

**(c) Duration of authorization**

Notwithstanding section 1104(a)(1) of the Right to Financial Privacy Act<sup>1</sup> [12 U.S.C. 3404(a)(1)], an authorization provided to a State under subsection (b)(1) shall remain effective until the earliest of—

(1) the rendering of a final adverse decision on the applicant's application for medical assistance under the State's plan under this subchapter;

(2) the cessation of the recipient's eligibility for such medical assistance; or

(3) the express revocation by the applicant or recipient (or such other person described in subsection (b)(1), as applicable) of the authorization, in a written notification to the State.

**(d) Treatment of Right to Financial Privacy Act requirements**

(1) An authorization obtained by the State under subsection (b)(1) shall be considered to meet the requirements of the Right to Financial Privacy Act<sup>1</sup> for purposes of section 1103(a) of such Act [12 U.S.C. 3403(a)], and need not be furnished to the financial institution, notwithstanding section 1104(a) of such Act [12 U.S.C. 3404(a)].

(2) The certification requirements of section 1103(b) of the Right to Financial Privacy Act<sup>1</sup> [12 U.S.C. 3403(b)] shall not apply to requests by the State pursuant to an authorization provided under subsection (b)(1).

(3) A request by the State pursuant to an authorization provided under subsection (b)(1) is deemed to meet the requirements of section 1104(a)(3) of the Right to Financial Privacy Act<sup>1</sup> [12 U.S.C. 3404(a)(3)] and of section 1102 of such Act [12 U.S.C. 3402], relating to a reasonable description of financial records.

**(e) Required disclosure**

The State shall inform any person who provides authorization pursuant to subsection (b)(1)(A) of the duration and scope of the authorization.

**(f) Refusal or revocation of authorization**

If an applicant for, or recipient of, medical assistance under the State plan under this subchapter (or such other person described in subsection (b)(1), as applicable) refuses to provide, or revokes, any authorization made by the applicant or recipient (or such other person, as applicable) under subsection (b)(1)(A) for the State to obtain from any financial institution any financial record, the State may, on that basis, determine that the applicant or recipient is ineligible for medical assistance.

**(g) Use of contractor**

For purposes of implementing an asset verification program under this section, a State may select and enter into a contract with a public or private entity meeting such criteria and qualifications as the State determines appropriate, consistent with requirements in regulations relating to general contracting provisions and with section 1396b(i)(2) of this title. In carrying out activities under such contract, such an entity shall be subject to the same requirements and limitations on use and disclosure of information as would apply if the State were to carry out such activities directly.

**(h) Technical assistance**

The Secretary shall provide States with technical assistance to aid in implementation of an asset verification program under this section.

**(i) Reports**

A State implementing an asset verification program under this section shall furnish to the Secretary such reports concerning the program, at such times, in such format, and containing such information as the Secretary determines appropriate.

**(j) Treatment of program expenses**

Notwithstanding any other provision of law, reasonable expenses of States in carrying out the program under this section shall be treated, for purposes of section 1396b(a) of this title, in the same manner as State expenditures specified in paragraph (7) of such section.

**(k) Reduction in FMAP after 2020 for non-compliant States****(1) In general**

With respect to a calendar quarter beginning on or after January 1, 2021, the Federal medical assistance percentage otherwise determined under section 1396d(b) of this title for a non-compliant State shall be reduced—

(A) for calendar quarters in 2021 and 2022, by 0.12 percentage points;

(B) for calendar quarters in 2023, by 0.25 percentage points;

(C) for calendar quarters in 2024, by 0.35 percentage points; and

(D) for calendar quarters in 2025 and each year thereafter, by 0.5 percentage points.

**(2) Non-compliant State defined**

For purposes of this subsection, the term "non-compliant State" means a State—

(A) that is one of the 50 States or the District of Columbia;

(B) with respect to which the Secretary has not approved a State plan amendment submitted under subsection (a)(2); and

(C) that is not operating, on an ongoing basis, an asset verification program in accordance with this section.

(Aug. 14, 1935, ch. 531, title XIX, §1940, as added Pub. L. 110-252, title VII, §7001(d)(1), June 30, 2008, 122 Stat. 2391; amended Pub. L. 116-3, §4, Jan. 24, 2019, 133 Stat. 7.)

## REFERENCES IN TEXT

The Right to Financial Privacy Act, referred to in subsec. (d)(1), probably means the Right to Financial Privacy Act of 1978, title XI of Pub. L. 95-630, Nov. 10, 1978, 92 Stat. 3697, which is classified generally to chapter 35 (§3401 et seq.) of Title 12, Banks and Banking. For complete classification of this Act to the Code, see Short Title note set out under section 3401 of Title 12 and Tables.

## AMENDMENTS

2019—Subsec. (k). Pub. L. 116-3 added subsec. (k).

**§ 1396w-1. Medicaid Improvement Fund****(a) Establishment**

The Secretary shall establish under this subchapter a Medicaid Improvement Fund (in this section referred to as the "Fund") which shall

be available to the Secretary to improve the management of the Medicaid program by the Centers for Medicare & Medicaid Services, including oversight of contracts and contractors and evaluation of demonstration projects, and, in accordance with subsection (b)(3), for the purposes of subparagraph (B) of such subsection. Payments made for activities under this subsection shall be in addition to payments that would otherwise be made for such activities.

**(b) Funding**

**(1) In general**

There shall be available to the Fund, for expenditures from the Fund for fiscal year 2021 and thereafter, \$0.

**(2) Funding limitation**

Amounts in the Fund pursuant to paragraph (1) shall be available in advance of appropriations but only if the total amount obligated from the Fund does not exceed the amount available to the Fund under paragraph (1). Amounts in the Fund pursuant to paragraph (3) shall be available in advance of appropriations but only if the total amount obligated from the Fund does not exceed the amount available to the Fund under such paragraph (3). The Secretary may obligate funds from the Fund only if the Secretary determines (and the Chief Actuary of the Centers for Medicare & Medicaid Services and the appropriate budget officer certify) that there are available in the Fund sufficient amounts to cover all such obligations incurred consistent with the previous sentences.

**(3) Additional funding for State activities relating to mechanized claims systems**

**(A) In general**

In addition to the amount made available under paragraph (1), there shall be available to the Fund, for expenditures from the Fund in accordance with subparagraph (B), for fiscal year 2025 and thereafter, \$1,960,000,000, to remain available until expended.

**(B) Purposes**

The Secretary shall use amounts made available to the Fund under subparagraph (A) to pay to each State which has a plan approved under this subchapter, for each quarter beginning during or after fiscal year 2025 an amount equal to—

(i) 100 percent minus the percent specified in clause (i) of section 1396b(a)(3)(A) of this title of so much of the sums expended by the State during such quarter as are attributable to the activities described in such clause;

(ii) 100 percent minus the Federal medical assistance percentage applied under clause (iii) of such section of so much of the sums expended during such quarter (as found necessary by the Secretary under such clause) by the State as are attributable to the activities described in such clause; and

(iii) 100 percent minus the percent specified in section 1396b(a)(3)(B) of this title of so much of the sums expended by the State during such quarter as are attributable to the activities described in such section.

(Aug. 14, 1935, ch. 531, title XIX, §1941, as added Pub. L. 110-252, title VII, §7002(b), June 30, 2008, 122 Stat. 2395; amended Pub. L. 111-8, div. F, title II, §226, Mar. 11, 2009, 123 Stat. 784; Pub. L. 111-127, §4, Jan. 27, 2010, 124 Stat. 5; Pub. L. 111-148, title II, §2007(b), Mar. 23, 2010, 124 Stat. 285; Pub. L. 114-198, title VII, §707, July 22, 2016, 130 Stat. 754; Pub. L. 115-120, div. C, §3006, Jan. 22, 2018, 132 Stat. 37; Pub. L. 115-123, div. E, title XII, §53105, Feb. 9, 2018, 132 Stat. 302; Pub. L. 115-271, title V, §5061, Oct. 24, 2018, 132 Stat. 3976; Pub. L. 116-3, §5, Jan. 24, 2019, 133 Stat. 8; Pub. L. 116-29, §2, July 5, 2019, 133 Stat. 1031; Pub. L. 116-59, div. B, title VI, §1604, Sept. 27, 2019, 133 Stat. 1108; Pub. L. 116-69, div. B, title VI, §1602, Nov. 21, 2019, 133 Stat. 1139.)

AMENDMENTS

2019—Subsec. (b)(1). Pub. L. 116-59, §1604(1), substituted “\$0” for “\$1,000,000”.

Pub. L. 116-29 substituted “\$1,000,000” for “\$6,000,000”.  
Pub. L. 116-3 substituted “\$6,000,000” for “\$31,000,000”.  
Subsec. (b)(3). Pub. L. 116-59, §1604(2)(A), substituted “2025” for “2023” in subpars. (A) and (B).

Subsec. (b)(3)(A). Pub. L. 116-69 substituted “\$1,960,000,000” for “\$2,387,000,000”.

Pub. L. 116-59, §1604(2)(B), substituted “\$2,387,000,000” for “\$0”.

2018—Subsec. (a). Pub. L. 115-120, §3006(1), inserted before period at end of first sentence “, and, in accordance with subsection (b)(3), for the purposes of subparagraph (B) of such subsection”.

Subsec. (b)(1). Pub. L. 115-271 substituted “\$31,000,000” for “\$0”.

Pub. L. 115-123, §53105(1), substituted “\$0” for “\$5,000,000”.

Subsec. (b)(2). Pub. L. 115-120, §3006(2)(A), inserted “pursuant to paragraph (1)” after “in the Fund” in first sentence and “Amounts in the Fund pursuant to paragraph (3) shall be available in advance of appropriations but only if the total amount obligated from the Fund does not exceed the amount available to the Fund under such paragraph (3).” after first sentence and substituted “the previous sentences” for “the previous sentence” in last sentence.

Subsec. (b)(3). Pub. L. 115-120, §3006(2)(B), added par. (3).

Subsec. (b)(3)(A). Pub. L. 115-123, §53105(2), substituted “\$0” for “\$980,000,000”.

2016—Subsec. (b)(1). Pub. L. 114-198 amended par. (1) generally. Prior to amendment, text read as follows: “There shall be available to the Fund, for expenditures from the Fund—

“(A) for fiscal year 2014, \$0; and

“(B) for each of fiscal years 2015 through 2018, \$0.”

2010—Subsec. (b)(1)(A). Pub. L. 111-148, §2007(b)(1), which directed substitution of “\$0” for “\$100,000,000”, was executed by making the substitution for “\$10,000,000”, to reflect the probable intent of Congress and intervening amendment by Pub. L. 111-127. See below.

Pub. L. 111-127 substituted “\$10,000,000” for “\$100,000,000”.

Subsec. (b)(1)(B). Pub. L. 111-148, §2007(b)(2), substituted “\$0” for “\$150,000,000”.

2009—Subsec. (b)(1)(B). Pub. L. 111-8 inserted “each of” after “for”.

**§ 1396w-2. Authorization to receive relevant information**

**(a) In general**

Notwithstanding any other provision of law, a Federal or State agency or private entity in possession of the sources of data directly relevant to eligibility determinations under this subchapter (including eligibility files maintained