

which premium and cost-sharing assistance is available under the agreement.

“(c) APPROPRIATION AND ALLOCATION.—

“(1) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated for purposes of payment pursuant to subsection (a) \$1,000,000,000, to be available during the period beginning with 2014 and ending with 2019.

“(2) ALLOCATION.—The Secretary shall allocate the amount appropriated under paragraph (1) among the territories for purposes of carrying out this section as follows:

“(A) For Puerto Rico, \$925,000,000.

“(B) For another territory, the portion of \$75,000,000 specified by the Secretary.”.

(b) MEDICAID FUNDING.—

(1) INCREASE IN FUNDING CAPS.—Section 1108(g) of the Social Security Act (42 U.S.C. 1308(g)), as amended by section 2005(a) of the Patient Protection and Affordable Care Act, is amended—

(A) in paragraph (2), by inserting “and section 1323(a)(2) of the Patient Protection and Affordable Care Act” after “subject to”; and

(B) by striking paragraph (5) and inserting the following:

“(5) ADDITIONAL INCREASE.—The Secretary shall increase the amounts otherwise determined under this subsection for Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa (after the application of subsection (f) and the preceding paragraphs of this subsection) for the period beginning July 1, 2011, and ending on September 30, 2019, by such amounts that the total additional payments under title XIX to such territories equals \$6,300,000,000 for such period. The Secretary shall increase such amounts in proportion to the amounts applicable to such territories under this subsection and subsection (f) on the date of enactment of this paragraph.”.

(2) DISREGARD OF PAYMENTS; INCREASED FMAP.—Section 2005 of the Patient Protection and Affordable Care Act is amended—

(A) by repealing subsection (b) (and the amendments made by that subsection) and section 1108(g)(4) of the Social Security Act shall be applied as if such amendments had never been enacted; and

(B) in subsection (c)(2), by striking “January” and inserting “July”.

SEC. 1205. DELAY IN COMMUNITY FIRST CHOICE OPTION.

Section 1915(k)(1) of the Social Security Act (42 U.S.C. 1396n(k)), as added by section 2401 of the Patient Protection and Affordable Care Act, is amended by striking “October 1, 2010” and inserting “October 1, 2011”.

SEC. 1206. DRUG REBATES FOR NEW FORMULATIONS OF EXISTING DRUGS.

(a) TREATMENT OF NEW FORMULATIONS.—Subparagraph (C) of section 1927(c)(2) of the Social Security Act (42 U.S.C. 1396r-8(c)(2)), as added by section 2501(d) of the Patient Protection and Affordable Care Act, is amended to read as follows:

“(C) TREATMENT OF NEW FORMULATIONS.—In the case of a drug that is a line extension of a single source drug or an innovator multiple source drug that is an oral solid dosage form, the rebate obligation with respect to such drug under this section shall be the amount computed under this section for such new drug or, if greater, the product of—

“(i) the average manufacturer price of the line extension of a single source drug or an innovator multiple source drug that is an oral solid dosage form;

“(ii) the highest additional rebate (calculated as a percentage of average manufacturer price) under this section for any strength of the original single source drug or innovator multiple source drug; and

“(iii) the total number of units of each dosage form and strength of the line extension product paid for under the State plan in the rebate period (as reported by the State).

In this subparagraph, the term ‘line extension’ means, with respect to a drug, a new formulation of the drug, such as an extended release formulation.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the enactment of the Patient Protection and Affordable Care Act.

Subtitle D—Reducing Fraud, Waste, and Abuse

SEC. 1301. COMMUNITY MENTAL HEALTH CENTERS.

(a) IN GENERAL.—Section 1861(ff)(3)(B) of the Social Security Act (42 U.S.C. 1395x(ff)(3)(B)) is amended—

- (1) in clause (ii), by striking “and” at the end;
- (2) by redesignating clause (iii) as clause (iv); and
- (3) by inserting after clause (ii) the following:

“(iii) provides at least 40 percent of its services to individuals who are not eligible for benefits under this title; and”.

(b) RESTRICTION.—Section 1861(ff)(3)(A) of such Act (42 U.S.C. 1395x(ff)(3)(A)) is amended by inserting “other than in an individual’s home or in an inpatient or residential setting” before the period.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items and services furnished on or after the first day of the first calendar quarter that begins at least 12 months after the date of the enactment of this Act.

SEC. 1302. MEDICARE PREPAYMENT MEDICAL REVIEW LIMITATIONS.

Section 1874A(h) of the Social Security Act (42 U.S.C. 1395w-3a(h)) is repealed.

SEC. 1303. FUNDING TO FIGHT FRAUD, WASTE, AND ABUSE.

(a) FUNDING TO FIGHT FRAUD, WASTE, AND ABUSE.—

(1) IN GENERAL.—Section 1817(k) of the Social Security Act (42 U.S.C. 1395i(k)), as amended by section 6402(i) of the Patient Protection and Affordable Care Act, is further amended—

(A) by adding at the end the following new paragraph: