufacturing conversion grants relating to domestic production of zero-emission vehicles under EPACT05 section 712.

Section 30454 appropriates \$2 billion to the Secretary of Energy for the cost of providing financial support to the Energy Community Reinvestment Financing Program under EPACT05 Section 1706, as added by this subtitle. Section 1706(a) directs the Secretary to establish a program to provide financial support to eligible entities for the purpose of enabling low-carbon reinvestments in energy communities. Section 1706(b) establishes an application process, 1706(c) sets out fees and other requirements, and 1706(d) defines terms used in this section.

vi. *Part 6 – Electric Transmission (Sec. 30461, 30462, 30463, and 30644)*

Section 30461 appropriates \$8 billion to DOE to provide grants and loans for the purpose of constructing new long-distance transmission lines and for upgrading interties between the various interconnections.

Section 30462 appropriates \$800 million to DOE for the issuance of grants to siting authorities, including state, local, or Tribal governmental entities, for the purpose of studying and analyzing the impacts of covered transmission projects, examining alternate transmission siting corridors, hosting negotiations regarding covered transmission projects, participating in regulatory proceedings, and for economic development activities for communities that may be affected by the construction and operation of a covered transmission project.

Section 30463 appropriates \$100 million to DOE for the purpose of providing states with technical assistance and grants to evaluate forming, expanding, or improving organized wholesale electricity markets, and aligning the policies of organized wholesale electricity markets with relevant state policies.

Section 30644 appropriates \$100 million to DOE to perform transmission planning, modeling and analyses regarding the development of interregional and offshore wind transmission projects and to convene stakeholders to address the development of such transmission projects.

vii. *Part 7 – Environmental Reviews (Sec. 30471 and 30472)*

Section 30471 appropriates \$200 million to DOE to provide for more efficient and effective environmental reviews under the National Environmental Policy Act of 1969 (NEPA).

Section 30472 appropriates \$100 million to the Federal Energy Regulatory Commission (FERC) to provide for more efficient and effective environmental reviews under NEPA.

viii. *Part 8 – Other Energy Matters (Sec. 30481, 30482, 30483, and 30484)*

Section 30481 appropriates \$17.5 billion to DOE for the purpose of funding agencies' efforts to procure clean electricity, low carbon materials, and automotive supply equipment, and for undertaking other measures on federal buildings that are energy efficient and cost effective.

Section 30482 appropriates \$5 billion to DOE for the Energy Efficiency Conservation Block Grant program, \$2.5 billion of which is to be distributed as formula grants, and \$2.5 billion of which is to be distributed competitively.

Section 30483 appropriates \$2.5 billion to DOE for grants, rebates, and low-interest loans for the planning and installation of solar and community solar facilities that reserve capacity for low-income households, or that are located at low-income households, or multi-family affordable housing complexes.

Section 30484 appropriates \$50 million to the DOE Inspector General (IG) for oversight of activities for which funding is appropriated in this subtitle.

E. Subtitle E: Budget Reconciliation Legislative Recommendations Relating to Drug Pricing

i. Part 1 – Lowering Prices Through Fair Drug Price Negotiation (Sec. 30501, 30502, and 30503)

Section 30501 establishes a fair price negotiation program and mandates that the Secretary of HHS negotiate directly with drug manufacturers to determine the maximum fair price of certain high-cost prescription drugs that lack competition. This maximum fair price will be provided to Medicare beneficiaries and will be available for individuals enrolled under a group health plan.

Section 30502 imposes a tax on the manufacturer, producer, or importer of any selected drug during noncompliance periods, as defined in the section.

Section 30503 also establishes a Fair Price Negotiation Implementation Fund and appropriates funding to carry out the implementation of Part 1. There is authorized \$3,000,000,000 to remain available until expended.

ii. Part 2 – Prescription Drug Inflation Rebates (Sec. 30511 and 30512)

Section 30511 establishes a mandatory rebate for drug manufacturers for certain Medicare Part B drugs with prices increasing faster than inflation. Under this provision, the Secretary shall calculate a rebate amount based on the total number of units with respect to a Part B rebatable drug, including for the Medicare program and the commercial market, and determine the inflation-adjusted payment amount based on the percentage by which the price exceeded the inflation benchmark. Should a manufacturer not pay the mandated rebate, the manufacturer shall be subject to a civil monetary penalty equal to or at least 125 percent of the rebate amount for such calendar quarter.

Section 30512 establishes a mandatory rebate for drug manufacturers for certain Medicare Part D drugs with prices increasing faster than inflation. Under this provision, the Secretary shall calculate a rebate amount based on the total number of units with respect to a Part D rebatable drug, including for the Medicare program and the commercial market, and determine the inflation-adjusted payment amount based on the percentage by which the price exceeded the inflation benchmark. Should a manufacturer not pay the mandated rebate, the manufacturer shall be subject to a civil monetary penalty equal to or at least 125 percent of the rebate amount for such calendar quarter.

iii. Part 3 – Part D Improvements and Maximum Out-of-Pocket Cap for Medicare Beneficiaries (Sec. 30521 and 30522)

Section 30521 changes the structure of the standard benefit design for Medicare Part D by establishing an out-of-pocket maximum of \$2,000 for Part D enrollees and redesigns the phases of coverage and liability requirements for prescription drug plans (PDPs), drug manufacturers, and the Medicare program.

Section 30522 permits certain Part D enrollees to reallocate their cost-sharing throughout a plan year under certain circumstances should the plan project that the dispensing of the first fill of a covered Part D drug will result in the enrollee incurring costs that are equal to or above the annual out-of-pocket threshold established under Section __01.

iv. Part 4 – Repeal of Certain Prescription Drug Rebate Rule (Sec. 30531)

This section prohibits the implementation after January 1, 2026, of the final rule entitled “Fraud and Abuse; Removal of Safe Harbor Protection for Rebates Involving Prescription Pharmaceuticals and Creation of New Safe Harbor Protection for Certain Point-of-Sale Reductions in Price on Prescription Pharmaceuticals and Certain Pharmacy Benefit Manager Services Fees” that was published by the Office of the Inspector General of the Department of Health and Human Services on November 30, 2020.

F. Subtitle F: Budget Reconciliation Legislative Recommendations Relating to the Affordable Care Act

i. Ensuring Affordability Coverage for Certain Low-Income Populations (Sec. 30601)

This section provides the Affordable Care Act (ACA) Marketplace cost-sharing reduction assistance to individuals with incomes below 138 percent of the Federal Poverty Level (FPL) beginning in 2022 through 2024. Consistent with current law, individuals who qualify for government sponsored insurance, such as Medicaid, would not qualify for the temporary cost-sharing assistance.

ii. Temporary Expansion of Health Insurance Premium Tax Credits for Certain Low-Income Populations (Sec. 30602)

This section provides the ACA Marketplace subsidies to individuals with incomes below 100 percent of the FPL beginning in 2022 through 2024. Consistent with current law, individuals who

currently qualify for government sponsored insurance, such as Medicaid, would not qualify for the temporary Marketplace subsidies.

iii. Establishing a Health Insurance Affordability Fund (Sec. 30603)

This section makes available \$10 billion annually to states, providing the option for states to establish a state reinsurance program or use the funds to provide financial assistance to reduce out-of-pocket costs. It would also require the Centers for Medicare and Medicaid Services (CMS) to establish and implement a reinsurance program in states that are not expending amounts under the state plan for all individuals described in section 19902(a)(10)(A)(i)(VIII) during 2023 and 2024 plan years.

G. Subtitle G: Budget Reconciliation Legislative Recommendations Relating to Medicaid

i. Part 1 – Federal Medicaid Program to Close the Coverage Gap (Sec. 30701)

This section establishes a federal Medicaid program for individuals who reside in states that have not expanded Medicaid beginning in 2025. The federal Medicaid program would provide the same benefits and beneficiary protections to individuals as are provided by state Medicaid expansion. It would authorize the Secretary of HHS to contract with third-party entities to operate the federal Medicaid program.

ii. Part 2 – Expanding Access to Medicaid Home and Community-Based Services (Sec. 30711, 30712, 30713, 30714, and 30715)

Section 30711 defines key terms.

Section 30712 provides grants to states to develop plans to expand access to home and community based services (HCBS) and strengthen the HCBS workforce.

Section 30713 provides states with a permanent seven percentage point increase to the federal medical assistance percentage (FMAP) if the state implements an HCBS improvement program to strengthen and expand HCBS. It provides an enhanced FMAP of 80 percent for administrative costs associated with improving HCBS. It also provides a two-year increase to the FMAP of two percentage points if a state adopts an HCBS model that promotes self-direction of care and meets certain other requirements.

Section 30714 requires the Secretary of HHS to report on the implementation and outcomes of state HCBS improvement programs, and to provide states with technical assistance to implement HCBS improvement programs.

Section 30715 requires HHS to develop and publish HCBS quality measures for state Medicaid programs.

iii. Part 3 – Other Medicaid (Sec. 30721, 30722, 30723, 30724, 30725, and 30726)

Section 30721 permanently extends the protection against spousal impoverishment for individuals whose partners receive Medicaid HCBS.

Section 30722 provides permanent funding for the Money Follows the Person Rebalancing Demonstration to help states transition folks out of institutions and into HCBS.

Section 30723 requires that state Medicaid programs provide 12 months of continuous Medicaid eligibility to postpartum women. It also requires that states provide full Medicaid benefits to pregnant and postpartum women.

Section 30724 requires that state Medicaid programs provide 12 months of continuous eligibility to children enrolled in Medicaid.

Section 30725 requires that state Medicaid programs cover incarcerated individuals 30 days prior to their release.

Section 30726 permanently extends the express lane eligibility option for children in Medicaid.

H. Subtitle H: Budget Reconciliation Legislative Recommendations Relating to CHIP

i. Permanent Extension of Children’s Health Insurance Program (Sec. 30801)

This section authorizes permanent funding for the Children’s Health Insurance Program (CHIP) for low-income children.

ii. Permanent Extensions of Other Programs and Demonstration Projects (Sec. 30802)

This section provides permanent funding for several programs related to CHIP, including the pediatric quality measures program and the child enrollment contingency fund to provide states with additional funding in the event its CHIP allotment is insufficient.

iii. State Option to Increase Eligibility for Medicaid and CHIP (Sec. 30803)

This section provides states with the option to increase CHIP income eligibility levels above the existing statutory ceiling.

iv. Extending Continuous CHIP Coverage for Pregnant and Postpartum Women (Sec. 30804)

This section requires states to provide 12 months of postpartum coverage to women enrolled in CHIP.

v. Providing for 1 Year of Continuous Eligibility for Children Under the Children’s Health Insurance Program (Sec. 30805)

This section requires state CHIP programs to provide 12 months of continuous eligibility to children enrolled in CHIP.

I. Subtitle I: Budget Reconciliation Legislative Recommendations Relating to Medicare

i. Dental and Oral Health Care (Sec. 30901)

This section provides for coverage of preventive and screening dental services (e.g., cleanings and x-rays), basic (e.g., tooth extractions and oral disease management services) and major (e.g., crowns and root canals) dental treatment services, and dentures beginning January 1, 2028.

ii. Providing Coverage for Hearing Care under the Medicare Program (Sec. 30902)

This section provides for coverage of hearing aids for individuals with severe or profound hearing loss beginning October 1, 2023.

iii. Providing Coverage for Vision Care under the Medicare Program (Sec. 30903)

This section provides for coverage of routine eye exams, glasses, and contact lenses beginning October 1, 2022.

J. Subtitle J: Budget Reconciliation Legislative Recommendations Relating to Public Health

i. Part 1 – Health Care Infrastructure and Workforce (Sec. 31001, 31002, 31003, 31004, 31005, 31006, 31007, and 31008)

Section 31001 provides \$7,000,000,000 in funding to support core public health infrastructure activities to strengthen the public health system through grants to state, territorial, local, or Tribal health departments, and expanding and improving activities of the Centers for Disease Control and Prevention (CDC). Such activities include: workforce capacity and competency; laboratory systems; all hazards public health and preparedness; testing capacity, including test platforms, mobile testing units, and personnel; health information, health information systems, and health information analysis; disease surveillance; contact tracing; among other activities.

Section 31002 provides \$10,000,000,000 in funding to award grants for construction or modernization projects for purposes of increasing capacity and updating hospitals and other medical facilities in order to better serve communities in need. In awarding grants under this section, the Secretary of HHS shall give priority to projects that will include public health preparedness, natural disaster emergency preparedness, or cybersecurity against cyber threats.

Section 31003 provides \$10,000,000,000 in funding to award grants and enter into cooperative agreements for capital projects to health centers.

Section 31004 provides \$500 million in funding to award grants to qualified teaching health centers and to behavioral health care centers (including both substance abuse and mental health care facilities) to support the improvement, renovation, or infrastructure at such centers.

Section 31005 provides \$1 billion in funding for medical school construction, expansion and training in underserved communities that lack quality access to quality health care.

Section 31006 provides \$1 billion in funding to support schools of nursing with program enhancement and infrastructure modernization, simultaneously increasing the number of nursing faculty and students, including rural and underserved areas.

Section 31007 provides \$6 billion in funding for payments to teaching health centers that operate graduate medical education programs and the award of teaching health center development grants.

Section 31008 provides \$300 million in funding for Nurse Corps, which provides loan repayment assistance to registered nurses (RNs) and advanced practice registered nurses (APRNs), in return for a commitment to work at eligible health care facilities with a critical shortage of nurses or serve as nurse faculty in eligible schools of nursing.

ii. Part 2 – Pandemic Preparedness (Sec. 31021, 31022, 31023, 31024, and 31025)

Section 31021 provides \$5 billion in funding to support renovation, expansion, and modernization of state and local public health laboratory infrastructure; renovating, expanding, and modernizing laboratories of CDC; and enhancing the ability of CDC to monitor and exercise oversight over biosafety and biosecurity of state and local public health laboratories.

Section 31022 provides \$1,250,000,000 in funding to award grants to strengthen vaccine confidence; strengthen routinely recommended vaccine programs; and improve rates of vaccination.

Section 31023 provides \$1,250,000,000 in funding to award grants to enhance and strengthen early warning and detection systems; enhance and strengthen surveillance based in hospitals and other health care providers or facilities; among other activities.

Section 31024 provides \$500,000,000 in funding to support public health data surveillance, aggregation, and analytics infrastructure modernization initiatives; enhance reporting and workforce core competencies in informatics and digital health; and expand and maintain efforts to modernize the United States disease warning system.

Section 31025 provides \$8,000,000,000 in funding to the Assistant Secretary for Preparedness and Response, to prepare for, and respond to, public health emergencies, including shoring up the Strategic National Stockpile, strengthening our supply chains, supporting domestic and global manufacturing of vaccines, bolstering biosecurity, and investing in therapeutics, among other activities.

iii. Part 3 – Innovation (Sec. 31031)

This section provides \$3,000,000,000 to establish the Advanced Research Projects Agency for Health (ARPA-H). Funding for ARPA-H seeks to make pivotal investments in breakthrough technologies and broadly applicable platforms, capabilities, resources, and solutions that have the potential to transform important areas of medicine and health that cannot readily be accomplished through traditional biomedical research or commercial activity.

iv. Part 4 – Maternal Mortality (Sec. 31041, 31042, 31043, 31044, 31045, 31046, 31047, 31048, 31049, 31050, 31051, 31052, 31053, 31054, 31055, and 31056)

Section 31041 provides \$175,000,000 in funding to award grants to address social determinants of maternal health for pregnant and postpartum individuals.

Section 31042 provides \$150,000,000 in funding to award grants to accredited schools of nursing to grow and diversify the perinatal nursing workforce.

Section 31043 provides \$50,000,000 in funding to award grants to establish or expand programs to grow and diversify the doula workforce.

Section 31044 provides \$75,000,000 in funding to award grants to establish or expand programs to grow and diversify the maternal mental health and substance use disorder treatment workforce.

Section 31045 provides \$100,000,000 in funding to award grants to address maternal mental health conditions and substance use disorders with respect to pregnant, lactating, and postpartum individuals.

Section 31046 provides \$85,000,000 in funding to award grants to support the development and integration of education and training programs for identifying and addressing risks associated with climate change for pregnant, lactating, or postpartum individuals.

Section 31047 provides \$50,000,000 in funding to award grants to minority-serving institutions to study maternal mortality, severe maternal morbidity, and adverse maternal health outcomes.

Section 31048 provides \$25,000,000 in funding for identification of maternity care health professional target areas, as defined under section 332(k) of the Public Health Service Act.

Section 31049 provides \$50,000,000 in funding to promote community engagement in maternal mortality review committees.

Section 31050 provides \$100,000,000 to carry out section 317K of the Public Health Service Act with respect to conducting surveillance for emerging threats to mothers and babies.

Section 31051 provides \$30,000,000 to carry out the Enhancing Reviews and Surveillance to Eliminate Maternal Mortality program established under section 317K of the Public Health Service Act.

Section 31052 provides \$15,000,000 to carry out section 317K of the Public Health Service Act with respect to the Pregnancy Risk Assessment Monitoring System.

Section 31053 provides \$15,000,000 to carry out section 301 of the Public Health Service Act and title IV of the Public Health Service Act with respect to child health and human development and to conduct or support research for interventions to mitigate the effects of the COVID-19 public health emergency on pregnant and postpartum individuals.

Section 31054 provides \$30,000,000 in funding to award grants to expand the use of technology-enabled collaborative learning and capacity models for pregnant and postpartum individuals.

Section 31055 provides \$30,000,000 in funding to award grants to reduce racial and ethnic disparities in maternal health outcomes by increasing access to digital tools related to maternal health care.

Section 31056 provides \$25,000,000 in funding to award grants to develop, disseminate, review, research, and evaluate training for health professionals and all staff who interact with patients to reduce discrimination and bias in the provision of health care.

v. *Part 5 – Other Public Health Investments (Sec. 31061, 31062, 31063, 31064, and 31065)*

Section 31061 provides \$50,000,000 in funding for the Minority Fellowship Program at the Substance Abuse and Mental Health Services Administration (SAMHSA), whose mission promotes culturally competent behavioral and mental health care for underserved communities.

Section 31062 provides \$75,000,000 in funding for the National Suicide Prevention Lifeline programs, which seek to provide resources and support to individuals in crisis.

Section 31063 provides \$2,500,000,000 in funding to support public health approaches to reduce community violence and trauma.

Section 31064 provides \$150,000,000 in funding to support Ryan White HIV/AIDS program to provide care, support services, and medications to communities disproportionately affected by HIV/AIDS.

Section 31065 provides \$2,860,000,000 in supplemental funding to World Trade Center Health Program.

K. Subtitle K: Budget Reconciliation Legislative Recommendations Relating to Next Generation 9-1-1

i. *Next Generation 9-1-1 (Sec. 31101, 31102, and 31103)*

This section provides \$10 billion in funding for the National Telecommunications and Information Administration (NTIA) to make grants available to eligible entities to upgrade existing 9-1-1 infrastructure to Next Generation 9-1-1. Under this provision, eligible entities are permitted to use grant funds for equipment and services to implement, operate, and maintain Next Generation 9-1-1 at

emergency communications centers and, on a limited basis, use grant funds to cover training costs for public safety telecommunicators and others who would be responsible for operating Next Generation 9-1-1 equipment.

This section also provides \$80 million in funding to establish a Next Generation 9-1-1 Cybersecurity Center to coordinate with state, local, and regional government partners to share cybersecurity information, analyze cybersecurity threats, and share guidelines and best practices for intrusion detection and prevention as it relates to Next Generation 9-1-1.

This section provides an additional \$20 million in funding for the NTIA Administrator to establish a Public Safety Next Generation 9-1-1 Advisory Board to make recommendations to the NTIA with respect to deploying Next Generation 9-1-1 and ensuring flexibility and coordination in administering the grant program.

ii. Definitions (Sec. 31104)

This section provides definitions for the terms 9-1-1 fee or charge, Assistant Secretary, commonly accepted standards, eligible entity, cost related to planning and implementation, emergency communications center, interoperable, Next Generation 9-1-1, reliable, State, State or taxing jurisdiction, sustainable funding mechanism, and Tribal organization.

L. Subtitle L: Budget Reconciliation Legislative Recommendations Relating to Wireless Connectivity

i. Spectrum Auctions (Sec. 31201)

This section would provide for a process of auctioning off at least 200 mhz of mid-band spectrum in the 3.1 to 3.45 GHz band for flexible use and allow for additional opportunistic use of the spectrum where feasible elsewhere.

ii. Future of Telecommunications Council (Sec. 31202)

This section directs the Secretary of Commerce to establish an advisory council to advise Congress on the development and adoption of 6G and other advanced wireless communications technologies. Funded at \$10 million, the 14 member Future of Telecommunications Council is to be comprised in coordination with the Federal Communications Commission (FCC), NTIA, Congress, and other relevant federal agencies.

M. Subtitle M: Budget Reconciliation Legislative Recommendations Relating to Distance Learning

i. Additional Support for Remote Learning (Sec. 31301)

This section appropriates an additional \$4 billion to the Emergency Connectivity Fund established in the American Rescue Plan Act to allow schools and libraries to purchase internet services and devices for students, staff, and patrons for connectivity off of school or library premises.

N. Subtitle N: Budget Reconciliation Legislative Recommendations Relating to Manufacturing Supply Chain

i. Critical Manufacturing Supply Chain Resilience (Sec. 31401)

This section appropriates \$10 billion to the Department of Commerce for fiscal years 2022 through 2026 that will remain available until expended, except that no amounts may be expended after September 30, 2031, to support critical manufacturing supply chains and related administrative costs. Funds appropriated under this provision are available to the Secretary of Commerce for critical manufacturing supply chain mapping and monitoring; facilitating and supporting the establishment of voluntary standards, guidelines, and best practices; identifying, accelerating, promoting, and demonstrating technological advances for critical manufacturing supply chains; and providing grants or other financial assistance to eligible entities. The provision specifies that the Secretary of Commerce may not use more than three percent of the funds appropriated for related administrative expenses and defines entities eligible to receive grants or other financial assistance.

O. Subtitle O: Budget Reconciliation Legislative Recommendations Relating to Privacy Enforcement

i. Federal Trade Commission Funding for a Privacy and Related Expenses (Sec. 31501)

This section appropriates an additional \$1 billion to the Federal Trade Commission (FTC) beyond any funds otherwise available for fiscal year 2022 that will remain available until September 30, 2031, for the purpose of creating and operating a bureau for the FTC's work related to unfair or deceptive acts or practices relating to privacy, data security, identity theft, data abuses, and related matters. This section also provides that any funds appropriated under subsection (a) that are not used by September 30, 2031, will be transferred to the General Fund of the Treasury.

P. Subtitle P: Budget Reconciliation Legislative Recommendations Relating to Commerce Inspector General

i. Funding for the Office of the Inspector General of the Department of Commerce (Sec. 31601)

This section appropriates \$10 million to the Office of the Inspector General of the Department of Commerce for fiscal year 2022, to remain available until September 30, 2031, for oversight of activities supported with funds appropriated to the Department of Commerce in this Act.