

119TH CONGRESS
2D SESSION

H. R. 7767

To amend the Internal Revenue Code of 1986 to impose an annual tax on the net value of assets held by a taxpayer, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 2026

Mr. KHANNA introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, Financial Services, and Education and Workforce, 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

A BILL

To amend the Internal Revenue Code of 1986 to impose an annual tax on the net value of assets held by a taxpayer, 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,*

3 **SECTION 1. SHORT TITLE, ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Make Billionaires Pay Their Fair Share Act”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title, etc.

TITLE I—WEALTH TAX

- Sec. 101. Imposition of tax on net value of assets.
- Sec. 102. Enforcement.

TITLE II—AFFORDABILITY REBATES

- Sec. 201. Affordability rebates.

TITLE III—HEALTH CARE PROVISIONS

- Sec. 301. Repeal of reconciliation health provisions.
- Sec. 302. Increase in eligibility for premium tax credit.

TITLE IV—MEDICARE DENTAL, HEARING, AND VISION
EXPANSION

- Sec. 401. Short title.
- Sec. 402. Coverage of dental and oral health care.
- Sec. 403. Providing coverage for hearing care under the Medicare program.
- Sec. 404. Providing coverage for vision care under the Medicare program.
- Sec. 405. Phase-in of impact of dental and oral health coverage on part B premiums.

TITLE V—HOUSING TRUST FUND

- Sec. 501. Authorization of appropriations.

TITLE VI—AFFORDABLE CHILD CARE FOR WORKING FAMILIES

- Sec. 601. Birth through five child care and early learning entitlement.

TITLE VII—ESTABLISHING A \$60,000 A YEAR MINIMUM SALARY
FOR EVERY PUBLIC SCHOOL TEACHER IN THE UNITED STATES

- Sec. 701. Purposes.
- Sec. 702. Definitions.
- Sec. 703. Ensuring teachers are paid a livable and competitive wage.
- Sec. 704. Collective bargaining and related rules.

TITLE VIII—INVESTMENTS IN HOME AND COMMUNITY-BASED
SERVICES AND LONG-TERM CARE QUALITY AND WORKFORCE

- Sec. 801. HCBS improvement planning grants.
- Sec. 802. HCBS Improvement Program.
- Sec. 803. Funding for Federal activities related to Medicaid HCBS.
- Sec. 804. Funding for HCBS quality measurement and improvement.
- Sec. 805. Permanent extension of Medicaid protections against spousal impoverishment for recipients of home and community-based services.
- Sec. 806. Permanent extension of Money Follows the Person Rebalancing demonstration.

1 **TITLE I—WEALTH TAX**

2 **SEC. 101. IMPOSITION OF TAX ON NET VALUE OF ASSETS.**

3 (a) IN GENERAL.—The Internal Revenue Code of
4 1986 is amended by inserting after subtitle B the fol-
5 lowing new subtitle:

6 **“Subtitle B–1—Wealth Tax**

 “CHAPTER 18—DETERMINATION OF WEALTH TAX

7 **“CHAPTER 18—DETERMINATION OF**
8 **WEALTH TAX**

 “Sec. 2901. Imposition of tax.

 “Sec. 2902. Net value of assets.

 “Sec. 2903. Special rules.

 “Sec. 2904. Administrative provisions.

9 **“SEC. 2901. IMPOSITION OF TAX.**

10 “(a) IN GENERAL.—In the case of an applicable tax-
11 payer, there is hereby imposed a tax computed equal to
12 5 percent of the net value of assets held by the taxpayer
13 for the calendar year.

14 “(b) APPLICABLE TAXPAYER.—

15 “(1) IN GENERAL.—For purposes of this chap-
16 ter, the term ‘applicable taxpayer’ means any indi-
17 vidual or trust if the net value of all assets held by
18 the taxpayer for the calendar year exceeds
19 \$1,000,000,000.

20 “(2) INFLATION ADJUSTMENT.—

21 “(A) IN GENERAL.—In the case of any cal-
22 endar year after 2026, the \$1,000,000,000

1 amount under paragraph (1) shall be increased
 2 by an amount equal to—

3 “(i) such dollar amount, multiplied by

4 “(ii) the cost-of-living adjustment de-
 5 termined under section 1(f)(3) for the cal-
 6 endar year in which the taxable year be-
 7 gins, determined by substituting in sub-
 8 paragraph (A)(ii) thereof ‘calendar year
 9 2025’ for ‘calendar year 2016’.

10 “(B) ROUNDING.—If any amount as ad-
 11 justed under subparagraph (A) is not a multiple
 12 of \$1,000,000, such dollar amount shall be
 13 rounded to the next lowest multiple of
 14 \$1,000,000.

15 “(c) TREATMENT OF MARRIED INDIVIDUALS.—For
 16 purposes of this section, individuals who are married (as
 17 defined in section 7703) shall be treated as one taxpayer.

18 **“SEC. 2902. NET VALUE OF ASSETS.**

19 “(a) IN GENERAL.—The net value of assets held by
 20 an applicable taxpayer for any calendar year shall be the
 21 excess of—

22 “(1) the value of all property of the taxpayer,
 23 real or personal, tangible or intangible, wherever sit-
 24 uated, on the last day of such calendar year (com-

1 puted without regard to any debt owed by the tax-
2 payer and secured by the property), over

3 “(2) the amount of any debt owed by the tax-
4 payer on the last day of such calendar year.

5 “(b) INCLUSION OF PROPERTY OF RELATED CHIL-
6 DREN.—For purposes of this subtitle, any property of an
7 individual who is a child of the taxpayer (as defined in
8 section 152(f)(1)) and has not attained the age of 18 shall
9 be treated as property held by the taxpayer for any cal-
10 endar year before the year in which such individual attains
11 the age of 18.

12 “(c) ESTABLISHMENT OF VALUATION RULES.—

13 “(1) AUTHORITY OF SECRETARY.—The Sec-
14 retary shall establish rules and methods for deter-
15 mining the value of any asset for purposes of this
16 subtitle.

17 “(2) GENERAL RULES.—Except as otherwise
18 provided in this paragraph, the rules and methods
19 established under paragraph (1) may be similar to
20 the rules of part III of subchapter A of chapter 11
21 (other than the rules of sections 2031(c), 2032A,
22 2035, and 2044).

23 “(3) RULES FOR ASSETS THE VALUE OF WHICH
24 IS NOT READILY ASCERTAINABLE.—

1 “(A) IN GENERAL.—In the case of any
 2 property the value of which is not readily ascer-
 3 tainable, the Secretary may allow the taxpayer
 4 to elect to use a value which is equal to the
 5 most recent readily ascertainable value of such
 6 property increased by an average rate of appre-
 7 ciation applicable to assets of a similar class.

8 “(B) LIMITATION.—The Secretary may
 9 not allow a taxpayer to make an election under
 10 this paragraph for any calendar year if the tax-
 11 payer made an election under this paragraph
 12 for the preceding calendar year.

13 **“SEC. 2903. SPECIAL RULES.**

14 “(a) DECEASED INDIVIDUALS.—In the case of any
 15 individual who dies during a calendar year—

16 “(1) section 2901 shall be applied as if the cal-
 17 endar year ended on the day of the individual’s
 18 death, and

19 “(2) the amount of the tax imposed under such
 20 section shall be reduced by an amount which bears
 21 the same ratio to such amount (determined without
 22 regard to this subsection) as—

23 “(A) the number of days in the calendar
 24 year after the date of the individual’s death,
 25 bears to

1 “(B) 365.

2 “(b) TRUSTS.—

3 “(1) GRANTOR TRUSTS.—If a grantor or an-
 4 other person is treated as the owner of any portion
 5 of a trust under subpart E of part I of subchapter
 6 J of chapter 1, then the grantor or such other per-
 7 son shall be treated as holding that portion of the
 8 assets of such trust, and any remaining portion shall
 9 be subject to tax as provided in section 2901.

10 “(2) INCOMPLETE GIFTS.—In the case of any
 11 person who makes a transfer of property to a trust
 12 which is not treated as a gift for purposes of chapter
 13 11, the portion of such trust attributable to such
 14 property shall be treated as the property of the per-
 15 son making the transfer and not the property of
 16 such trust.

17 “(3) AGGREGATION RULES.—The rules of sec-
 18 tion 643(f) shall apply for purposes of this subtitle.

19 “(c) APPLICATION TO NONRESIDENTS.—

20 “(1) IN GENERAL.—In the case of any taxpayer
 21 who is a nonresident and not a citizen of the United
 22 States, section 2901(a) shall be applied by sub-
 23 stituting ‘net value of domestic assets’ for ‘net value
 24 of all assets’.

1 “(2) NET VALUE OF DOMESTIC ASSETS.—For
2 purposes of this subtitle, the term ‘net value of do-
3 mestic assets’ means—

4 “(A) the value of all property of the tax-
5 payer, real or personal, tangible or intangible,
6 situated in the United States (determined under
7 rules similar to the rules under subchapter B of
8 chapter 11), on the last day of such calendar
9 year (computed without regard to any debt
10 owed by the taxpayer and secured by the prop-
11 erty), over

12 “(B) the amount of any debt owed by the
13 taxpayer and secured by assets described in
14 subparagraph (A), determined as of the last
15 day of such calendar year.

16 “(3) TREATMENT OF MARRIED INDIVIDUALS.—
17 In the case of married individuals, this subsection
18 shall only apply if both individuals are nonresidents
19 and not citizens of the United States.

20 “(d) APPLICATION TO COVERED EXPATRIATES.—

21 “(1) IN GENERAL.—In the case of an applicable
22 taxpayer who is a covered expatriate the expatriation
23 date of which occurs during the calendar year—

1 “(A) section 2901 shall be applied as if the
2 calendar year ended on the day before the expa-
3 triation, and

4 “(B) the rate of tax under 2901(a) for
5 such calendar year shall be 60 percent.

6 “(2) COVERED EXPATRIATE; EXPATRIATION
7 DATE.—For purposes of this subsection—

8 “(A) COVERED EXPATRIATE.—The term
9 ‘covered expatriate’ has the meaning given such
10 term under section 877A, except that in the
11 case of married individuals, such taxpayer shall
12 be treated as a covered expatriate only if nei-
13 ther individual is a United States citizen or
14 lawful permanent resident of the United States
15 (within the meaning of section 7701(b)(6)).

16 “(B) EXPATRIATION DATE.—The term ‘ex-
17 patriation date’ has the meaning given such
18 term under section 877A(g)(3).

19 **“SEC. 2904. ADMINISTRATIVE PROVISIONS.**

20 “(a) WEALTH REGISTRY.—The Secretary shall es-
21 tablish a registry of ownership for assets taken into ac-
22 count under section 2902(a)(1), including publicly traded
23 securities, digital assets, shares of closely held businesses,
24 and real estate within the United States. For purposes of

1 establishing and maintaining the registry under the pre-
2 ceding sentence, the Secretary shall—

3 “(1) rely on existing sources of information, in-
4 cluding central depositories for securities and State,
5 local, and foreign real property records; and

6 “(2) require timely reporting of newly acquired
7 assets in conjunction with information required
8 under existing information reporting requirements.

9 “(b) INFORMATION REPORTING.—

10 “(1) IN GENERAL.—The Secretary shall by reg-
11 ulations require the reporting of information con-
12 cerning the value of assets, including—

13 “(A) the value of any accounts which pay
14 interest reportable under section 6049,

15 “(B) the value of publicly traded stock
16 with respect to which dividends are reported
17 under section 6042,

18 “(C) the value of any applicable privately
19 held business,

20 “(D) the value of any assets held through
21 mutual funds or brokerage accounts,

22 “(E) the value of any assets held in eligible
23 retirement plans (as defined in section
24 402(c)(8)(B)), and

1 “(F) such other assets as the Secretary de-
2 termines is appropriate.

3 “(2) METHOD OF REPORTING.—The Secretary
4 shall, where appropriate, require the reporting made
5 under paragraph (1) to be made as a part of exist-
6 ing income reporting requirements.

7 “(3) APPLICABLE PRIVATELY HELD BUSI-
8 NESS.—For purposes of this subsection, the term
9 ‘applicable privately held business’ means any trade
10 or businesses—

11 “(A) which does not meet the gross re-
12 ceipts test under section 448(c) for the taxable
13 year ending with or within the calendar year,

14 “(B) in which an individual who was an
15 applicable taxpayer (other than a covered expa-
16 triate, as defined in section 2903(d)(2)) for the
17 preceding calendar year holds (directly or indi-
18 rectly) 5 percent or more of the ownership in-
19 terests (by value), and

20 “(C) to which paragraph (1)(B) does not
21 apply.

22 “(c) TIME FOR PAYMENT OF TAX.—The due date for
23 returns with respect to the tax imposed under this subtitle
24 shall be not later than the latest due date for which a
25 return of tax under subtitle A would be due if the tax-

1 payer's taxable year ended on December 31 and the tax-
2 payer owed tax for such taxable year.”.

3 (b) NO DEDUCTION FROM INCOME TAXES.—Section
4 275 of the Internal Revenue Code of 1986 is amended by
5 inserting after paragraph (6) the following new paragraph:
6 “(7) Taxes imposed by chapter 18.”.

7 (c) INFORMATION REPORTING PENALTIES.—Section
8 6724(d)(1) of the Internal Revenue Code of 1986 is
9 amended by striking “and” at the end of subparagraph
10 (C), by striking the period at the end of subparagraph (D)
11 and inserting “, and”, and by inserting after subpara-
12 graph (D) the following new subparagraph:

13 “(E) any statement or return required to
14 be filed under section 2904(b) which is not re-
15 ported under any other provision of this para-
16 graph.”.

17 (d) CLERICAL AMENDMENT.—The table of subtitles
18 of the Internal Revenue Code of 1986 is amended by in-
19 serting after the item relating to subtitle B the following
20 new item:

“Subtitle B-1—Wealth Tax”.

21 (e) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to calendar years beginning after
23 the date of the enactment of this Act.

1 **SEC. 102. ENFORCEMENT.**

2 (a) STANDARD.—The Secretary of the Treasury shall
 3 audit not less than 50 percent of taxpayers required to
 4 pay the tax imposed under section 2901 of the Internal
 5 Revenue Code of 1986 (as added by section 101) in each
 6 calendar year.

7 (b) FUNDING.—There is hereby appropriated to each
 8 fiscal year ending after the date of the enactment of this
 9 Act, out of any moneys in the Treasury not otherwise ap-
 10 propriated, amounts equivalent to 1 percent of the reve-
 11 nues attributable to the tax imposed under section 2901
 12 of the Internal Revenue Code of 1986 (as added by section
 13 101) for necessary expenses for enforcement activities of
 14 the Internal Revenue Service to determine and collect
 15 taxes owed under such section.

16 **TITLE II—AFFORDABILITY**
 17 **REBATES**

18 **SEC. 201. AFFORDABILITY REBATES.**

19 (a) IN GENERAL.—Section 6428B of the Internal
 20 Revenue Code of 1986 is amended—

21 (1) in the heading, by striking “**2021 RECOV-**
 22 **ERY REBATES TO INDIVIDUALS**” and inserting
 23 “**AFFORDABILITY REBATES**”,

24 (2) in subsection (a), by striking “2021 an
 25 amount equal to the 2021 rebate amount” and in-

1 serting “2026 an amount equal to the affordability
2 rebate amount”,

3 (3) by striking subsection (b) and inserting the
4 following:

5 “(b) AFFORDABILITY REBATE AMOUNT.—For pur-
6 poses of this section, the term ‘affordability rebate
7 amount’ means, with respect to any taxpayer for any tax-
8 able year, the sum of—

9 “(1) \$3,000 (\$6,000 in the case of a joint re-
10 turn), plus

11 “(2) \$3,000 multiplied by the number of de-
12 pendents of the taxpayer for such taxable year.”,

13 (4) in subsection (e)(2)—

14 (A) in subparagraph (A), by striking
15 “\$1,400” and inserting “\$3,000”, and

16 (B) in subparagraph (B)—

17 (i) in the matter preceding clause (i),
18 by striking “\$2,800” and inserting
19 “\$6,000”, and

20 (ii) in clause (i), by striking “\$1,400”
21 and inserting “\$3,000”, and

22 (5) in subsection (g)—

23 (A) in paragraph (1), by striking “2019”
24 and inserting “2024”,

1 (B) in paragraph (2)(B), by striking “Jan-
2 uary 1, 2021” each place it appears and insert-
3 ing “January 1, 2026”,

4 (C) in paragraph (3), by striking “Decem-
5 ber 31, 2021” and inserting “December 31,
6 2026”,

7 (D) in paragraph (5)—

8 (i) in the heading, by striking “2020”
9 and inserting “2025”,

10 (ii) in subparagraph (A)—

11 (I) in the heading, by striking
12 “2020” and inserting “2025”, and

13 (II) by striking “beginning in
14 2020, paragraph (1) shall be applied
15 with respect to such individual by sub-
16 stituting ‘2020’ for ‘2019’ ” and in-
17 serting “beginning in 2025, para-
18 graph (1) shall be applied with respect
19 to such individual by substituting
20 ‘2025’ for ‘2024’ ”, and

21 (iii) in subparagraph (B)—

22 (I) in clause (i), by striking
23 “2020” and inserting “2025”,

24 (II) in clause (ii)—

1 (aa) in subclause (I), by
 2 striking “2020” and inserting
 3 “2025”, and

4 (bb) in subclause (II), by
 5 striking “2021” and inserting
 6 “2026”, and

7 (III) in clause (iii)—

8 (aa) in the heading, by
 9 striking “2020” and inserting
 10 “2025”, and

11 (bb) by striking “2020”
 12 each place it appears and insert-
 13 ing “2025”, and

14 (E) in the heading of paragraph (6), by
 15 striking “2019 OR 2020” and inserting “2024 OR
 16 2025”.

17 (b) CONFORMING AMENDMENT.—The table of sec-
 18 tions for subchapter B of chapter 65 of the Internal Rev-
 19 enue Code of 1986 is amended by striking the item relat-
 20 ing to section 6428B and inserting the following new item:

“Sec. 6428B. Affordability rebates.”.

**TITLE III—HEALTH CARE
PROVISIONS**

**SEC. 301. REPEAL OF RECONCILIATION HEALTH PROVI-
SIONS.**

(a) IN GENERAL.—Except as provided in subsection (b), subtitle B of title VII of An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14 (Public Law 119–21) is repealed and any law or regulation referred to in such subtitle shall be applied as if such subtitle and the amendments made by such subtitle had not been enacted.

(b) EXCEPTIONS.—

(1) IN GENERAL.—Subsection (a) shall not apply to the provisions of and amendments made by sections 71202, 71306, and 71401 of such Act.

(2) AVAILABILITY OF FUNDS ALLOCATED UNDER THE RURAL HEALTH TRANSFORMATION PROGRAM.—Section 2105(h) of the Social Security Act (42 U.S.C. 1397ee(h)), as added by Public Law 119–21, is amended—

(A) in paragraph (1)(B)—

(i) in the subparagraph heading by striking “UNEXPENDED OR UNOBLIGATED” and inserting “AVAILABILITY OF”;

1 (ii) by striking clauses (i) through (iii)
 2 and inserting the following:

3 “(i) IN GENERAL.—Subject to clause
 4 (ii), funds allocated to a State from
 5 amounts appropriated under subparagraph
 6 (A) shall remain available until ex-
 7 pended.”; and

8 (iii) by redesignating clause (iv) as
 9 clause (ii); and

10 (B) in paragraph (2)(C), by striking
 11 “paragraph (1)(B)(iv)” and inserting “para-
 12 graph (1)(B)(ii)”.

13 **SEC. 302. INCREASE IN ELIGIBILITY FOR PREMIUM TAX**
 14 **CREDIT.**

15 (a) IN GENERAL.—Subparagraph (A) of section
 16 36B(c)(1) of the Internal Revenue Code of 1986 is amend-
 17 ed by striking “but does not exceed 400 percent”.

18 (b) APPLICABLE PERCENTAGES.—

19 (1) IN GENERAL.—Subparagraph (A) of section
 20 36B(b)(3) of the Internal Revenue Code of 1986 is
 21 amended to read as follows:

22 “(A) APPLICABLE PERCENTAGE.—The ap-
 23 plicable percentage for any taxable year shall be
 24 the percentage such that the applicable percent-
 25 age for any taxpayer whose household income is

1 within an income tier specified in the following
 2 table shall increase, on a sliding scale in a lin-
 3 ear manner, from the initial premium percent-
 4 age to the final premium percentage specified in
 5 such table for such income tier:

“In the case of household income (expressed as a percent of poverty line) within the following income tier:	The initial premium percentage is—	The final premium percentage is—
Up to 150 percent	0	0
150 percent up to 200 percent	0	2.0
200 percent up to 250 percent	2.0	4.0
250 percent up to 300 percent	4.0	6.0
300 percent up to 400 percent	6.0	8.5
400 percent and higher	8.5	8.5.”.

6 (2) CONFORMING AMENDMENTS RELATING TO
 7 AFFORDABILITY OF COVERAGE.—

8 (A) Paragraph (1) of section 36B(c) of
 9 such Code is amended by striking subparagraph
 10 (E).

11 (B) Subparagraph (C) of section 36B(c)(2)
 12 of such Code is amended by striking clause (iv).

13 (C) Paragraph (4) of section 36B(c) of
 14 such Code is amended by striking subparagraph
 15 (F).

16 (c) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to taxable years beginning after
 18 December 31, 2025.

1 **TITLE IV—MEDICARE DENTAL,**
 2 **HEARING, AND VISION EX-**
 3 **PANSION**

4 **SEC. 401. SHORT TITLE.**

5 This title may be cited as the “Medicare Dental,
 6 Hearing, and Vision Expansion Act of 2026”.

7 **SEC. 402. COVERAGE OF DENTAL AND ORAL HEALTH CARE.**

8 (a) **COVERAGE.**—Section 1861(s)(2) of the Social Se-
 9 curity Act (42 U.S.C. 1395x(s)(2)) is amended—

10 (1) in subparagraph (JJ), by striking “and” at
 11 the end;

12 (2) in subparagraph (KK), by inserting “and”
 13 after the semicolon; and

14 (3) by adding at the end the following new sub-
 15 paragraph:

16 “(LL) dental and oral health services (as de-
 17 fined in subsection (ooo));”.

18 (b) **DENTAL AND ORAL HEALTH SERVICES DE-**
 19 **FINED.**—Section 1861 of the Social Security Act (42
 20 U.S.C. 1395x) is amended by adding at the end the fol-
 21 lowing new subsection:

22 “(ooo) **DENTAL AND ORAL HEALTH SERVICES.**—

23 “(1) **IN GENERAL.**—Except as provided in para-
 24 graph (2), the term ‘dental and oral health services’
 25 means the following items and services that are fur-

1 nished by a doctor of dental surgery or of dental
2 medicine (as described in subsection (r)(2)) or an
3 oral health professional (as defined in paragraph
4 (3)) on or after January 1, 2028 (or January 1,
5 2027, in the case of dentures):

6 “(A) PREVENTIVE AND SCREENING SERV-
7 ICES.—Preventive and screening services, in-
8 cluding oral exams, dental cleanings, dental x-
9 rays, and fluoride treatments.

10 “(B) PROCEDURES AND TREATMENT
11 SERVICES.—Services to address oral disease, in-
12 cluding services such as restorative services,
13 prosthodontic and endodontic services, including
14 fillings, bridges, crowns, and root canals, peri-
15 odontal maintenance, periodontal sealing and
16 root planing, tooth extractions, therapeutic
17 pulpotomy, and other related items and serv-
18 ices.

19 “(C) DENTURES AND DENTAL PROS-
20 THETICS.—Complete dentures, partial dentures,
21 and implants, including related items and serv-
22 ices.

23 “(2) EXCLUSIONS.—Such term does not include
24 items and services for which, as of the date of the
25 enactment of this subsection, coverage was permis-

1 sible under section 1862(a)(12) and cosmetic serv-
 2 ices not otherwise covered under section
 3 1862(a)(10).

4 “(3) ORAL HEALTH PROFESSIONAL.—The term
 5 ‘oral health professional’ means, with respect to den-
 6 tal and oral health services, a health professional
 7 (other than a doctor of dental surgery or of dental
 8 medicine (as described in subsection (r)(2))) who is
 9 licensed to furnish such services, acting within the
 10 scope of such license, by the State in which such
 11 services are furnished.”.

12 (c) PAYMENT; COINSURANCE; AND LIMITATIONS.—

13 (1) IN GENERAL.—Section 1833(a)(1) of the
 14 Social Security Act (42 U.S.C. 1395l(a)(1)) is
 15 amended—

16 (A) in subparagraph (N), by inserting
 17 “and dental and oral health services (as defined
 18 in section 1861(ooo))” after “section
 19 1861(hhh)(1))”;

20 (B) by striking “and” before “(HH)”; and

21 (C) by inserting before the semicolon at
 22 the end the following: “and (II) with respect to
 23 dental and oral health services (as defined in
 24 section 1861(ooo)), the amount paid shall be

1 the payment amount specified under section
2 1834(bb)”.
3

4 (2) PAYMENT AND LIMITS SPECIFIED.—Section
5 1834 of the Social Security Act (42 U.S.C. 1395m)
6 is amended by adding at the end the following new
7 subsection:
8

9 “(bb) PAYMENT AND LIMITS FOR DENTAL AND ORAL
10 HEALTH SERVICES.—
11

12 “(1) PAYMENT.—The payment amount under
13 this part for dental and oral health services (as de-
14 fined in section 1861(ooo)) shall be, subject to para-
15 graphs (3) and (4), 80 percent (or 100 percent, in
16 the case of preventive and screening services de-
17 scribed in section 1861(ooo)(1)(A)) of the lesser
18 of—
19

20 “(A) the actual charge for the service; or
21

22 “(B)(i) in the case of such services fur-
23 nished by a doctor of dental surgery or of den-
24 tal medicine (as described in section
25 1861(r)(2)), the amount determined under the
26 fee schedule established under paragraph (2);
27 or
28

29 “(ii) in the case of such services furnished
30 by an oral health professional (as defined in
31 section 1861(ooo)(3)), 85 percent of the
32

1 amount determined under the fee schedule es-
2 tablished under paragraph (2).

3 “(2) ESTABLISHMENT OF FEE SCHEDULE FOR
4 DENTAL AND ORAL HEALTH SERVICES.—

5 “(A) ESTABLISHMENT.—

6 “(i) IN GENERAL.—The Secretary
7 shall establish a fee schedule for dental
8 and oral health services furnished in 2028
9 (or 2027, in the case of dentures) and sub-
10 sequent years. The fee schedule amount for
11 a dental or oral health service shall be
12 equal to 70 percent of the national median
13 fee (as determined under subparagraph
14 (B)) for the service or a similar service for
15 the year (or, in the case of dentures, at the
16 bundled payment amount under clause (iv)
17 of such subparagraph), adjusted by the ge-
18 ographic adjustment factor established
19 under section 1848(e)(2) for the area for
20 the year.

21 “(ii) CONSULTATION.—In carrying
22 out this paragraph, the Secretary shall
23 consult annually with organizations rep-
24 resenting dentists and other providers who
25 furnish dental and oral health services and

1 shall share with such providers the data
2 and data analysis used to determine fee
3 schedule amounts under this paragraph.

4 “(B) DETERMINATION OF NATIONAL ME-
5 DIAN FEE.—

6 “(i) IN GENERAL.—For purposes of
7 subparagraph (A), the Secretary shall
8 apply the national median fee for a dental
9 or oral health service for 2028 (or 2027, in
10 the case of dentures) and subsequent years
11 in accordance with this subparagraph.

12 “(ii) USE OF 2020 DENTAL FEE SUR-
13 VEY.—

14 “(I) IN GENERAL.—Except as
15 provided in clause (iii) and clause (iv),
16 the national median fee for a dental
17 or oral health service shall be equal
18 to—

19 “(aa) for 2028 (or 2027, in
20 the case of dentures), the median
21 fee for the service in the table ti-
22 tled ‘General Practitioners–Na-
23 tional’ of the ‘2020 Survey of
24 Dental Fees’ published by the
25 American Dental Association, in-

1 creased by the applicable percent
2 increase for the year determined
3 under subclause (II), as reduced
4 by the productivity adjustment
5 under subclause (III); and

6 “(bb) for 2029 (or 2028, in
7 the case of dentures) and subse-
8 quent years, the amount deter-
9 mined under this subclause for
10 the preceding year, updated pur-
11 suant to subparagraph (C)(i).

12 “(II) APPLICABLE PERCENT IN-
13 CREASE.—The applicable percent in-
14 crease determined under this sub-
15 clause for a year is an amount equal
16 to the percentage increase between—

17 “(aa) the consumer price
18 index for all urban consumers
19 (United States city average) end-
20 ing with June of the previous
21 year; and

22 “(bb) the consumer price
23 index for all urban consumers
24 (United States city average) end-

ing with June of 2027 (or 2026,
in the case of dentures).

“(III) PRODUCTIVITY ADJUST-
MENT.—After determining the appli-
cable percentage increase under sub-
clause (II) for a year, the Secretary
shall reduce such percentage increase
by the productivity adjustment de-
scribed in section
1886(b)(3)(B)(xi)(II).

“(iii) DETERMINATION IF INSUFFI-
CIENT SURVEY DATA.—If the Secretary de-
termines there is insufficient data under
the Survey described in clause (ii) with re-
spect to a dental or oral health service, the
national median fee for the service for a
year shall be equal to an amount estab-
lished for the service using 1 or more of
the following methods, as determined ap-
propriate by the Secretary:

“(I) The payment basis deter-
mined under section 1848.

“(II) Fee schedules for dental
and oral health services which shall

1 include, as practicable, fee sched-
2 ules—

3 “(aa) under Medicare Ad-
4 vantage plans under part C;

5 “(bb) under State plans (or
6 waivers of such plans) under title
7 XIX; and

8 “(cc) established by other
9 health care payers.

10 “(iv) SPECIAL RULE FOR DEN-
11 TURES.—

12 “(I) IN GENERAL.—The Sec-
13 retary shall make payment for den-
14 tures and associated professional serv-
15 ices as a bundled payment as deter-
16 mined by the Secretary.

17 “(II) PAYMENT CONSIDER-
18 ATIONS.—In establishing such bun-
19 dled payment, the Secretary shall con-
20 sider the national median fee for the
21 service for the year determined under
22 clause (ii) or (iii) and the rate deter-
23 mined for such dentures under the
24 Federal Supply Schedule of the Gen-
25 eral Services Administration, as pub-

1 lished by such Administration in
2 2021, updated to the year involved
3 using the applicable percent increase
4 for the year determined under clause
5 (ii)(II), as reduced by the productivity
6 adjustment under clause (ii)(III), and
7 shall ensure that the payment compo-
8 nent for dentures under such bundled
9 payment does not exceed the max-
10 imum rate determined for such den-
11 tures under the Federal Supply
12 Schedule, as so published and updated
13 to the year involved.

14 “(C) ANNUAL UPDATE AND ADJUST-
15 MENTS.—

16 “(i) ANNUAL UPDATE.—The Sec-
17 retary shall update payment amounts de-
18 termined under the fee schedule from year
19 to year beginning in 2029 (or 2028, in the
20 case of dentures) by increasing such
21 amounts from the prior year by the per-
22 centage increase in the consumer price
23 index for all urban consumers (United
24 States city average) for the 12-month pe-
25 riod ending with June of the preceding

1 year, reduced by the productivity adjust-
2 ment described in section
3 1886(b)(3)(B)(xi)(II).

4 “(ii) ADJUSTMENTS.—

5 “(I) IN GENERAL.—The Sec-
6 retary shall, to the extent the Sec-
7 retary determines to be necessary and
8 subject to subclause (II), adjust the
9 amounts determined under the fee
10 schedule established under this para-
11 graph for 2029 (or 2028, in the case
12 of dentures) and subsequent years to
13 take into account changes in dental
14 practice, coding changes, new data on
15 work, practice, or malpractice ex-
16 penses, or the addition of new proce-
17 dures.

18 “(II) LIMITATION ON ANNUAL
19 ADJUSTMENTS.—The adjustments
20 under subclause (I) for a year shall
21 not cause the amount of expenditures
22 under this part for the year to differ
23 by more than \$20,000,000 from the
24 amount of expenditures under this

1 part that would have been made if
2 such adjustments had not been made.

3 “(3) LIMITATIONS.—With respect to dental and
4 oral health services that are preventive and screen-
5 ing services described in paragraph (1)(A) of section
6 1861(ooo)—

7 “(A) payment shall be made under this
8 part for—

9 “(i) not more than 2 oral exams in a
10 year;

11 “(ii) not more than 2 dental cleanings
12 in a year;

13 “(iii) not more than 1 fluoride treat-
14 ment in a year; and

15 “(iv) not more than 1 full-mouth se-
16 ries of x-rays as part of a preventive and
17 screening oral exam every 3 years; and

18 “(B) in the case of preventive and screen-
19 ing services not described in subparagraph (A),
20 payment shall be made under this part only at
21 such frequencies determined appropriate by the
22 Secretary.

23 “(4) INCENTIVES FOR RURAL PROVIDERS.—In
24 the case of dental and oral health services furnished
25 by a doctor of dental surgery or of dental medicine

1 (as described in section 1861(r)(2)) or an oral
2 health professional (as defined in section
3 1861(ooo)(3)) who predominantly furnishes such
4 services under this part in an area that is designated
5 by the Secretary (under section 332(a)(1)(A) of the
6 Public Health Service Act) as a health professional
7 shortage area, in addition to the amount of payment
8 that would otherwise be made for such services
9 under this subsection, there also shall be paid an
10 amount equal to 10 percent of the payment amount
11 for the service under this subsection for such doctor
12 or professional.

13 “(5) LIMITATION ON BENEFICIARY LIABIL-
14 ITY.—The provisions of section 1848(g) shall apply
15 to a nonparticipating doctor of dental surgery or of
16 dental medicine (as described in section 1861(r)(2))
17 who does not accept payment on an assignment-re-
18 lated basis for dental and oral health services fur-
19 nished with respect to an individual enrolled under
20 this part in the same manner as such provisions
21 apply with respect to a physician’s service.

22 “(6) ESTABLISHMENT OF DENTAL ADMINIS-
23 TRATOR.—The Secretary shall designate 1 or more
24 (not to exceed 4) medicare administrative contrac-
25 tors under section 1874A to establish coverage poli-

1 cies and establish such policies and process claims
 2 for payment for dental and oral health services, as
 3 determined appropriate by the Secretary.”.

4 (d) INCLUSION OF ORAL HEALTH PROFESSIONALS
 5 AS CERTAIN PRACTITIONERS.—Section 1842(b)(18)(C) of
 6 the Social Security Act (42 U.S.C. 1395u(b)(18)(C)) is
 7 amended by adding at the end the following new clause:

8 “(ix) With respect to 2029 and each subsequent
 9 year, an oral health professional (as defined in sec-
 10 tion 1861(ooo)(3)).”.

11 (e) EXCLUSION MODIFICATIONS.—Section 1862(a)
 12 of the Social Security Act (42 U.S.C. 1395y(a)) is amend-
 13 ed—

14 (1) in paragraph (1)—

15 (A) in subparagraph (O), by striking
 16 “and” at the end;

17 (B) in subparagraph (P), by striking the
 18 semicolon at the end and inserting “, and”; and

19 (C) by adding at the end the following new
 20 subparagraph:

21 “(Q) in the case of dental and oral health serv-
 22 ices (as defined in section 1861(ooo)) for which a
 23 limitation is applicable under section 1834(bb)(3),
 24 which are furnished more frequently than is pro-
 25 vided under such section;”; and

1 (2) in paragraph (12), by inserting before the
2 semicolon at the end the following: “and except that
3 payment shall be made under part B for dental and
4 oral health services that are covered under section
5 1861(s)(2)(LL)”.

6 (f) INCLUSION AS EXCEPTED MEDICAL TREAT-
7 MENT.—Section 1821(b)(5)(A) of the Social Security Act
8 (42 U.S.C. 1395i–5(b)(5)(A)) is amended—

9 (1) in clause (ii), by striking “or” at the end;
10 (2) in clause (iii), by striking the period and in-
11 serting “, or”; and

12 (3) by adding at the end the following new
13 clause:

14 “(iv) consisting of dental and oral
15 health services (as defined in subsection
16 (ooo) of section 1861) that are payable
17 under part B as a result of the amend-
18 ments made by the Medicare Dental, Hear-
19 ing, and Vision Expansion Act of 2026.”.

20 (g) RURAL HEALTH CLINICS AND FEDERALLY
21 QUALIFIED HEALTH CENTERS.—

22 (1) COVERAGE OF DENTAL AND ORAL HEALTH
23 SERVICES.—Section 1861(aa) of the Social Security
24 Act (42 U.S.C. 1395x(aa)), is amended—

25 (A) in paragraph (1)—

1 (i) in subparagraph (C), by striking
2 “and” at the end;

3 (ii) in subparagraph (D), by inserting
4 “and” after the comma at the end; and

5 (iii) by inserting after subparagraph
6 (D) the following new subparagraph:

7 “(E) dental and oral health services (as de-
8 fined in subsection (ooo)) furnished by a doctor
9 of dental surgery or of dental medicine (as de-
10 scribed in subsection (r)(2)) or an oral health
11 professional (as defined in subsection (ooo)(3))
12 who is employed by or working under contract
13 with a rural health clinic if such rural health
14 clinic furnishes such services,”; and

15 (B) in paragraph (3)(A), by striking “(D)”
16 and inserting “(E)”.

17 (2) TEMPORARY PAYMENT RATES FOR CERTAIN
18 SERVICES UNDER THE RHC AIR AND FQHC PPS.—

19 (A) AIR.—Section 1833 of the Social Se-
20 curity Act (42 U.S.C. 1395l) is amended—

21 (i) in subsection (a)(3)(A), by insert-
22 ing “(which shall, in the case of dental and
23 oral health services (as defined in section
24 1861(ooo)), in lieu of any limits on reason-
25 able costs otherwise applicable, be based on

1 the rates payable for such services under
 2 the payment basis determined under sec-
 3 tion 1848 until such time as the Secretary
 4 determines sufficient data has been col-
 5 lected to otherwise apply such limits (or
 6 January 1, 2031, if no such determination
 7 has been made as of such date))” after
 8 “may prescribe in regulations”; and

9 (ii) by adding at the end the following
 10 new subsection:

11 “(ee) DISREGARD OF COSTS ATTRIBUTABLE TO CER-
 12 TAIN SERVICES FROM CALCULATION OF RHC AIR.—
 13 Payments for rural health clinic services other than dental
 14 and oral health services (as defined in section 1861(ooo))
 15 under the methodology for all-inclusive rates (established
 16 by the Secretary) under subsection (a)(3) shall not take
 17 into account the costs of such services while rates for such
 18 services are based on rates payable for such services under
 19 the payment basis established under section 1848.”.

20 (B) PPS.—Section 1834(o) of the Social
 21 Security Act (42 U.S.C. 1395m(o)) is amended
 22 by adding at the end the following new para-
 23 graph:

24 “(6) TEMPORARY PAYMENT RATES BASED ON
 25 PFS FOR CERTAIN SERVICES.—The Secretary shall,

1 in establishing payment rates for dental and oral
2 health services (as defined in section 1861(ooo)) that
3 are Federally qualified health center services under
4 the prospective payment system established under
5 this subsection, in lieu of the rates otherwise appli-
6 cable under such system, base such rates on rates
7 payable for such services under the payment basis
8 established under section 1848 until such time as
9 the Secretary determines sufficient data has been
10 collected to otherwise establish rates for such serv-
11 ices under such system (or January 1, 2031, if no
12 such determination has been made as of such date).
13 Payments for Federally qualified health center serv-
14 ices other than such dental and oral health services
15 under such system shall not take into account the
16 costs of such services while rates for such services
17 are based on rates payable for such services under
18 the payment basis established under section 1848.”.

19 (h) IMPLEMENTATION.—In addition to amounts oth-
20 erwise available, there is appropriated to the Secretary of
21 Health and Human Services for fiscal year 2026, out of
22 any money in the Treasury not otherwise appropriated,
23 \$900,000,000, to remain available until expended, for pur-
24 poses of implementing the amendments made by this sec-

tion during the period beginning on January 1, 2026, and ending on September 30, 2035.

SEC. 403. PROVIDING COVERAGE FOR HEARING CARE UNDER THE MEDICARE PROGRAM.

(a) PROVISION OF AUDIOLOGY SERVICES BY QUALIFIED AUDIOLOGISTS AND HEARING AID EXAMINATION SERVICES BY QUALIFIED HEARING AID PROFESSIONALS.—

(1) IN GENERAL.—Section 1861(l) of the Social Security Act (42 U.S.C. 1395x(l)) is amended—

(A) in paragraph (3)—

(i) by inserting “(A)” after “(3)”;

(ii) in subparagraph (A), as added by clause (i) of this subparagraph—

(I) by striking “means such hearing and balance assessment services” and inserting “means—

“(i) such hearing and balance assessment services and, beginning January 1, 2028, such hearing aid examination services and treatment services (including aural rehabilitation, vestibular rehabilitation, and cerumen management)”;

1 (II) in clause (i), as added by
2 subclause (I) of this clause, by strik-
3 ing the period at the end and insert-
4 ing “; and”; and

5 (III) by adding at the end the
6 following new clause:

7 “(ii) beginning January 1, 2028, such
8 hearing aid examination services furnished
9 by a qualified hearing aid professional (as
10 defined in paragraph (4)(C)) as the profes-
11 sional is legally authorized to perform
12 under State law (or the State regulatory
13 mechanism provided by State law), as
14 would otherwise be covered if furnished by
15 a physician.”; and

16 (iii) by adding at the end the fol-
17 lowing new subparagraph:

18 “(B) Beginning January 1, 2028, audiology
19 services described in subparagraph (A)(i) shall be
20 furnished without a requirement for an order from
21 a physician or practitioner.”; and

22 (B) in paragraph (4), by adding at the end
23 the following new subparagraph:

24 “(C) The term ‘qualified hearing aid pro-
25 fessional’ means an individual who—

1 “(i) is licensed or registered as a
2 hearing aid dispenser, hearing aid spe-
3 cialist, hearing instrument dispenser, or re-
4 lated professional by the State in which the
5 individual furnishes such services; and

6 “(ii) is accredited by the National
7 Board for Certification in Hearing Instru-
8 ment Sciences or meets such other require-
9 ments as the Secretary determines appro-
10 priate (including requirements relating to
11 educational certifications or accreditations)
12 taking into account any additional relevant
13 requirements for hearing aid specialists,
14 hearing aid dispensers, and hearing instru-
15 ment dispensers established by Medicare
16 Advantage organizations under part C,
17 State plans (or waivers of such plans)
18 under title XIX, and group health plans
19 and health insurance issuers (as such
20 terms are defined in section 2791 of the
21 Public Health Service Act).”.

22 (2) PAYMENT FOR QUALIFIED HEARING AID
23 PROFESSIONALS.—Section 1833(a)(1) of the Social
24 Security Act (42 U.S.C. 1395l(a)(1)), as amended
25 by section 402(c)(1), is amended—

1 (A) by striking “and” before “(II)”; and

2 (B) by inserting before the semicolon at
 3 the end the following: “and (JJ) with respect to
 4 hearing aid examination services (as described
 5 in paragraph (3)(A)(ii) of section 1861(ll)) fur-
 6 nished by a qualified hearing aid professional
 7 (as defined in paragraph (4)(C) of such sec-
 8 tion), the amounts paid shall be equal to 80
 9 percent of the lesser of the actual charge for
 10 such services or 85 percent of the amount for
 11 such services determined under the payment
 12 basis determined under section 1848”.

13 (3) INCLUSION OF QUALIFIED AUDIOLOGISTS
 14 AND QUALIFIED HEARING AID PROFESSIONALS AS
 15 CERTAIN PRACTITIONERS TO RECEIVE PAYMENT ON
 16 AN ASSIGNMENT-RELATED BASIS.—

17 (A) QUALIFIED AUDIOLOGISTS.—Section
 18 1842(b)(18)(C) of the Social Security Act (42
 19 U.S.C. 1395u(b)(18)(C)), as amended by sec-
 20 tion 402(d), is amended by adding at the end
 21 the following new clause:

22 “(x) Beginning on January 1, 2028, a qualified
 23 audiologist (as defined in section 1861(ll)(4)(B)).”.

24 (B) QUALIFIED HEARING AID PROFES-
 25 SIONALS.—Section 1842(b)(18) of the Social

1 Security Act (42 U.S.C. 1395u(b)(18)) is
2 amended—

3 (i) in each of subparagraphs (A) and
4 (B), by striking “subparagraph (C)” and
5 inserting “subparagraph (C) or, beginning
6 on January 1, 2028, subparagraph (E)”;
7 and

8 (ii) by adding at the end the following
9 new subparagraph:

10 “(E) A practitioner described in this subparagraph
11 is a qualified hearing aid professional (as defined in sec-
12 tion 1861(l)(4)(C)).”.

13 (b) COVERAGE OF HEARING AIDS.—

14 (1) INCLUSION OF HEARING AIDS AS PROS-
15 THETIC DEVICES.—Section 1861(s)(8) of the Social
16 Security Act (42 U.S.C. 1395x(s)(8)) is amended by
17 inserting “, and including hearing aids (as described
18 in section 1834(h)(7)) furnished on or after January
19 1, 2028, to individuals with moderately severe, se-
20 vere, or profound hearing loss” before the semicolon
21 at the end.

22 (2) PAYMENT LIMITATIONS FOR HEARING
23 AIDS.—Section 1834(h) of the Social Security Act
24 (42 U.S.C. 1395m(h)) is amended by adding at the
25 end the following new paragraphs:

1 “(6) PAYMENT ONLY ON AN ASSIGNMENT-RE-
2 LATED BASIS.—Payment for hearing aids for which
3 payment may be made under this part may be made
4 only on an assignment-related basis. The provisions
5 of subparagraphs (A) and (B) of section
6 1842(b)(18) shall apply to hearing aids in the same
7 manner as they apply to services furnished by a
8 practitioner described in subparagraph (C) of such
9 section.

10 “(7) LIMITATIONS FOR HEARING AIDS.—

11 “(A) IN GENERAL.—Payment may be
12 made under this part with respect to an indi-
13 vidual, with respect to hearing aids furnished
14 by a qualified hearing aid supplier (as defined
15 in subparagraph (C)) on or after January 1,
16 2028—

17 “(i) not more than once per ear dur-
18 ing a 5-year period;

19 “(ii) only for types of such hearing
20 aids that are determined appropriate by
21 the Secretary; and

22 “(iii) only if furnished pursuant to a
23 written order of a physician, qualified au-
24 diologist (as defined in section
25 1861(ll)(4)), qualified hearing aid profes-

1 sional (as defined in subparagraph (C) of
2 such section), physician assistant, nurse
3 practitioner, or clinical nurse specialist.

4 “(B) SPECIAL RULE.—The payment basis
5 determined under this subsection (including
6 after application of paragraph (1)(H), relating
7 to application of competitive acquisition) for
8 hearing aids furnished by a qualified hearing
9 aid supplier on or after January 1, 2028, shall
10 not exceed the rate determined for such hearing
11 aids under the Federal Supply Schedule of the
12 General Services Administration, as published
13 by such Administration in 2021, updated to the
14 year involved using the applicable percent in-
15 crease for the year.

16 “(C) DEFINITIONS.—In this subsection:

17 “(i) HEARING AID.—The term ‘hear-
18 ing aid’ means the item and related serv-
19 ices including selection, fitting, adjustment,
20 and patient education and training.

21 “(ii) QUALIFIED HEARING AID SUP-
22 PLIER.—The term ‘qualified hearing aid
23 supplier’ means—

24 “(I) a qualified audiologist;

1 “(II) a physician (as defined in
2 section 1861(r)(1));

3 “(III) a physician assistant,
4 nurse practitioner, or clinical nurse
5 specialist;

6 “(IV) a qualified hearing aid pro-
7 fessional (as defined in section
8 1861(ll)(4)(C)); and

9 “(V) other suppliers as deter-
10 mined by the Secretary.”.

11 (3) APPLICATION OF COMPETITIVE ACQUISI-
12 TION.—

13 (A) IN GENERAL.—Section 1834(h)(1)(H)
14 of the Social Security Act (42 U.S.C.
15 1395m(h)(1)(H)) is amended—

16 (i) in the header, by inserting “AND
17 HEARING AIDS” after “ORTHOTICS”;

18 (ii) in the matter preceding clause (i),
19 by inserting “or of hearing aids described
20 in paragraph (2)(E) of such section,” after
21 “2011,”; and

22 (iii) in clause (i), by inserting “or
23 such hearing aids” after “such orthotics”.

24 (B) CONFORMING AMENDMENTS.—

1 (i) IN GENERAL.—Section 1847(a)(2)
2 of the Social Security Act (42 U.S.C.
3 1395w–3(a)(2)) is amended by adding at
4 the end the following new subparagraph:

5 “(E) HEARING AIDS.—Hearing aids de-
6 scribed in section 1861(s)(8) for which payment
7 would otherwise be made under section
8 1834(h).”.

9 (ii) EXEMPTION OF CERTAIN ITEMS
10 FROM COMPETITIVE ACQUISITION.—Sec-
11 tion 1847(a)(7) of the Social Security Act
12 (42 U.S.C. 1395w–3(a)(7)) is amended by
13 adding at the end the following new sub-
14 paragraph:

15 “(C) CERTAIN HEARING AIDS.—Those
16 items and services described in paragraph
17 (2)(E) if furnished by a physician or other
18 practitioner (as defined by the Secretary) to the
19 physician’s or practitioner’s own patients as
20 part of the physician’s or practitioner’s profes-
21 sional service.”.

22 (iii) IMPLEMENTATION.—Section
23 1847(a) of the Social Security Act (42
24 U.S.C. 1395w–3(a)) is amended by adding
25 at the end the following new paragraph:

1 “(8) COMPETITION WITH RESPECT TO HEARING
2 AIDS.—Not later than January 1, 2031, the Sec-
3 retary shall begin the competition with respect to the
4 items and services described in paragraph (2)(E).”.

5 (4) PHYSICIAN SELF-REFERRAL LAW.—Section
6 1877(b) of the Social Security Act (42 U.S.C.
7 1395nn(b)) is amended by adding at the end the fol-
8 lowing new paragraph:

9 “(6) HEARING AIDS AND SERVICES.—In the
10 case of hearing aid examination services and hearing
11 aids—

12 “(A) furnished on or after January 1,
13 2028, and before January 1, 2030; and

14 “(B) furnished on or after January 1,
15 2030, if the financial relationship specified in
16 subsection (a)(2) meets such requirements the
17 Secretary imposes by regulation to protect
18 against program or patient abuse.”.

19 (c) EXCLUSION MODIFICATION.—Section 1862(a)(7)
20 of the Social Security Act (42 U.S.C. 1395y(a)(7)) is
21 amended by inserting “(except such hearing aids or exami-
22 nations therefor as described in and otherwise allowed
23 under section 1861(s)(8))” after “hearing aids or exami-
24 nations therefor”.

1 (d) INCLUSION AS EXCEPTED MEDICAL TREAT-
 2 MENT.—Section 1821(b)(5)(A)(iv) of the Social Security
 3 Act (42 U.S.C. 1395i–5(b)(5)(A)(iv)), as added by section
 4 402(f), is amended by inserting “, audiology services de-
 5 scribed in subsection (ll)(3) of such section, or hearing
 6 aids described in subsection (s)(8) of such section” after
 7 “section 1861”).

8 (e) RURAL HEALTH CLINICS AND FEDERALLY
 9 QUALIFIED HEALTH CENTERS.—

10 (1) CLARIFYING COVERAGE OF AUDIOLOGY
 11 SERVICES AS PHYSICIANS’ SERVICES.—Section
 12 1861(aa)(1)(A) of the Social Security Act (42
 13 U.S.C. 1395x(aa)(1)(A)) is amended by inserting
 14 “(including audiology services (as defined in sub-
 15 section (ll)(3)))” after “physicians’ services”.

16 (2) INCLUSION OF QUALIFIED AUDIOLOGISTS
 17 AND QUALIFIED HEARING AID PROFESSIONALS AS
 18 RHC AND FQHC PRACTITIONERS.—Section
 19 1861(aa)(1)(B) of the Social Security Act (42
 20 U.S.C. 1395x(aa)(1)(B)) is amended by inserting
 21 “or by a qualified audiologist or a qualified hearing
 22 aid professional (as such terms are defined in sub-
 23 section (ll)),” after “(as defined in subsection
 24 (hh)(1)),”.

1 (3) TEMPORARY PAYMENT RATES FOR CERTAIN
2 SERVICES UNDER THE RHC AIR AND FQHC PPS.—

3 (A) AIR.—Section 1833 of the Social Se-
4 curity Act (42 U.S.C. 1395l), as amended by
5 section 402(g)(2)(A), is amended—

6 (i) in subsection (a)(3)(A), by insert-
7 ing “or audiology services (as defined in
8 section 1861(ll)(3))” after “(as defined in
9 section 1861(ooo))”; and

10 (ii) in subsection (ee), by inserting “or
11 audiology services (as defined in section
12 1861(ll)(3))” after “(as defined in section
13 1861(ooo))”.

14 (B) PPS.—Section 1834(o)(6) of the So-
15 cial Security Act (42 U.S.C. 1395m(o)(6)), as
16 added by section 402(g)(2)(B), is amended—

17 (i) in the first sentence, by inserting
18 “or audiology services (as defined in sec-
19 tion 1861(ll)(3))” after “(as defined in sec-
20 tion 1861(ooo))”; and

21 (ii) in the second sentence, by insert-
22 ing “or such audiology services” after
23 “such dental and oral health services”.

24 (f) EXPEDITING IMPLEMENTATION.—The Secretary
25 of Health and Human Services shall implement this sec-

tion for 2028 and 2029 through program instruction or other forms of program guidance.

(g) FUNDING.—In addition to amounts otherwise available, there is appropriated to the Secretary of Health and Human Services for fiscal year 2026, out of any money in the Treasury not otherwise appropriated, \$370,000,000, to remain available until expended, for purposes of implementing the amendments made by this section during the period beginning on January 1, 2027, and ending on September 30, 2036.

SEC. 404. PROVIDING COVERAGE FOR VISION CARE UNDER THE MEDICARE PROGRAM.

(a) COVERAGE.—Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)), as amended by section 402(a), is amended—

(1) in subparagraph (KK), by striking “and” at the end;

(2) in subparagraph (LL), by inserting “and” after the semicolon; and

(3) by adding at the end the following new subparagraph:

“(MM) vision services (as defined in subsection (ppp));”.

(b) VISION SERVICES DEFINED.—Section 1861 of the Social Security Act (42 U.S.C. 1395x), as amended

1 by section 402(b), is amended by adding at the end the
 2 following new subsection:

3 “(ppp) VISION SERVICES.—The term ‘vision services’
 4 means routine eye examinations to determine the refrac-
 5 tive state of the eyes, including procedures performed dur-
 6 ing the course of such examination, furnished on or after
 7 January 1, 2028, by or under the direct supervision of
 8 an ophthalmologist or optometrist who is legally author-
 9 ized to furnish such examinations or procedures (as appli-
 10 cable) under State law (or the State regulatory mechanism
 11 provided by State law) of the State in which the examina-
 12 tions or procedures are furnished.”.

13 (c) PAYMENT LIMITATIONS.—Section 1834 of the
 14 Social Security Act (42 U.S.C. 1395m), as amended by
 15 section 402(c)(2), is amended by adding at the end the
 16 following new subsection:

17 “(cc) LIMITATION FOR VISION SERVICES.—With re-
 18 spect to vision services (as defined in section 1861(ppp))
 19 and an individual, payment shall be made under this part
 20 for only 1 routine eye examination described in such sub-
 21 section during a 2-year period.”.

22 (d) PAYMENT UNDER PHYSICIAN FEE SCHEDULE.—
 23 Section 1848(j)(3) of the Social Security Act (42 U.S.C.
 24 1395w-4(j)(3)) is amended by inserting “(2)(MM),” be-
 25 fore “(3)”.

1 (e) COVERAGE OF CONVENTIONAL EYEGLASSES.—
 2 Section 1861(s)(8) of the Social Security Act (42 U.S.C.
 3 1395x(s)(8)), as amended by section 403(b)(1), is amend-
 4 ed by striking “, and including one pair of conventional
 5 eyeglasses or contact lenses furnished subsequent to each
 6 cataract surgery with insertion of an intraocular lens” and
 7 inserting “, including 1 pair of conventional eyeglasses or
 8 contact lenses furnished subsequent to each cataract sur-
 9 gery with insertion of an intraocular lens, if furnished be-
 10 fore January 1, 2028, and including conventional eye-
 11 glasses (as described in section 1834(h)(8)), whether or
 12 not furnished subsequent to such a surgery, if furnished
 13 on or after January 1, 2028”.

14 (f) SPECIAL PAYMENT RULES FOR EYEGLASSES.—

15 (1) LIMITATIONS.—Section 1834(h) of the So-
 16 cial Security Act (42 U.S.C. 1395m(h)), as amended
 17 by section 403(b)(2), is amended by adding at the
 18 end the following new paragraph:

19 “(8) PAYMENT LIMITATIONS FOR EYE-
 20 GLASSES.—

21 “(A) IN GENERAL.—With respect to con-
 22 ventional eyeglasses furnished to an individual
 23 on or after January 1, 2028, subject to sub-
 24 paragraph (B), payment shall be made under

1 this part only during a 2-year period, for 1 pair
2 of eyeglasses (including lenses and the frame).

3 “(B) EXCEPTION.—With respect to a 2-
4 year period described in subparagraph (A), in
5 the case of an individual who receives cataract
6 surgery with insertion of an intraocular lens,
7 payment shall be made under this part for 1
8 pair of conventional eyeglasses furnished subse-
9 quent to such cataract surgery during such pe-
10 riod.

11 “(C) SPECIAL RULE.—The payment basis
12 determined under this subsection (including
13 after application of paragraph (1)(H), relating
14 to application of competitive acquisition) for
15 conventional eyeglasses furnished to an indi-
16 vidual on or after January 1, 2028, shall not
17 exceed the rate determined for such eyeglasses
18 under the Federal Supply Schedule of the Gen-
19 eral Services Administration, as published by
20 such Administration in 2021, updated to the
21 year involved using the applicable percent in-
22 crease for the year.

23 “(D) NO COVERAGE OF CERTAIN ITEMS.—
24 Payment shall not be made under this part for

1 deluxe eyeglasses or conventional reading glass-
 2 es.”.

3 (2) APPLICATION OF COMPETITIVE ACQUISI-
 4 TION.—

5 (A) IN GENERAL.—Section 1834(h)(1)(H)
 6 of the Social Security Act (42 U.S.C.
 7 1395m(h)(1)(H)), as amended by section
 8 403(b)(3)(A), is amended—

9 (i) in the heading, by striking “AND
 10 HEARING AIDS” and inserting “HEARING
 11 AIDS, AND EYEGLASSES”;

12 (ii) in the matter preceding clause
 13 (i)—

14 (I) by striking “or of hearing
 15 aids” and inserting “of hearing aids”;
 16 and

17 (II) by inserting “or of eyeglasses
 18 described in paragraph (2)(F) of such
 19 section,” after “paragraph (2)(E) of
 20 such section,”; and

21 (iii) in clause (i), by striking “or such
 22 hearing aids” and inserting “, such hear-
 23 ing aids, or such eyeglasses”.

24 (B) CONFORMING AMENDMENT.—Section
 25 1847(a)(2) of the Social Security Act (42

1 U.S.C. 1395w–3(a)(2)), as amended by section
 2 403(b)(3)(B)(i), is amended by adding at the
 3 end the following new subparagraph:

4 “(F) EYEGLASSES.—Eyeglasses described
 5 in section 1861(s)(8) for which payment would
 6 otherwise be made under section 1834(h).”.

7 (C) IMPLEMENTATION.—Section 1847(a)
 8 of the Social Security Act (42 U.S.C. 1395w–
 9 3(a)), as amended by section 403(b)(3)(B)(iii),
 10 is amended by adding at the end the following
 11 new paragraph:

12 “(9) COMPETITION WITH RESPECT TO EYE-
 13 GLASSES.—Not later than January 1, 2030, the Sec-
 14 retary shall begin the competition with respect to the
 15 items and services described in paragraph (2)(F).”.

16 (g) EXCLUSION MODIFICATIONS.—Section 1862(a)
 17 of the Social Security Act (42 U.S.C. 1395y(a)), as
 18 amended by section 402(e), is amended—

19 (1) in paragraph (1)—

20 (A) in subparagraph (P), by striking
 21 “and” at the end;

22 (B) in subparagraph (Q), by striking the
 23 semicolon at the end and inserting “, and”; and

24 (C) by adding at the end the following new
 25 subparagraph:

1 “(R) in the case of vision services (as defined
 2 in section 1861(ppp)) that are routine eye examina-
 3 tions as described in such section, which are fur-
 4 nished more frequently than once during a 2-year
 5 period;” and

6 (2) in paragraph (7)—

7 (A) by inserting “(other than such an ex-
 8 amination that is a vision service that is cov-
 9 ered under section 1861(s)(2)(MM))” after
 10 “eye examinations”; and

11 (B) by inserting “(other than such a proce-
 12 dure that is a vision service that is covered
 13 under section 1861(s)(2)(MM))” after “refrac-
 14 tive state of the eyes”.

15 (h) INCLUSION AS EXCEPTED MEDICAL TREAT-
 16 MENT.—Section 1821(b)(5)(A)(iv) of the Social Security
 17 Act (42 U.S.C. 1395i–5(b)(5)(A)(iv)), as added by section
 18 402(f) and amended by section 403(d), is amended—

19 (1) by striking “or hearing aids” and inserting
 20 “hearing aids”; and

21 (2) by inserting “, or vision services (as defined
 22 in subsection (ppp) of such section)” after “sub-
 23 section (s)(8) of such section”.

24 (i) RURAL HEALTH CLINICS AND FEDERALLY
 25 QUALIFIED HEALTH CENTERS.—

1 (1) CLARIFYING COVERAGE OF VISION SERV-
 2 ICES AS PHYSICIANS’ SERVICES.—Section
 3 1861(aa)(1)(A) of the Social Security Act (42
 4 U.S.C. 1395x(aa)(1)(A)), as amended by section
 5 403(e)(1), is amended by inserting “and vision serv-
 6 ices (as defined in subsection (ppp))” after “(as de-
 7 fined in subsection (ll)(3))”.

8 (2) TEMPORARY PAYMENT RATES FOR CERTAIN
 9 SERVICES UNDER THE RHC AIR AND FQHC PPS.—

10 (A) AIR.—Section 1833 of the Social Se-
 11 curity Act (42 U.S.C. 1395l), as amended by
 12 sections 402(g)(2)(A) and 403(e)(3)(A), is
 13 amended—

14 (i) in subsection (a)(3)(A)—

15 (I) by striking “or audiology”
 16 and inserting “, audiology”; and

17 (II) by inserting “, or vision serv-
 18 ices (as defined in section
 19 1861(ppp))” after “(as defined in sec-
 20 tion 1861(ll)(3))”; and

21 (ii) in subsection (ee)—

22 (I) by striking “or audiology”
 23 and inserting “, audiology”; and

24 (II) by inserting “, or vision serv-
 25 ices (as defined in section

1 1861(ppp))” after “(as defined in sec-
2 tion 1861(ll)(3))”.

3 (B) PPS.—Section 1834(o)(6) of the So-
4 cial Security Act (42 U.S.C. 1395m(o)(6)), as
5 added by section 402(g)(2)(B) and amended by
6 section 403(e)(3)(B), is amended—

7 (i) in the first sentence—

8 (I) by striking “or audiology”
9 and inserting “, audiology”; and

10 (II) by inserting “, or vision serv-
11 ices (as defined in section
12 1861(ppp))” after “(as defined in sec-
13 tion 1861(ll)(3))”; and

14 (ii) in the second sentence, by striking
15 “or such audiology services” and inserting
16 “, such audiology services, or such vision
17 services”.

18 (j) EXPEDITING IMPLEMENTATION.—The Secretary
19 of Health and Human Services shall implement this sec-
20 tion for 2028 and 2029 through program instruction or
21 other forms of program guidance.

22 (k) FUNDING.—In addition to amounts otherwise
23 available, there is appropriated to the Secretary of Health
24 and Human Services for fiscal year 2026, out of any
25 money in the Treasury not otherwise appropriated,

1 \$500,000,000, to remain available until expended, for pur-
 2 poses of implementing the amendments made by this sec-
 3 tion during the period beginning on January 1, 2027, and
 4 ending on September 30, 2035.

5 **SEC. 405. PHASE-IN OF IMPACT OF DENTAL AND ORAL**
 6 **HEALTH COVERAGE ON PART B PREMIUMS.**

7 Section 1839(a) of the Social Security Act (42 U.S.C.
 8 1395r(a)) is amended—

9 (1) in the second sentence of paragraph (1), by
 10 striking “and (7)” and inserting “(7), and (8)”;

11 (2) in paragraph (3), by striking “The Sec-
 12 retary” and inserting “Subject to paragraph (8)(C),
 13 the Secretary”; and

14 (3) by adding at the end the following:

15 “(8) SPECIAL RULE FOR 2027 THROUGH 2031.—

16 “(A) DETERMINATION OF ALTERNATIVE
 17 MONTHLY ACTUARIAL RATE FOR EACH OF 2027
 18 THROUGH 2031.—For each of 2027 through
 19 2031, the Secretary shall, at the same time as
 20 and in addition to the determination of the
 21 monthly actuarial rate for enrollees age 65 and
 22 over determined in each of 2026 through 2030
 23 for the succeeding calendar year according to
 24 paragraph (1), determine an alternative month-

1 ly actuarial rate for enrollees age 65 and over
2 for the year as described in subparagraph (B).

3 “(B) ALTERNATIVE MONTHLY ACTUARIAL
4 RATE DESCRIBED.—

5 “(i) IN GENERAL.—The alternative
6 monthly actuarial rate described in this
7 subparagraph is—

8 “(I) for 2027 and 2028, the
9 monthly actuarial rate for enrollees
10 age 65 and over for the year, deter-
11 mined as if the amendments made by
12 section 402 of the Medicare Dental,
13 Hearing, and Vision Expansion Act of
14 2026 did not apply; and

15 “(II) for 2029, 2030, and 2031,
16 the monthly actuarial rate for enroll-
17 ees age 65 and over for the year, de-
18 termined as if the amendments made
19 by such section 402 did not apply,
20 plus the applicable percent of the
21 amount by which—

22 “(aa) the monthly actuarial
23 rate for enrollees age 65 and over
24 for the year determined accord-
25 ing to paragraph (1); exceeds

1 “(bb) the monthly actuarial
2 rate for enrollees age 65 and over
3 for the year, determined as if the
4 amendments made by such sec-
5 tion 402 did not apply.

6 “(ii) DEFINITION OF APPLICABLE
7 PERCENT.—For purposes of this subpara-
8 graph, the term ‘applicable percent’
9 means—

10 “(I) for 2029, 25 percent;

11 “(II) for 2030, 50 percent; and

12 “(III) for 2031, 75 percent.

13 “(C) APPLICATION TO PART B PREMIUM
14 AND OTHER PROVISIONS OF THIS PART.—For
15 each of 2027 through 2031, the Secretary shall
16 use the alternative monthly actuarial rate for
17 enrollees age 65 and over for the year deter-
18 mined under subparagraph (A), in lieu of the
19 monthly actuarial rate for such enrollees for the
20 year determined according to paragraph (1),
21 when determining the monthly premium rate
22 for the year under paragraph (3) and sub-
23 section (j), the part B deductible under section
24 1833(b), and the premium subsidy and monthly
25 adjustment amount under subsection (i).”.

1 **TITLE V—HOUSING TRUST FUND**

2 **SEC. 501. AUTHORIZATION OF APPROPRIATIONS.**

3 Section 1338(a) of the Federal Housing Enterprises
4 Financial Safety and Soundness Act of 1992 (12 U.S.C.
5 4568(a)) is amended by adding at the end the following:

6 “(3) AUTHORIZATION OF APPROPRIATIONS.—

7 There is authorized to be appropriated to the Hous-
8 ing Trust Fund \$85,647,000,000 for each of fiscal
9 years 2026 through 2035.”.

10 **TITLE VI—AFFORDABLE CHILD** 11 **CARE FOR WORKING FAMILIES**

12 **SEC. 601. BIRTH THROUGH FIVE CHILD CARE AND EARLY** 13 **LEARNING ENTITLEMENT.**

14 (a) CHILD CARE DEFINITIONS.—The definitions in
15 section 658P of the Child Care and Development Block
16 Grant Act of 1990 (42 U.S.C. 9858n) shall apply to this
17 section, except as provided in subsection (b) and as other-
18 wise specified.

19 (b) ADDITIONAL DEFINITIONS.—In this section:

20 (1) CHILD CARE CERTIFICATE.—

21 (A) IN GENERAL.—The term “child care
22 certificate” means a certificate (that may be a
23 check or other disbursement) that is issued by
24 a State, tribal, territorial, or local government
25 under this section directly to a parent who shall

1 use such certificate only as payment for child
2 care services or as a deposit for child care serv-
3 ices if such a deposit is required of other chil-
4 dren being cared for by the provider.

5 (B) RULE.—Nothing in this section shall
6 preclude the use of such certificates for sec-
7 tarian child care services if freely chosen by the
8 parent. For the purposes of this section, child
9 care certificates shall be considered indirect
10 Federal financial assistance to the provider.

11 (2) CHILD EXPERIENCING HOMELESSNESS.—
12 The term “child experiencing homelessness” means
13 an individual who is a homeless child or youth under
14 section 725 of the McKinney-Vento Homeless Assist-
15 ance Act (42 U.S.C. 11434a).

16 (3) ELIGIBLE ACTIVITY.—The term “eligible
17 activity”, with respect to a parent, shall include, at
18 minimum, activities consisting of—

19 (A) full-time or part-time employment;

20 (B) self-employment;

21 (C) job search activities;

22 (D) job training;

23 (E) secondary, postsecondary, or adult
24 education, including education through a pro-
25 gram of high school classes, a course of study

1 at an institution of higher education, classes to-
2 wards an equivalent of a high school diploma
3 recognized by State law, or English as a second
4 language classes;

5 (F) health treatment (including mental
6 health and substance use treatment) for a con-
7 dition that prevents the parent from partici-
8 pating in other eligible activities;

9 (G) activities to prevent child abuse and
10 neglect, or family violence prevention or inter-
11 vention activities;

12 (H) employment and training activities
13 under the supplemental nutrition assistance
14 program established under section 6(d)(4) of
15 the Food and Nutrition Act of 2008 (7 U.S.C.
16 2015(d)(4));

17 (I) employment and training activities
18 under the Workforce Innovation and Oppor-
19 tunity Act (29 U.S.C. 3101 et seq.);

20 (J) a work activity described in subsection
21 (d) of section 407 of the Social Security Act
22 (42 U.S.C. 607) for which, consistent with
23 clauses (ii) and (iii) of section 402(a)(1)(A) of
24 such Act (42 U.S.C. 602(a)(1)(A)), a parent or
25 caretaker is treated as being engaged in work

1 for a month in a fiscal year for purposes of the
2 program of block grants to States for tem-
3 porary assistance for needy families established
4 under part A of title IV of the Social Security
5 Act (42 U.S.C. 601 et seq.); and

6 (K) taking leave under the Family and
7 Medical Leave Act of 1993 (29 U.S.C. 2601 et
8 seq.) (or equivalent provisions for Federal em-
9 ployees), a State or local paid or unpaid leave
10 law, or a program of employer-provided leave.

11 (4) ELIGIBLE CHILD.—

12 (A) IN GENERAL.—The term “eligible
13 child” means an individual—

14 (i) who is less than 6 years of age;

15 (ii) who is not yet in kindergarten;

16 (iii) whose family income does not ex-
17 ceed 250 percent of the State median in-
18 come for a family of the same size for the
19 fiscal year involved, for each fiscal year be-
20 ginning with fiscal year 2026; and

21 (iv) who—

22 (I) resides with a parent or par-
23 ents who are participating in an eligi-
24 ble activity;

1 (II) is included in a population of
2 vulnerable children identified by the
3 lead agency involved, which at a min-
4 imum shall include children with dis-
5 abilities, infants and toddlers with dis-
6 abilities, children experiencing home-
7 lessness, children in foster care, chil-
8 dren in kinship care, and children who
9 are receiving, or need to receive, child
10 protective services; or

11 (III) resides with a parent who is
12 more than 65 years of age.

13 (B) LONGER-TERM PERIOD ELIGIBILITY.—
14 For purposes of determining eligibility under
15 this paragraph, an individual who is determined
16 to be an eligible child shall continue to be con-
17 sidered an eligible child and shall not be re-
18 quired to reverify eligibility for purposes of this
19 section during the period—

20 (i) that begins on the date of the de-
21 termination; and

22 (ii) that ends on the earlier of the
23 date the individual becomes 6 years of age
24 or the date the individual enters kinder-
25 garten.

1 (5) ELIGIBLE CHILD CARE PROVIDER.—

2 (A) IN GENERAL.—The term “eligible child
3 care provider” means a center-based child care
4 provider, a family child care provider, or other
5 provider of child care services for compensation
6 that—

7 (i) is licensed to provide child care
8 services under State law applicable to the
9 child care services it provides or, in the
10 case of an Indian Tribe or tribal organiza-
11 tion, meets the rules set by the Secretary;

12 (ii) participates in the State’s tiered
13 system for measuring and supporting the
14 quality of eligible child care providers de-
15 scribed in subsection (f)(3)(B), or, in the
16 case of an Indian Tribe or tribal organiza-
17 tion, meets the rules set by the Sec-
18 retary—

19 (I) not later than 3 years after
20 the State first receives funds under
21 this section; and

22 (II) for the remainder of the pe-
23 riod for which the provider receives
24 funds under this section; and

1 (iii) satisfies the State and local re-
2 quirements, including those requirements
3 described in section 658E(c)(2)(I) of the
4 Child Care and Development Block Grant
5 Act of 1990 (42 U.S.C. 9858c(c)(2)(I)),
6 applicable to the child care services it pro-
7 vides.

8 (B) SPECIAL RULE.—A child care provider
9 who is eligible to provide child care services in
10 a State for children receiving assistance under
11 the Child Care and Development Block Grant
12 Act of 1990 (42 U.S.C. 9857 et seq.) on the
13 date the State submits an application for funds
14 under this section, and remains in compliance
15 with any licensing or registration standards, or
16 regulations, of the State, shall be deemed to be
17 an eligible child care provider under this section
18 for 3 years after the State first receives funds
19 under this section.

20 (6) FMAP.—The term “FMAP” has the mean-
21 ing given the term “Federal medical assistance per-
22 centage” in the first sentence of section 1905(b) of
23 the Social Security Act (42 U.S.C. 1396d(b)).

24 (7) FAMILY CHILD CARE PROVIDER.—The term
25 “family child care provider” means one or more indi-

viduals who provide child care services, in a private residence other than the residences of the children involved, for less than 24 hours per day per child, or for 24 hours per day per child due to the nature of the work of the parent involved.

(8) INCLUSIVE CARE.—The term “inclusive”, with respect to care (including child care), means care provided by an eligible child care provider—

(A) for whom the percentage of children served by the provider who are children with disabilities or infants or toddlers with disabilities reflects the prevalence of children with disabilities and infants and toddlers with disabilities (whichever the provider serves) among children within the State involved; and

(B) that provides care and full participation for children with disabilities and infants and toddlers with disabilities (whichever the provider serves) alongside children who are—

(i) not children with disabilities; and

(ii) not infants and toddlers with disabilities.

(9) INFANT OR TODDLER.—The term “infant or toddler” means an individual who is less than 3 years of age.

1 (10) INFANT OR TODDLER WITH A DIS-
2 ABILITY.—The term “infant or toddler with a dis-
3 ability” has the meaning given the term in section
4 632 of the Individuals with Disabilities Education
5 Act (20 U.S.C. 1432).

6 (11) LEAD AGENCY.—The term “lead agency”
7 means the agency designated under subsection (e).

8 (12) PROVIDER TYPE.—The term “provider
9 type” means a type that is—

10 (A) a center-based child care provider;

11 (B) a family child care provider; or

12 (C) another non-center-based child care
13 provider.

14 (13) STAFFED FAMILY CHILD CARE NET-
15 WORK.—The term “staffed family child care net-
16 work” means a nonprofit organization or nonprofit
17 cooperative—

18 (A) that may be a component of a child
19 care resource and referral organization;

20 (B) that has at least one paid staff mem-
21 ber; and

22 (C) that offers evidence-based professional
23 development, quality improvement support,
24 business support, and technical assistance, in-

1 cluding on achieving licensure as a child care
2 provider, to family child care providers.

3 (14) STATE.—The term “State” means any of
4 the 50 States and the District of Columbia.

5 (15) TERRITORY.—The term “territory” means
6 the Commonwealth of Puerto Rico, the Virgin Is-
7 lands of the United States, Guam, American Samoa,
8 and the Commonwealth of the Northern Mariana Is-
9 lands.

10 (c) APPROPRIATIONS.—

11 (1) STATES, INDIAN TRIBES AND TRIBAL ORGA-
12 NIZATIONS, AND TERRITORIES ENTITLEMENT.—In
13 addition to amounts otherwise available, there is ap-
14 propriated to the Department of Health and Human
15 Services for fiscal year 2026 and each subsequent
16 fiscal year, out of any money in the Treasury not
17 otherwise appropriated, such sums as may be nec-
18 essary for payments to States, territories, and In-
19 dian Tribes and tribal organizations for carrying out
20 the child care program described in this section
21 (other than carrying out activities described in para-
22 graph (2) or (3)).

23 (2) GRANTS TO LOCALITIES; AWARDS TO HEAD
24 START AGENCIES.—In addition to amounts otherwise
25 available, there is appropriated to the Department of

1 Health and Human Services for fiscal year 2026,
2 out of any money in the Treasury not otherwise ap-
3 propriated \$20,000,000,000, to carry out the pro-
4 gram of grants to localities, and the program of
5 awards to Head Start agencies, described in sub-
6 section (i).

7 (3) FEDERAL ADMINISTRATION.—Notwith-
8 standing paragraph (1) or (2), of the funds appro-
9 priated under this section for a fiscal year, the Sec-
10 retary of Health and Human Services may reserve
11 an amount equal to not more than 0.5 percent of the
12 funds appropriated under this section for the prior
13 fiscal year, for purposes of Federal administration of
14 this section.

15 (d) ESTABLISHMENT OF BIRTH THROUGH FIVE
16 CHILD CARE AND EARLY LEARNING ENTITLEMENT PRO-
17 GRAM.—

18 (1) IN GENERAL.—The Secretary is authorized
19 to administer a child care and early learning entitle-
20 ment program under which an eligible child, in a
21 State, territory, or Indian Tribe, or served by a trib-
22 al organization, with an approved application under
23 subsection (f) or (g), shall be provided an oppor-
24 tunity to obtain high-quality child care services, sub-
25 ject to the requirements of this section.

1 (2) ASSISTANCE FOR EVERY ELIGIBLE
2 CHILD.—Beginning on October 1, 2026, every child
3 who applies for assistance under this section, who is
4 in a State with an approved application under sub-
5 section (f), or in a territory or Indian Tribe or
6 served by a tribal organization with an approved ap-
7 plication under subsection (g), and who is deter-
8 mined, by a lead agency (or other entity designated
9 by a lead agency) for the State, territory, Indian
10 Tribe, or tribal organization involved, following
11 standards and procedures established by the Sec-
12 retary by rule, to be an eligible child, shall be offered
13 assistance for and shall be entitled to receive direct
14 child care services in accordance with and subject to
15 the requirements and limitations of this section.

16 (e) LEAD AGENCY.—The Governor of a State or the
17 head of a territory or Indian Tribe, desiring for the State,
18 territory, or Indian tribe or a related tribal organization
19 to receive a payment under this section, shall designate
20 a lead agency (such as a State agency or joint interagency
21 office) to administer the child care program carried out
22 under this section.

23 (f) APPLICATIONS AND STATE PLANS.—

24 (1) APPLICATION.—To be eligible to receive as-
25 sistance under this section, a State shall prepare

1 and submit to the Secretary for approval an applica-
2 tion containing a State plan that meets the require-
3 ments under paragraph (3) and contains such infor-
4 mation as the Secretary may require.

5 (2) PERIOD COVERED BY PLAN.—A State plan
6 contained in the application shall be designed to be
7 implemented during a period of not more than 3
8 years.

9 (3) REQUIREMENTS FOR STATE PLANS.—The
10 Secretary shall award funds under this section to
11 States with an approved application that contains a
12 State plan, submitted under paragraph (1), at such
13 time, in such manner, and containing such informa-
14 tion as the Secretary shall by rule require, including,
15 at a minimum, the following:

16 (A) PAYMENT RATES AND COST ESTI-
17 MATION.—

18 (i) PAYMENT RATES.—The State plan
19 shall certify that payment rates for the
20 provision of direct child care services for
21 which assistance is provided in accordance
22 with this section for the period covered by
23 the plan, within 3 years after the State
24 first receives funds under this section—

1 (I) will be sufficient to meet the
2 cost of child care (including fixed
3 costs such as rent or mortgage, and
4 salaries), and set (with pay being
5 paid) in accordance with a cost esti-
6 mation model or cost study described
7 in clause (ii) that is approved by the
8 Secretary; and

9 (II) will correspond to differences
10 in quality (including improved quality)
11 based on the State's tiered system for
12 measuring and supporting the quality
13 of eligible child care providers de-
14 scribed in subparagraph (B).

15 (ii) COST ESTIMATION.—Such State
16 plan shall—

17 (I) demonstrate that the State
18 has, after consulting with relevant en-
19 tities and stakeholders, developed and
20 uses a statistically valid and reliable
21 cost estimation model or cost study
22 for the payment rates for direct child
23 care services in the State that are suf-
24 ficient to cover providers' fixed costs
25 and reflect the cost of child care at

1 each of the tiers of the State’s tiered
2 system for measuring and supporting
3 the quality of eligible child care pro-
4 viders described in subparagraph (B),
5 and variations in the cost of direct
6 child care services by geographic area,
7 provider type, and age of child, and
8 the additional costs associated with
9 providing inclusive care;

10 (II) certify that the entities and
11 stakeholders consulted included the
12 State Advisory Council on Early
13 Childhood Education and Care des-
14 ignated or established in section
15 642B(b)(1)(A)(i) of the Head Start
16 Act (42 U.S.C. 9837b(b)(1)(A)(i))
17 (including State Directors of Head
18 Start Collaboration), administrators
19 of local child care programs and Head
20 Start agencies, organizations rep-
21 resenting child care directors, teach-
22 ers, and other staff, local child care
23 resource and referral organizations,
24 organizations representing parents of
25 children with disabilities and parents

1 of infants and toddlers with disabil-
2 ities, the State interagency coordi-
3 nating council established under sec-
4 tion 641 of the Individuals with Dis-
5 abilities Education Act (20 U.S.C.
6 1441), the State advisory panel estab-
7 lished under section 612(a)(21) of the
8 Individuals with Disabilities Edu-
9 cation Act (20 U.S.C. 1412(a)(21)),
10 organizations and labor organizations
11 representing child care providers, and
12 other appropriate entities;

13 (III) certify that the State—

14 (aa) not later than 30 days
15 after finalizing the cost esti-
16 mation model or cost study, pub-
17 lished a detailed report con-
18 taining the child care costs esti-
19 mated with the cost estimation
20 model or cost study, and includ-
21 ing an explanation detailing how
22 the wage requirements described
23 in subclause (IV)(cc) were ap-
24 plied in the estimation of such
25 costs; and

1 (bb) not later than 60 days
2 after publishing the report de-
3 scribed in item (aa), established
4 a system to receive public com-
5 ment on the report on the subject
6 of making changes to the cost es-
7 timation model or cost study,
8 provided an opportunity for the
9 public to comment on the report
10 through that system, and sub-
11 mitted the report to the Sec-
12 retary;

13 (IV) certify that the State's pay-
14 ment rates for direct child care serv-
15 ices for which assistance is provided
16 in accordance with this section—

17 (aa) are set (with pay being
18 paid) in accordance with the
19 most recent estimates from the
20 most recent cost estimation
21 model or cost study under sub-
22 clause (I), so that providers at
23 each tier of the tiered system for
24 measuring and supporting the
25 quality of eligible child care pro-

1 viders described in subparagraph
2 (B) receive a payment that is
3 sufficient to fully meet the re-
4 quirements of such tier;

5 (bb) are set so as to provide
6 payments to providers not at the
7 top tier of the tiered system that
8 are sufficient to enable the pro-
9 viders to increase quality to meet
10 the requirements for the next
11 tier;

12 (cc) ensure adequate wages
13 for staff of child care providers
14 providing such direct child care
15 services that—

16 (AA) at a minimum,
17 provide a living wage for all
18 staff of such child care pro-
19 viders; and

20 (BB) are equivalent to
21 wages for elementary edu-
22 cators with similar creden-
23 tials and experience in the
24 State; and

1 (dd) are adjusted on an an-
2 nual basis for cost of living in-
3 creases to ensure those payment
4 rates remain sufficient to meet
5 the requirements of this section;

6 (V) certify that the State will up-
7 date, not less often than once every 3
8 years, the cost estimation model or
9 cost study described in subclause (I);
10 and

11 (VI) certify that the State has es-
12 tablished a system for appeals of the
13 determination of child care costs esti-
14 mated with the cost estimation model
15 or cost study.

16 (iii) PAYMENT PRACTICES.—Such
17 State plan shall include an assurance that
18 the State will implement payment practices
19 that support the fixed costs of providing
20 direct child care services.

21 (B) TIERED SYSTEM FOR MEASURING AND
22 SUPPORTING THE QUALITY OF ELIGIBLE CHILD
23 CARE PROVIDERS.—Such State plan shall cer-
24 tify that the State has implemented, or ensure
25 that the State will implement within 3 years

1 after first receiving funds under this section,
2 with input (from early childhood education and
3 development experts, from a diverse group of
4 child care providers of a variety of provider
5 types, from families, and from organizations
6 representing child care directors, teachers, and
7 other staff), a tiered system for measuring and
8 supporting the quality of eligible child care pro-
9 viders who provide child care services for which
10 assistance is made available under this section.

11 Such tiered system shall—

12 (i) include a set of standards, for de-
13 termining the tier of quality of a child care
14 provider, that—

15 (I) uses standards for a highest
16 tier that at a minimum are equivalent
17 to Head Start program performance
18 standards described in section
19 641A(a)(1)(B) of the Head Start Act
20 (42 U.S.C. 9836a(a)(1)(B)) or other
21 equivalent evidence-based standards
22 approved by the Secretary; and

23 (II) includes quality indicators
24 and thresholds that are appropriate
25 for child development from child care

1 providers of a variety of provider
2 types, including child care centers and
3 the settings of family child care pro-
4 viders, and are appropriate for pro-
5 viders serving different age groups
6 (including mixed age groups) of chil-
7 dren;

8 (ii) include a different set of stand-
9 ards that includes indicators, when appro-
10 priate, for care during nontraditional hours
11 of operation; and

12 (iii) provide for sufficient resources
13 and supports for child care providers at
14 tiers lower than the highest tier to facili-
15 tate progression toward meeting higher
16 quality standards.

17 (C) ACHIEVING HIGH QUALITY FOR ALL
18 CHILDREN.—Such State plan shall certify the
19 State has implemented, or will implement with-
20 in 3 years after first receiving funds under this
21 section, policies and financing practices that
22 will ensure all eligible children can choose to at-
23 tend child care, with services provided by eligi-
24 ble child care providers from any of a variety of
25 provider types including family child care pro-

1 viders, at the highest quality tier within 6 years
2 after the date of enactment of this Act.

3 (D) COMPENSATION.—Such plan shall pro-
4 vide a certification that the State has or will
5 have within 3 years after first receiving funds
6 under this section, a wage ladder for staff of el-
7 igible child care providers receiving assistance
8 under this section, including a certification that
9 wages for such staff, at a minimum, will meet
10 the requirements of subparagraph
11 (A)(ii)(IV)(cc).

12 (E) SLIDING FEE SCALE FOR COPAY-
13 MENTS.—

14 (i) IN GENERAL.—Except as provided
15 in clause (ii)(I), the State plan shall pro-
16 vide an assurance that the State will for
17 the period covered by the plan use a slid-
18 ing fee scale described in clause (ii) to de-
19 termine a copayment for a family receiving
20 assistance under this section (or, for a
21 family receiving part-time care, a reduced
22 copayment that is the proportionate
23 amount of the full copayment).

24 (ii) SLIDING FEE SCALE.—A full co-
25 payment described in clause (i) shall use a

1 sliding fee scale that provides that, for a
2 family with a family income—

3 (I) of not more than 85 percent
4 of State median income for a family
5 of the same size, the family shall not
6 pay a copayment, toward the cost of
7 the child care involved for all eligible
8 children in the family;

9 (II) of more than 85 percent but
10 not more than 100 percent of State
11 median income for a family of the
12 same size, the copayment shall be
13 more than 0 but not more than 2 per-
14 cent of that family income, toward
15 such cost for all such children;

16 (III) of more than 100 percent
17 but not more than 125 percent of
18 State median income for a family of
19 the same size, the copayment shall be
20 more than 2 but not more than 4 per-
21 cent of that family income, toward
22 such cost for all such children;

23 (IV) of more than 125 percent
24 but not more than 150 percent of
25 State median income for a family of

1 the same size, the copayment shall be
2 more than 4 but not more than 7 per-
3 cent of that family income, toward
4 such cost for all such children; and

5 (V) of more than 150 percent but
6 not more than 250 percent of the
7 State median income for a family of
8 the same size, the copayment shall be
9 7 percent of that family income, to-
10 ward such cost for all such children.

11 (F) PROHIBITION ON CHARGING MORE
12 THAN COPAYMENT.—The State plan shall cer-
13 tify that, after the State develops and begins
14 using the cost estimation model or cost study
15 described in subparagraph (A)(ii), the State will
16 not permit a child care provider receiving finan-
17 cial assistance under this section to charge, for
18 direct child care services for an eligible child,
19 more than the total of—

20 (i) the financial assistance provided
21 for the child under this section; and

22 (ii) any applicable copayment pursu-
23 ant to subparagraph (E).

24 (G) ELIGIBILITY.—The State plan shall
25 ensure that each child who receives assistance

1 under this section will be considered to meet all
2 eligibility requirements for such assistance, and
3 will receive such assistance, for not less than 12
4 months unless the child has aged out of the
5 program, and the child's eligibility determina-
6 tion and redetermination, including any deter-
7 mination based on the State's definition of eligi-
8 ble activities, shall be implemented in a manner
9 that supports child well-being and reduces bar-
10 riers to enrollment, including continuity of serv-
11 ices.

12 (H) POLICIES TO SUPPORT ACCESS TO
13 CHILD CARE FOR UNDERSERVED POPU-
14 LATIONS.—The State plan shall demonstrate
15 that the State will prioritize increasing access
16 to, and the quality and the supply of, child care
17 in the State for underserved populations, in-
18 cluding at a minimum, low-income children,
19 children in underserved areas, infants and tod-
20 dlers, children with disabilities and infants and
21 toddlers with disabilities, children who are dual
22 language learners, children experiencing home-
23 lessness, children in foster or kinship care, chil-
24 dren who receive care during nontraditional
25 hours, and vulnerable children as defined by the

1 lead agency pursuant to subsection
2 (b)(4)(A)(iv)(II).

3 (I) POLICIES.—The State plan shall in-
4 clude a certification that the State will apply,
5 under this section, the policies and procedures
6 described in subparagraphs (A), (B), (I), (J),
7 (K)(i), (R), and (U) of section 658E(c)(2) of
8 the Child Care and Development Block Grant
9 Act of 1990 (42 U.S.C. 9858c(c)(2)), and the
10 policies and procedures described in section
11 658H of such Act (42 U.S.C. 9858f), to child
12 care services provided under this section.

13 (J) LICENSING.—The State plan shall
14 demonstrate that the State has consulted or will
15 consult with organizations (including labor or-
16 ganizations and child care and early learning
17 organizations) representing eligible child care
18 providers (including family child care pro-
19 viders), child care associations, child care direc-
20 tors, teachers, and other staff (including child
21 care directors, teachers, and other staff serving
22 higher proportions of underserved populations
23 as identified under subparagraph (H)), early
24 childhood education and development experts,
25 maternal and child health experts, and families

1 to develop, within 2.5 years after first receiving
2 funds under this section, licensing standards
3 appropriate for child care providers and a path-
4 way to such licensure that is available to and
5 appropriate for child care providers in a variety
6 of settings, that will offer providers eligible
7 under the Child Care and Development Block
8 Grant Act of 1990 (42 U.S.C. 9857 et seq.) a
9 reasonable pathway to become eligible providers
10 under this section, and that will ensure an ade-
11 quate supply of child care. Such plan shall de-
12 scribe the timeline the State will use to ensure
13 sufficient time for providers described in sub-
14 section (b)(5)(B) to comply with such licensing
15 standards in order to remain eligible providers
16 after 3.5 years after the State first receives
17 funding under this section.

18 (K) FINANCIAL SUPPORT FOR PRO-
19 VIDERS.—Such plan shall describe how the
20 State will use funds reserved under subsection
21 (h)(1)(C) to enable eligible child care providers
22 from a variety of provider types to achieve li-
23 censure, including paying for the costs of re-
24 quired background checks, health screening,

1 and initial and ongoing training, and other
2 costs associated with achieving licensure.

3 (L) PROHIBITION ON SUSPENSIONS, EX-
4 PULSIONS, AND AVERSIVE BEHAVIORAL INTER-
5 VENTIONS.—The State plan shall provide an as-
6 surance that the State will—

7 (i) provide assistance to carry out this
8 section only to eligible child care providers
9 that prohibit—

10 (I) the use of suspension and ex-
11 pulsion of children; and

12 (II) the use of aversive behavioral
13 interventions; and

14 (ii) provide training resources to eligi-
15 ble child care providers and information to
16 families to support the prohibition of prac-
17 tices described in subclauses (I) and (II) of
18 clause (i).

19 (g) PAYMENTS.—

20 (1) IN GENERAL.—For each fiscal year:

21 (A) CHILD CARE ASSISTANCE FOR ELIGI-
22 BLE CHILDREN.—

23 (i) IN GENERAL.—The Secretary shall
24 pay to each State with an approved appli-
25 cation under subsection (f), and that State

1 shall be entitled to, an amount for each
 2 quarter equal to 90 percent of expendi-
 3 tures (which shall be the Federal share of
 4 such expenditures) in the quarter for direct
 5 child care services described under sub-
 6 section (h)(1)(B) for eligible children.

7 (ii) EXCEPTION.—Funds reserved
 8 from the total under subsection (h)(1)(C)
 9 shall be subject to subparagraph (B).

10 (iii) PROHIBITION.—Activities de-
 11 scribed in subparagraph (B) and subpara-
 12 graph (C) may not be included in the cost
 13 of direct child care services described in
 14 this subparagraph.

15 (B) ACTIVITIES TO IMPROVE THE QUALITY
 16 AND SUPPLY OF CHILD CARE SERVICES.—The
 17 Secretary shall pay to each State with such an
 18 approved application, and that State shall be
 19 entitled to, an amount equal to the FMAP of
 20 expenditures (which shall be the Federal share
 21 of such expenditures) to carry out activities to
 22 improve the quality and supply of child care
 23 services under subsection (h)(1)(C) subject to
 24 the limit specified in clause (i) of such sub-
 25 section.

1 (C) ADMINISTRATION.—The Secretary
2 shall pay to each State with such an approved
3 application, and that State shall be entitled to,
4 an amount equal to 50 percent of expenditures
5 (which shall be the Federal share of such ex-
6 penditures) for the costs of administration in-
7 curred by the State—

8 (i) which shall include costs incurred
9 by the State in carrying out the child care
10 program established in this section; and

11 (ii) which may include, at the option
12 of the State, costs associated with carrying
13 out requirements, policies, and procedures
14 described in section 658H of the Child
15 Care and Development Block Grant Act of
16 1990 (42 U.S.C. 9858f).

17 (2) ADVANCE PAYMENT; RETROSPECTIVE AD-
18 JUSTMENT.—For each fiscal year, the Secretary
19 shall make payments under this subsection for a pe-
20 riod on the basis of advance estimates of expendi-
21 tures submitted by the State and such other inves-
22 tigation as the Secretary may find necessary, and
23 shall reduce or increase the payments as necessary
24 to adjust for any overpayment or underpayment for
25 previous periods. No interest shall be charged or

1 paid on any amount due because of an overpayment
2 or underpayment for previous periods.

3 (3) TERRITORIES AND TRIBES.—

4 (A) IN GENERAL.—For each fiscal year,
5 from amounts appropriated under subsection
6 (c)(1), the Secretary shall make payments to
7 territories, and Indian Tribes and tribal organi-
8 zations, as the case may be, with applications
9 submitted as described in subparagraph (B),
10 and approved by the Secretary for the purpose
11 of carrying out the child care program de-
12 scribed in this section, consistent, to the extent
13 practicable as determined by the Secretary
14 (subject to subsection (d)(2)), with the require-
15 ments applicable to States.

16 (B) APPLICATIONS.—

17 (i) TERRITORIES.—A territory seeking
18 a payment under this paragraph shall sub-
19 mit an application to the Secretary at such
20 time, in such manner, and containing such
21 information as the Secretary may specify.

22 (ii) INDIAN TRIBES AND TRIBAL OR-
23 GANIZATIONS.—An Indian Tribe or a tribal
24 organization seeking a payment under this
25 paragraph shall submit an application to

1 the Secretary at such time, in such man-
2 ner, and containing such information as
3 the Secretary may specify.

4 (C) COSTS.—The Secretary shall make the
5 payments to such territories, Indian Tribes, and
6 tribal organizations on the basis of their rel-
7 ative need. Each entity that is such a territory,
8 Indian Tribe, or tribal organization shall be en-
9 titled to such a payment as may be necessary
10 to pay for 100 percent of the expenses of car-
11 rying out the activities described in subsection
12 (h)(1), and to pay for 100 percent of the costs
13 of administration incurred by the entity, which
14 shall include costs incurred by the entity in car-
15 rying out the child care program, and which
16 may include, at the option of the entity, costs
17 associated with carrying out requirements, poli-
18 cies, and procedures described in section 658H
19 of the Child Care and Development Block
20 Grant Act of 1990 (42 U.S.C. 9858f).

21 (h) USE OF FUNDS.—

22 (1) USE OF FUNDS.—

23 (A) IN GENERAL.—Starting on October 1,
24 2026, a State shall use amounts provided to the
25 State under subsection (g)(1) for direct child

1 care services (provided on a sliding fee scale
2 basis), activities to improve the quality and sup-
3 ply of child care services consistent with sub-
4 paragraph (C), and State administration con-
5 sistent with subsection (g)(1)(C).

6 (B) CHILD CARE ASSISTANCE FOR ELIGI-
7 BLE CHILDREN.—

8 (i) IN GENERAL.—For fiscal year
9 2026 and each subsequent fiscal year,
10 from payments made to the State under
11 subsection (g)(1) for that particular fiscal
12 year, the State shall ensure that parents of
13 eligible children can access direct child
14 care services provided by an eligible child
15 care provider under this section through a
16 grant or contract as described in clause (ii)
17 or a certificate as described in clause (iii).

18 (ii) GRANTS AND CONTRACTS.—The
19 State shall award grants or contracts to el-
20 igible child care providers, consistent with
21 the requirements under this section, for
22 the provision of child care services for eli-
23 gible children under this section that, at a
24 minimum—

1 (I) support providers' operating
2 expenses to meet and sustain health,
3 safety, quality, licensing, and wage
4 standards required under this section;
5 and

6 (II) address underserved popu-
7 lations described in subsection
8 (f)(3)(H).

9 (iii) CERTIFICATES.—The State shall
10 issue a child care certificate directly to a
11 parent who shall use such certificate only
12 as payment for direct child care services or
13 as a deposit for direct child care services if
14 such a deposit is required of other children
15 being cared for by the provider, consistent
16 with the requirements under this section.

17 (C) ACTIVITIES TO IMPROVE THE QUALITY
18 AND SUPPLY OF CHILD CARE SERVICES.—

19 (i) QUALITY CHILD CARE ACTIVI-
20 TIES.—

21 (I) AMOUNT.—For fiscal year
22 2026 and each subsequent fiscal year,
23 from the total of the payments made
24 to the State for a particular fiscal
25 year, the State shall reserve and use

1 a quality child care amount equal to
2 not less than 5 percent and not more
3 than 10 percent of the amount made
4 available to the State through such
5 payments for the previous fiscal year.

6 (II) USE OF QUALITY CHILD
7 CARE AMOUNT.—Each State shall use
8 the quality child care amount de-
9 scribed in subclause (I) to implement
10 activities described in this subpara-
11 graph to improve the quality and sup-
12 ply of child care services by eligible
13 child care providers, and increase the
14 number of available slots in the State
15 for child care services funded under
16 this section, prioritizing assistance for
17 child care providers who are in under-
18 served communities and who are pro-
19 viding, or are seeking to provide, child
20 care services for underserved popu-
21 lations identified in subsection
22 (f)(3)(H).

23 (III) ADMINISTRATION.—Activi-
24 ties funded under this subparagraph
25 may be administered—

1 (aa) directly by the lead
2 agency; or

3 (bb) through other State
4 government agencies, local or re-
5 gional child care resource and re-
6 ferral organizations, community
7 development financial institu-
8 tions, other intermediaries with
9 experience supporting child care
10 providers, or other appropriate
11 entities that enter into a contract
12 with the State to provide such
13 assistance.

14 (ii) QUALITY AND SUPPLY ACTIVI-
15 TIES.—Activities funded under the quality
16 child care amount described in clause (i)
17 shall include each of the following:

18 (I) STARTUP GRANTS AND SUP-
19 PLY EXPANSION GRANTS.—

20 (aa) IN GENERAL.—From a
21 portion of the quality child care
22 amount, a State shall make start-
23 up and supply expansion grants
24 to support child care providers
25 who are providing, or seeking to

1 provide, child care services to
2 children receiving assistance
3 under this section, with priority
4 for providers providing or seeking
5 to provide child care in under-
6 served communities and for un-
7 derserved populations identified
8 in subsection (f)(3)(H), to—

9 (AA) support startup
10 and expansion costs; and

11 (BB) assist such pro-
12 viders in meeting health and
13 safety requirements, achiev-
14 ing licensure, conducting
15 background checks, and
16 meeting requirements in the
17 State's tiered system for
18 measuring and supporting
19 the quality of eligible child
20 care providers.

21 (bb) REQUIREMENT.—As a
22 condition of receiving a startup
23 or supply expansion grant under
24 this subclause, a child care pro-
25 vider shall commit to meeting the

1 requirements of an eligible pro-
2 vider under this section, and pro-
3 viding child care services to chil-
4 dren receiving assistance under
5 this section on an ongoing basis.

6 (II) QUALITY GRANTS.—From a
7 portion of the quality child care
8 amount, a State shall provide quality
9 grants to support eligible child care
10 providers in providing child care serv-
11 ices to children receiving assistance
12 under this section to improve the
13 quality of such providers, including—

14 (aa) supporting such pro-
15 viders in meeting or making
16 progress toward the requirements
17 for the highest tier of the State’s
18 tiered system for measuring and
19 supporting the quality of eligible
20 child care providers under sub-
21 section (f)(3)(B); and

22 (bb) supporting such pro-
23 viders in sustaining child care
24 quality, including supporting in-

1 creased wages for staff and sup-
2 porting payment of fixed costs.

3 (III) FACILITIES GRANTS.—

4 (aa) IN GENERAL.—From a
5 portion of the quality child care
6 amount, a State shall provide
7 support, including through
8 awarding facilities grants, for re-
9 modeling, renovation, or repair of
10 a building or facility to the ex-
11 tent permitted under section
12 658F(b) of the Child Care and
13 Development Block Grant Act of
14 1990 (42 U.S.C. 9858d(b)).

15 (bb) ADDITIONAL USES.—
16 For fiscal year 2026 and subse-
17 quent fiscal years, a State may
18 award such facilities grants for
19 construction, permanent improve-
20 ment, or major renovation of a
21 building or facility primarily used
22 for providing direct child care
23 services, in accordance with the
24 following:

1 (AA) Federal interest
2 provisions will not apply to
3 the renovation or rebuilding
4 of privately owned family
5 child care homes under this
6 subclause.

7 (BB) Eligible child care
8 providers may not use funds
9 for buildings or facilities
10 that are used primarily for
11 sectarian instruction or reli-
12 gious worship.

13 (CC) The Secretary
14 shall develop parameters on
15 the use of funds under this
16 subclause for family child
17 care homes.

18 (DD) The Secretary
19 shall not retain Federal in-
20 terest after a period of 10
21 years in any facility built,
22 renovated, or repaired with
23 funds awarded under this
24 subclause.

1 (IV) STATE ACTIVITIES TO IM-
2 PROVE THE QUALITY OF CHILD CARE
3 SERVICES.—A State shall use a por-
4 tion of the quality child care amount
5 to improve the quality of child care
6 services available for this program,
7 which shall include—

8 (aa) supporting the training
9 and professional development of
10 the early childhood workforce, in-
11 cluding supporting degree attain-
12 ment, continued education, and
13 credentialing for early childhood
14 educators;

15 (bb) developing, imple-
16 menting, or enhancing the
17 State’s tiered system for meas-
18 uring and supporting the quality
19 of eligible child care providers
20 under subsection (f)(3)(B);

21 (cc) improving the supply
22 and quality of developmentally
23 appropriate and inclusive child
24 care programs and services for

1 underserved populations de-
2 scribed in subsection (f)(3)(H);

3 (dd) improving access to
4 child care services for vulnerable
5 children as defined by the lead
6 agency pursuant to subsection
7 (b)(4)(A)(iv)(II);

8 (ee) providing outreach and
9 enrollment support for families of
10 eligible children;

11 (ff) supporting eligible child
12 care providers to eliminate use of
13 suspensions, expulsions, and
14 aversive behavioral interventions,
15 including through adaptations
16 and interventions by special edu-
17 cators, mental health consultants,
18 and other community resource
19 personnel, such as behavior
20 coaches, psychologists, and other
21 appropriate specialists, and
22 through the provision of mental
23 health services for the providers;

24 (gg) improving coordination
25 between States and local govern-

1 ment with respect to licensing
2 and other regulatory require-
3 ments for eligible child care pro-
4 viders; and

5 (hh) establishing or sup-
6 porting a system of local or re-
7 gional child care resource and re-
8 ferral organizations that is co-
9 ordinated, to the extent deter-
10 mined appropriate by the State,
11 by a statewide public or private
12 nonprofit, community-based or
13 regionally based, lead child care
14 resource and referral organiza-
15 tion, as described in section
16 658E(c)(3)(B)(iii) of the Child
17 Care and Development Block
18 Grant Act of 1990 (42 U.S.C.
19 9858c(c)(3)(B)(iii)).

20 (V) TECHNICAL ASSISTANCE.—

21 From a portion of the quality child
22 care amount, the State, in coordina-
23 tion with local governments and
24 staffed family child care networks as
25 appropriate, shall provide technical as-

1 sistance to increase the supply and
2 quality of eligible child care providers
3 who are providing, or seeking to pro-
4 vide, child care services to children re-
5 ceiving assistance under this section,
6 including providing support to enable
7 providers to achieve licensure.

8 (i) GRANTS TO LOCALITIES AND AWARDS TO HEAD
9 START PROGRAMS.—

10 (1) ELIGIBLE LOCALITY DEFINED.—In this
11 subsection, the term “eligible locality” means a city,
12 county, or other unit of general local government.

13 (2) GRANTS TO LOCALITIES.—

14 (A) IN GENERAL.—After reserving a por-
15 tion of the funds appropriated under subsection
16 (c)(2), the Secretary shall use the portion to
17 award local Birth Through Five Child Care and
18 Early Learning Grants, as determined by the
19 Secretary, to eligible localities located in States
20 that have not received payments under sub-
21 section (g). The Secretary shall award the
22 grants to eligible localities in such a State from
23 the allotment made for that State under sub-
24 paragraph (B).

25 (B) ALLOTMENTS.—

1 (i) POVERTY LINE DEFINED.—In this
2 subparagraph, the term “poverty line”
3 means the poverty line defined and revised
4 as described in section 673 of the Commu-
5 nity Services Block Grant Act (42 U.S.C.
6 9902).

7 (ii) GENERAL AUTHORITY.—For each
8 State described in subparagraph (A), the
9 Secretary shall allot for the State for a fis-
10 cal year an amount that bears the same re-
11 lationship to the portion described in sub-
12 paragraph (A) for the fiscal year as the
13 number of children from families with fam-
14 ily incomes that are at or below 200 per-
15 cent of the poverty line, and who are under
16 the age of 6, in the State bears to the total
17 number of all such children in all States
18 described in subparagraph (A).

19 (C) APPLICATION.—To receive a grant
20 from the corresponding State allotment under
21 subparagraph (B), an eligible locality shall sub-
22 mit an application to the Secretary at such
23 time, in such manner, and containing such in-
24 formation as the Secretary may require. The re-
25 quirements for the application shall, to the

1 greatest extent practicable, be consistent with
2 the State plan requirements applicable to States
3 under subsection (f).

4 (D) REQUIREMENTS.—The Secretary shall
5 specify the requirements for an eligible locality
6 to provide access to child care, which child care
7 requirements shall, to the greatest extent prac-
8 ticable, be consistent with the requirements ap-
9 plicable to States under this section.

10 (E) RECOUPMENT OF UNUSED FUNDS.—
11 Notwithstanding any other provision of this sec-
12 tion, for each of fiscal years 2026 through
13 2030, the Secretary shall have the authority to
14 recoup any unused funds allotted under sub-
15 paragraph (B) for awards under paragraph
16 (3)(A) to Head Start agencies in accordance
17 with paragraph (3).

18 (3) HEAD START EXPANSION IN NONPARTICI-
19 PATING STATES.—

20 (A) IN GENERAL.—The Secretary shall use
21 funds appropriated under subsection (c)(2) and
22 not reserved under paragraph (2)(A) and funds
23 recouped under paragraph (2) to make awards
24 to Head Start agencies in a State described in
25 paragraph (2)(A) to carry out the purposes of

1 the Head Start Act (42 U.S.C. 9831 et seq.) in
2 such State.

3 (B) RULE.—For purposes of carrying out
4 the Head Start Act in circumstances not involv-
5 ing awards under this paragraph, funds award-
6 ed under subparagraph (A) shall not be in-
7 cluded in the calculation of a “base grant” as
8 such term is defined in section 640(a)(7)(A) of
9 the Head Start Act (42 U.S.C. 9835(a)(7)(A)).

10 (C) DEFINITION.—In this paragraph, the
11 term “Head Start agency” means an entity des-
12 ignated or eligible to be designated as a Head
13 Start agency under section 641(a)(1) of the
14 Head Start Act (42 U.S.C. 9836(a)(1)) or as
15 an Early Head Start agency (by receiving a
16 grant) under section 645A(a) of such Act (42
17 U.S.C. 9840a(a)(1)).

18 (4) PRIORITY FOR SERVING UNDERSERVED
19 POPULATIONS.—In making determinations to award
20 a grant or make an award under this subsection, the
21 Secretary shall give priority to entities serving a
22 high percentage of individuals from underserved
23 populations described in subsection (f)(3)(H).

24 (j) PROGRAM REQUIREMENTS.—

1 (1) PROHIBITION ON ADDITIONAL ELIGIBILITY
2 REQUIREMENTS.—No individual shall be determined,
3 by the Secretary, a State, or another recipient of
4 funds under this section, to be ineligible for child
5 care services provided under this section, except on
6 the basis of eligibility requirements specified in or
7 under this section.

8 (2) MAINTENANCE OF EFFORT.—

9 (A) IN GENERAL.—A State that receives
10 payments under this section for a fiscal year, in
11 using the funds made available through the
12 payments, shall maintain the expenditures of
13 the State for child care services at the average
14 level of such expenditures by the State for the
15 3 preceding fiscal years.

16 (B) COUNTING RULE.—State expenditures
17 counted for purposes of meeting the require-
18 ment in subparagraph (A) may also be counted
19 for purposes of meeting the requirement to pro-
20 vide a non-Federal share under subparagraph
21 (A), (B), or (C), as appropriate, of subsection
22 (g)(1).

23 (3) SUPPLEMENT NOT SUPPLANT.—Funds re-
24 ceived under this section shall be used to supplement
25 and not supplant other Federal, State, and local

1 public funds expended to provide child care services
2 in the State on the date of enactment of this Act,
3 calculated as the average amount of such Federal,
4 State, and local public funds expended for fiscal year
5 2026 and each subsequent fiscal year that ended be-
6 fore the date on which the average is calculated.

7 (4) ALLOWABLE SOURCES OF NON-FEDERAL
8 SHARE.—For purposes of providing the non-Federal
9 share required under subsection (g)(1), a State’s
10 non-Federal share—

11 (A) for direct child care services described
12 in subsection (g)(1)(A)—

13 (i) shall not include contributions
14 being used as a non-Federal share or
15 match for another Federal award; and

16 (ii) shall be provided from State or
17 local sources, contributions from philan-
18 thropy or other private organizations, or a
19 combination of such sources and contribu-
20 tions; and

21 (B) for activities to improve the quality
22 and supply of child care services described in
23 subsection (g)(1)(B), and administration de-
24 scribed in subsection (g)(1)(C)—

1 (i) shall not include contributions
2 being used as a non-Federal share or
3 match for another Federal award;

4 (ii) shall be provided from State or
5 local sources, contributions from philan-
6 thropy or other private organizations, or a
7 combination of such sources and contribu-
8 tions; and

9 (iii) may be in cash or in kind, fairly
10 evaluated, including facilities or property,
11 equipment, or services.

12 (5) REPORTS.—A State, Indian Tribe, tribal or-
13 ganization, or territory receiving funds under this
14 section shall provide to the Secretary such periodic
15 reports, providing a detailed accounting of the uses
16 of the funds received under this section, as the Sec-
17 retary may require for the administration of this
18 section. The State, Indian Tribe, tribal organization,
19 or territory shall begin to provide the reports begin-
20 ning not later than 60 days after its initial receipt
21 of a payment under subsection (g).

22 (k) MONITORING AND ENFORCEMENT.—

23 (1) REVIEW OF COMPLIANCE WITH REQUIRE-
24 MENTS AND STATE PLAN.—The Secretary shall re-
25 view and monitor compliance of States, territories,

1 tribal entities, and local entities with this section
2 and State compliance with the State plan described
3 in subsection (f)(3).

4 (2) ISSUANCE OF RULE.—The Secretary shall
5 establish by rule procedures for—

6 (A) receiving, processing, and determining
7 the validity of complaints or findings concerning
8 any failure of a State to comply with the State
9 plan or any other requirement of this section;

10 (B) notifying a State when the Secretary
11 has determined there has been a failure by the
12 State to comply with a requirement of this sec-
13 tion; and

14 (C) imposing sanctions under this sub-
15 section for such a failure.

16 (l) FEDERAL ADMINISTRATION.—Using funds re-
17 served under subsection (c)(3), the Secretary shall carry
18 out administration of this section, shall provide (including
19 through the use of grants or cooperative agreements) tech-
20 nical assistance to States, territories, Indian Tribes, and
21 tribal organizations, and shall carry out research, and
22 evaluations related to this section.

23 (m) NONPOSTSECONDARY EDUCATION PROGRAM.—
24 For purposes of section 401 of the Personal Responsibility
25 and Work Opportunity Reconciliation Act of 1996 (8

1 U.S.C. 1611), the program carried out under this section
2 shall be considered to be a program of nonpostsecondary
3 education.

4 **TITLE VII—ESTABLISHING A**
5 **\$60,000 A YEAR MINIMUM SAL-**
6 **ARY FOR EVERY PUBLIC**
7 **SCHOOL TEACHER IN THE**
8 **UNITED STATES**

9 **SEC. 701. PURPOSES.**

10 The purposes of this title are to—

11 (1) ensure public elementary and secondary
12 school teachers earn a livable and competitive salary
13 that—

14 (A) includes a starting annual base salary
15 of not less than \$60,000; and

16 (B) increases regularly throughout a teach-
17 er's career;

18 (2) increase Federal investments in public
19 schools; and

20 (3) call upon States and local governments to
21 increase investments in public education in order to
22 ensure that every public school student is taught by
23 a qualified teacher.

24 **SEC. 702. DEFINITIONS.**

25 (a) DEFINITIONS.—In this title:

1 (1) ESEA TERMS.—The terms “elementary
2 school”, “outlying area”, and “secondary school”
3 have the meanings given those terms in section 8101
4 of the Elementary and Secondary Education Act of
5 1965 (20 U.S.C. 7801).

6 (2) ANNUAL ADJUSTMENT PERCENTAGE.—The
7 term “annual adjustment percentage”, with respect
8 to a fiscal year, means a percentage equal to the es-
9 timated percentage change in the Consumer Price
10 Index, as determined by the Secretary, for the most
11 recent calendar year ending prior to the beginning of
12 such fiscal year.

13 (3) ANNUAL BASE SALARY.—The term “annual
14 base salary”—

15 (A) means the base salary, calculated as
16 an annual rate of pay, of a full-time teacher;
17 and

18 (B) excludes—

19 (i) any additional compensation
20 earned by the teacher for taking on addi-
21 tional responsibilities (such as coaching or
22 teaching during the summer or after
23 school); and

24 (ii) bonuses, stipends, and awards.

1 (4) AVERAGE TEACHER SALARY BASELINES.—

2 The term “average teacher salary baselines” means,
3 for each of the following years of service as teachers,
4 the average annual base salaries of all full-time
5 teachers employed by local educational agencies in
6 the State:

7 (A) 0 years, or starting teacher salaries.

8 (B) 3 years.

9 (C) 5 years.

10 (D) 10 years.

11 (E) 15 years.

12 (F) 20 years.

13 (G) 25 years.

14 (5) CONSUMER PRICE INDEX.—The term “Con-
15 sumer Price Index” has the meaning given the term
16 in section 478(f) of the Higher Education Act of
17 1965 (20 U.S.C. 1087rr(f)).

18 (6) MINIMUM SALARY FOR TEACHERS.—The
19 term “minimum salary for teachers” means an
20 amount, determined by the State, that all full-time
21 teachers employed by a local educational agency are,
22 at a minimum, required by the State to be com-
23 pensated by such agency as their annual base salary,
24 and which—

1 (A) for teachers in their first year of
2 teaching, shall be an annual rate of pay that is
3 not less than the amount described in sub-
4 section (b); and

5 (B) for teachers with more than 2 years of
6 experience, shall be an annual rate of pay
7 that—

8 (i) is greater than the amount de-
9 scribed in subsection (b); and

10 (ii) increases as the experience of a
11 teacher increases.

12 (7) SECRETARY.—The term “Secretary” means
13 the Secretary of Education.

14 (8) TEACHER.—The term “teacher” means—

15 (A) an employee of a local educational
16 agency—

17 (i) with a primary duty of teaching
18 and who is employed and engaged in teach-
19 ing in a public elementary school or sec-
20 ondary school served by such agency and is
21 not a substitute teacher;

22 (ii) who fully meets all applicable pub-
23 lic elementary school or secondary school
24 teacher certification and licensure require-

ments of the State in which the school is located; and

(iii) if the teacher is a special education teacher, who meets the qualifications described in section 612(a)(14)(C) of the Individuals with Disabilities Education Act; and

(B) other full-time public elementary school or secondary school personnel employed by a local educational agency whose annual base salary is determined in accordance with such agency's salary schedule or system for a full-time teacher.

(b) SPECIAL RULES.—

(1) IN GENERAL.—For each fiscal year, the amount described in subsection (a)(6)(A) shall be determined under this subsection.

(2) FISCAL YEARS 2027 THROUGH 2031.—For each of fiscal years 2027 through 2031, the amount described in subsection (a)(6)(A) is \$60,000.

(3) FISCAL YEARS 2032 AND AFTER.—

(A) IN GENERAL.—For the fiscal year period 2032 through 2036 and for each subsequent 5 fiscal year period, the amount described

1 in subsection (a)(6)(A) shall be adjusted for in-
2 flation as described in subparagraph (B).

3 (B) DETERMINATION.—The amount shall
4 be equal to the amount applicable for the pre-
5 vious 5 fiscal year period, increased by the
6 greater of—

7 (i) the aggregate annual adjustment
8 percentage over the previous 5 fiscal years;
9 or

10 (ii) 2 percent of the amount applicable
11 under this subsection for the previous 5
12 fiscal year period.

13 **SEC. 703. ENSURING TEACHERS ARE PAID A LIVABLE AND**
14 **COMPETITIVE WAGE.**

15 (a) AUTHORIZATION AND APPROPRIATIONS FOR
16 STATES.—

17 (1) IN GENERAL.—There are authorized to be
18 appropriated to carry out this section such sums as
19 may be necessary for fiscal year 2027 and each suc-
20 ceeding fiscal year.

21 (2) APPROPRIATIONS FOR STATES.—In addition
22 to amounts otherwise available to carry out this sec-
23 tion, there are appropriated, out of any money in the
24 Treasury not otherwise appropriated, to the Sec-
25 retary to carry out this section—

1 (A) for fiscal year 2027, \$14,500,000,000;
2 and

3 (B) for each succeeding fiscal year, the
4 amount appropriated under this section for the
5 preceding fiscal year, increased by the annual
6 adjustment percentage.

7 (b) PROGRAM AUTHORIZED.—

8 (1) IN GENERAL.—From amounts made avail-
9 able to carry out this section, and after making the
10 reservations described in paragraph (2), the Sec-
11 retary shall award grants, through allotments de-
12 scribed in paragraph (3), to States to enable States
13 to guarantee that all teachers employed by local edu-
14 cational agencies in the State are compensated with
15 a livable and competitive salary, which shall be an
16 amount that—

17 (A) is at least the minimum salary for
18 teachers;

19 (B) increases throughout each teacher's
20 career; and

21 (C) is, to the greatest extent practicable,
22 commensurate with annual salaries for college-
23 educated and similarly experienced professionals
24 in the region in which such agencies are lo-
25 cated, as determined in accordance with proce-

1 dures and requirements established by the Sec-
2 retary.

3 (2) RESERVATIONS.—

4 (A) IN GENERAL.—From the amount ap-
5 propriated under subsection (a) for a fiscal
6 year, the Secretary shall reserve—

7 (i) one-half of 1 percent for allotments
8 for payments to the outlying areas, to be
9 distributed among those outlying areas on
10 the basis of their relative need, as deter-
11 mined by the Secretary, to ensure that
12 teachers are paid a livable and competitive
13 salary, in accordance with the purposes of
14 this title;

15 (ii) one-half of 1 percent for the Sec-
16 retary of the Interior to be allocated by the
17 Director of the Bureau of Indian Edu-
18 cation for programs or activities operated
19 or funded by the Bureau for Bureau-fund-
20 ed schools (as defined in section 1141 of
21 the Education Amendments of 1978 (25
22 U.S.C. 2021)) to ensure teachers are paid
23 a livable and competitive salary, in accord-
24 ance with the purposes of this title; and

1 (iii) 1 percent for program adminis-
2 tration, technical assistance, and data col-
3 lection for the program under this section.

4 (B) SPECIAL RULE.—Notwithstanding any
5 other provision of this title, the requirements of
6 this section and section 702 shall not apply to
7 recipients described in clause (i) and (ii) of sub-
8 paragraph (A), except that such recipients shall
9 use funds described in this paragraph to ensure
10 that teachers are paid a livable and competitive
11 salary.

12 (3) ALLOTMENTS.—

13 (A) IN GENERAL.—After making the res-
14ervations under paragraph (2), the Secretary
15 shall allot 50 percent of the remaining amount
16 appropriated under subsection (a) in accordance
17 with subparagraph (B) and allot the other 50
18 percent of such remaining amount in accord-
19ance with subparagraph (C).

20 (B) TARGETED FORMULA.—From an
21 amount equal to 50 percent of the amounts ap-
22propriated under subsection (a) and remaining
23after the reservations of funds under paragraph
24(2) (referred to in this section as the “targeted
25formula amounts”), the Secretary shall allot to

1 each State having a plan approved by the Sec-
2 retary under subsection (d) an amount that
3 bears the same relationship to such targeted
4 formula amounts as the total amount that local
5 educational agencies in the State received under
6 section 1125 of the Elementary and Secondary
7 Education Act of 1965 (20 U.S.C. 6335) for
8 the preceding fiscal year bears to the amount
9 all local educational agencies in all States re-
10 ceived under such section for the preceding fis-
11 cal year.

12 (C) EFIG FORMULA.—From an amount
13 equal to 50 percent of the amounts appro-
14 priated under subsection (a) and remaining
15 after the reservations of funds under paragraph
16 (2) (referred to in this section as the “EFIG
17 formula amounts”), the Secretary shall allot to
18 each State having a plan approved by the Sec-
19 retary under subsection (d) an amount that
20 bears the same relationship to such EFIG for-
21 mula amounts as the amount the State received
22 under section 1125A of the Elementary and
23 Secondary Education Act of 1965 (20 U.S.C.
24 20 U.S.C. 6337) for the preceding fiscal year

1 bears to the amount all States received under
2 such section for the preceding fiscal year.

3 (D) FINAL ALLOTMENTS.—For the pur-
4 poses of this section, a State’s allotment shall
5 be the sum of a State’s allotments calculated
6 under subparagraph (B) and subparagraph (C).

7 (c) IMPROVING TEACHER SALARIES.—

8 (1) IN GENERAL.—Subject to paragraph (3), a
9 State that receives an allotment under this section
10 shall ensure that the annual base salary of a full-
11 time teacher employed by a local educational agency
12 in the State is an amount that—

13 (A) is at least the minimum salary for
14 teachers;

15 (B) increases throughout each teacher’s
16 career; and

17 (C) is, to the greatest extent practicable,
18 commensurate with annual salaries for college-
19 educated and similarly experienced professionals
20 in the region in which such agencies are lo-
21 cated, as determined in accordance with proce-
22 dures and requirements established by the Sec-
23 retary.

24 (2) COMPLIANCE.—To comply with paragraph
25 (1), a State shall adopt one or more of the following

1 laws or policies to ensure that every full-time teacher
2 employed by a local educational agency in the State
3 receives an annual base salary that is not less than
4 the minimum salary for teachers:

5 (A) A statewide salary schedule that en-
6 sures that the salary of every full-time teacher
7 employed by a local educational agency in the
8 State is—

9 (i) an amount not less than the min-
10 imum salary for teachers established by
11 the State under subsection (d)(1)(A); and

12 (ii) increases as the experience of a
13 teacher increases.

14 (B) A statewide minimum annual base sal-
15 ary for teachers who are in their first year of
16 teaching that not less than the minimum salary
17 for teachers established by the State under sub-
18 section (d)(1)(A).

19 (C) A State law to increase salaries for
20 teachers.

21 (3) TIMING.—The Secretary shall ensure that,
22 not later than 3 years after a State receives an allot-
23 ment under this section, each such State meets the
24 teacher salary requirements described in paragraph
25 (1).

1 (d) STATE PLAN.—

2 (1) IN GENERAL.—In order to receive an allot-
3 ment under subsection (b)(3), a State shall submit
4 a State plan to the Secretary at such time, in such
5 manner, and containing such information as the Sec-
6 retary may reasonably require. Such State plan shall
7 include, at a minimum, each of the following:

8 (A) A description of the State’s minimum
9 salary for teachers, including the State’s plan
10 to ensure that the State will meet the require-
11 ments of subsection (c)(1) not later than 3
12 years after the State receives an allotment
13 under this section.

14 (B) A description of the State’s plan to in-
15 crease the State’s per-pupil expenditures or the
16 aggregate expenditures of the State with re-
17 spect to the provision of free public education
18 in the State, in a manner that—

19 (i) supports local educational agencies
20 in increasing salaries or wages for teach-
21 ers, paraprofessionals, specialized instruc-
22 tional support personnel, classified school
23 employees, principals, other school leaders,
24 school librarians, school bus drivers, and
25 other staff across their careers, including

1 through providing increased resources to
2 local educational agencies; and

3 (ii) does not—

4 (I) increase average class sizes or
5 student to full-time equivalent teacher
6 ratios at the State, local educational
7 agency, or school level;

8 (II) reduce planning time; or

9 (III) require teachers to teach
10 additional classes.

11 (C) An identification, with respect to the
12 average teacher salary baselines in the most re-
13 cent fiscal year, of the statewide average and
14 the average in each local educational agency in
15 the State.

16 (D) An identification of the number and
17 percentage of teachers employed by local edu-
18 cational agencies in the State who earn a salary
19 of less than \$60,000 annually, disaggregated by
20 each period of service specified in the average
21 teacher salary baselines, across the State and in
22 each such local educational agency.

23 (E) A description of the State's plan to
24 comply with the equitable distribution of teach-
25 ers requirement under section 1111(g)(1)(B) of

1 the Elementary and Secondary Education Act
2 of 1965 (20 U.S.C. 6311(g)(1)(B)).

3 (2) PUBLIC COMMENT.—Each State shall make
4 the State plan publicly available for public comment
5 for a period of not less than 30 days, by electronic
6 means and in an easily accessible format, prior to
7 submission to the Secretary for approval under this
8 subsection. Upon submission, the State plan shall in-
9 clude a summary of the comments submitted to the
10 Secretary, with a description of how the State ad-
11 dressed the comments, and make such summary
12 with description publicly available on the website of
13 the State educational agency.

14 (e) STATE USE OF FUNDS.—Each State that receives
15 an allotment under subsection (b) shall—

16 (1) reserve not more than 1 percent of the
17 amounts allotted to the State under subsection
18 (b)(3)(D) to provide technical assistance and con-
19 duct monitoring to ensure that all local educational
20 agencies meet the requirements described in sub-
21 section (c);

22 (2) reserve not more than 4 percent of the
23 amounts allotted to the State under subsection
24 (b)(3)(D) to conduct statewide efforts to—

1 (A) increase teacher compensation across
2 the State in accordance with in subsection (c);

3 (B) identify and reform policies and prac-
4 tices at the State, local educational agency, and
5 school-level to promote excellent teaching for all
6 students, particularly subgroups of students;
7 and

8 (C) address structural and organizational
9 challenges in the teaching profession, in order
10 to—

11 (i) raise the standards, status, and
12 salaries of the teaching profession; and

13 (ii) attract and retain promising and
14 talented young people to teaching; and

15 (3) from the amounts allotted to the State
16 under subsection (b)(3)(D) that are remaining after
17 reserving amounts under paragraphs (1) and (2), al-
18 locate—

19 (A) 50 percent of such remaining amounts
20 to local educational agencies in the State in ac-
21 cordance with the targeted formula described in
22 section 1125(b) of the Elementary and Sec-
23 ondary Education Act of 1965 (20 U.S.C.
24 6335(b)); and

1 (B) 50 percent of such remaining amounts
2 to local educational agencies in the State in ac-
3 cordance with the formula described in section
4 1125A(d) of the Elementary and Secondary
5 Education Act of 1965 (20 U.S.C. 6337(d)).

6 (f) REPORTING REQUIREMENTS.—Not later than 1
7 year after receiving an allotment under this section and
8 annually thereafter, a State that receives an allotment
9 under this section shall submit a report to the Secretary
10 and publish such report in a clear and easily accessible
11 format on the website of the State. Such report shall con-
12 tain any information required by the Secretary and in-
13 clude, at a minimum—

14 (1) data on the average teacher salary baselines
15 for the previous fiscal year, disaggregated by the
16 statewide average and the average in each local edu-
17 cational agency in the State;

18 (2) updated data on the number of teachers
19 employed by local educational agencies in the State
20 who earn less than the minimum salary for teachers,
21 disaggregated by each period of service described in
22 section 702(a)(4), across the State and employed by
23 each local educational agency;

24 (3) a description of the actions the State edu-
25 cational agency will take in the next fiscal year to

1 support local educational agencies described in para-
2 graph (2) in decreasing the number of teachers em-
3 ployed by such agencies who earn less than the min-
4 imum salary for teachers;

5 (4) a description of actions taken by the State
6 to increase the State's per-pupil expenditures or the
7 aggregate expenditures of the State with respect to
8 the provision of free public education in the State,
9 in a manner that—

10 (A) supports local educational agencies in
11 increasing salaries or wages for teachers, para-
12 professionals, specialized instructional support
13 personnel, classified school employees, prin-
14 cipals, other school leaders, school librarians,
15 school bus drivers, and other staff across their
16 careers, including through providing increased
17 resources to local educational agencies; and

18 (B) does not—

19 (i) increase average class sizes or stu-
20 dent to full-time equivalent teacher ratios
21 at the State, local educational agency, or
22 school level;

23 (ii) reduce planning time; or

24 (iii) require teachers to teach addi-
25 tional classes; and

1 (5) a description of how the State improved the
 2 equitable distribution of teachers in such fiscal year,
 3 as required under section 1111(g)(1)(B) of the Ele-
 4 mentary and Secondary Education Act of 1965 (20
 5 U.S.C. 6311(g)(1)(B)).

6 **SEC. 704. COLLECTIVE BARGAINING AND RELATED RULES.**

7 (a) **RULE OF CONSTRUCTION FOR COLLECTIVE BAR-**
 8 **GAINING.—**

9 (1) **IN GENERAL.**—Subject to paragraph (2),
 10 nothing in section 703 shall be construed to alter or
 11 otherwise affect the rights, remedies, and procedures
 12 afforded to school or local educational agency em-
 13 ployees under Federal, State, or local laws (including
 14 applicable regulations or court orders) or under the
 15 terms of collective bargaining agreements, memo-
 16 randa of understanding, or other agreements be-
 17 tween such employers and their employees.

18 (2) **COMPLIANCE.**—Paragraph (1) shall not be
 19 construed to exempt a State, local educational agen-
 20 cy, or school from complying with section 703 or
 21 from negotiating in compliance with State labor laws
 22 to comply with section 703.

23 (b) **RULE OF CONSTRUCTION FOR ADDITIONAL PAY**
 24 **OR OTHER SALARY AUGMENTING SYSTEMS.**—Nothing in
 25 section 703 shall be construed to prevent States or local

1 educational agencies from supplementing the annual base
2 salary of teachers or other staff employed by such agen-
3 cies—

4 (1) for additional skills, knowledge, duties, and
5 responsibilities;

6 (2) by salary systems that increase teachers'
7 compensation through supplemental pay that is not
8 part of an annual base salary; or

9 (3) through the provision of bonuses, stipends,
10 or awards.

11 **TITLE VIII—INVESTMENTS IN**
12 **HOME AND COMMUNITY-**
13 **BASED SERVICES AND LONG-**
14 **TERM CARE QUALITY AND**
15 **WORKFORCE**

16 **SEC. 801. HCBS IMPROVEMENT PLANNING GRANTS.**

17 (a) FUNDING.—

18 (1) IN GENERAL.—In addition to amounts oth-
19 erwise available, there is appropriated to the Sec-
20 retary for fiscal year 2027, out of any money in the
21 Treasury not otherwise appropriated, \$130,000,000,
22 to remain available until expended, for carrying out
23 this section.

24 (2) TECHNICAL ASSISTANCE AND GUIDANCE.—

25 In addition to amounts otherwise available, there is

1 appropriated to the Secretary for fiscal year 2027,
2 out of any money in the Treasury not otherwise ap-
3 propriated, \$5,000,000, to remain available until ex-
4 pended, for purposes of issuing guidance and pro-
5 viding technical assistance to States intending to
6 apply for, or which are awarded, a planning grant
7 under this section, and for other administrative ex-
8 penses related to awarding planning grants under
9 this section.

10 (b) AWARD AND USE OF GRANTS.—

11 (1) DEADLINE FOR AWARD OF GRANTS.—From
12 the amount appropriated under subsection (a)(1),
13 the Secretary, not later than 12 months after the
14 date of enactment of this Act, shall solicit State re-
15 quests for HCBS improvement planning grants and
16 award such grants to all States that meet such re-
17 quirements as determined by the Secretary.

18 (2) USE OF FUNDS.—Subject to paragraph (3),
19 a State awarded a planning grant under this section
20 shall use the grant to carry out planning activities
21 for purposes of developing and submitting to the
22 Secretary an HCBS improvement plan for the State
23 that meets the requirements of subsection (c). A
24 State may use planning grant funds to support ac-

1 activities related to the implementation of the HCBS
2 improvement plan for the State.

3 (3) LIMITATION ON USE OF FUNDS.—None of
4 the funds awarded to a State under this section may
5 be used by a State as the source of the non-Federal
6 share of expenditures under the State Medicaid pro-
7 gram.

8 (c) HCBS IMPROVEMENT PLAN REQUIREMENTS.—

9 (1) CONTENT.—The Secretary shall define the
10 content requirements for an HCBS improvement
11 plan, which, at minimum, shall include an assess-
12 ment of access barriers to home and community-
13 based services and the availability (as defined by the
14 Secretary) of such services in the State, a descrip-
15 tion of Medicaid payment rates for such services, a
16 description of the current workforce of direct care
17 workers, the percentage of expenditures made by the
18 State for long-term services and supports that are
19 for home and community-based services, and a de-
20 scription of how the State will meet the require-
21 ments of the HCBS Improvement Program.

22 (2) SUBMISSION; APPROVAL; AMENDMENTS.—
23 Not later than 24 months after the date on which
24 a State is awarded a planning grant under this sec-
25 tion, the State shall submit an HCBS improvement

1 plan for approval by the Secretary, along with assur-
2 ances by the State that the State will implement the
3 plan in accordance with the requirements of the
4 HCBS Improvement Program. The Secretary shall
5 approve the HCBS improvement plan for a State
6 after the plan and such assurances are submitted to
7 the Secretary for approval and the Secretary deter-
8 mines the plan meets the requirements of this sub-
9 section. A State may amend its HCBS improvement
10 plan, subject to the approval of the Secretary that
11 the plan as so amended meets the requirements of
12 this subsection.

13 (d) DEFINITIONS.—In this part:

14 (1) DIRECT CARE WORKER.—The term “direct
15 care worker” means, with respect to a State, any of
16 the following individuals who are paid to provide di-
17 rectly to Medicaid eligible individuals home and com-
18 munity-based services available under the State
19 Medicaid program:

20 (A) A registered nurse, licensed practical
21 nurse, nurse practitioner, or clinical nurse spe-
22 cialist, or a licensed nursing assistant who pro-
23 vides such services under the supervision of a
24 registered nurse, licensed practical nurse, nurse
25 practitioner, or clinical nurse specialist.

1 (B) A direct support professional.

2 (C) A personal care attendant.

3 (D) A home health aide.

4 (E) Any other paid health care profes-
5 sional or worker determined to be appropriate
6 by the State and approved by the Secretary.

7 (2) HCBS IMPROVEMENT PROGRAM.—The term
8 “HCBS Improvement Program” means the program
9 established under subsection (ll) of section 1905 of
10 the Social Security Act (42 U.S.C. 1396d) (as added
11 by section 802).

12 (3) HCBS IMPROVEMENT PROGRAM STATE.—
13 The term “HCBS Improvement Program State”
14 means a State that is awarded a planning grant
15 under subsection (b) and has an HCBS improve-
16 ment plan approved by the Secretary under sub-
17 section (c)(2).

18 (4) HOME AND COMMUNITY-BASED SERV-
19 ICES.—The term “home and community-based serv-
20 ices” means any of the following (whether provided
21 on a fee-for-service, risk, or other basis):

22 (A) Home health care services authorized
23 under paragraph (7) of section 1905(a) of the
24 Social Security Act (42 U.S.C. 1396d(a)).

1 (B) Private duty nursing services author-
2 ized under paragraph (8) of such section, when
3 such services are provided in a Medicaid eligible
4 individual's home.

5 (C) Personal care services authorized
6 under paragraph (24) of such section.

7 (D) PACE services authorized under para-
8 graph (26) of such section.

9 (E) Home and community-based services
10 authorized under subsections (b), (c), (i), (j),
11 and (k) of section 1915 of such Act (42 U.S.C.
12 1396n), authorized under a waiver under sec-
13 tion 1115 of such Act (42 U.S.C. 1315), or
14 provided through coverage authorized under
15 section 1937 of such Act (42 U.S.C. 1396u-7).

16 (F) Case management services authorized
17 under section 1905(a)(19) of the Social Secu-
18 rity Act (42 U.S.C. 1396d(a)(19)) and section
19 1915(g) of such Act (42 U.S.C. 1396n(g)).

20 (G) Rehabilitative services, including those
21 related to behavioral health, described in section
22 1905(a)(13) of such Act (42 U.S.C.
23 1396d(a)(13)).

24 (H) Such other services specified by the
25 Secretary.

1 (5) MEDICAID ELIGIBLE INDIVIDUAL.—The
 2 term “Medicaid eligible individual” means an indi-
 3 vidual who is eligible for and receiving medical as-
 4 sistance under a State Medicaid program. Such term
 5 includes an individual who is on a waiting list and
 6 who would become eligible for medical assistance
 7 and enrolled under a State Medicaid program upon
 8 receipt of home and community-based services.

9 (6) STATE MEDICAID PROGRAM.—The term
 10 “State Medicaid program” means, with respect to a
 11 State, the State program under title XIX of the So-
 12 cial Security Act (42 U.S.C. 1396 through 1396w-
 13 6) (including any waiver or demonstration under
 14 such title or under section 1115 of such Act (42
 15 U.S.C. 1315) relating to such title).

16 (7) SECRETARY.—The term “Secretary” means
 17 the Secretary of Health and Human Services.

18 (8) STATE.—The term “State” means each of
 19 the 50 States, the District of Columbia, Puerto Rico,
 20 the Virgin Islands, Guam, the Commonwealth of the
 21 Northern Mariana Islands, and American Samoa.

22 **SEC. 802. HCBS IMPROVEMENT PROGRAM.**

23 (a) INCREASED FMAP FOR HCBS IMPROVEMENT
 24 PROGRAM STATES.—Section 1905 of the Social Security
 25 Act (42 U.S.C. 1396d) is amended—

1 (1) in subsection (b), by striking “and (ii)” and
2 inserting “(ii), and (ll)”; and

3 (2) by adding at the end the following new sub-
4 section:

5 “(ll) ADDITIONAL SUPPORT FOR HCBS IMPROVE-
6 MENT PROGRAM STATES.—

7 “(1) IN GENERAL.—

8 “(A) ADDITIONAL SUPPORT.—Subject to
9 paragraph (5), in the case of a State that is an
10 HCBS Improvement Program State, for each
11 fiscal quarter that begins on or after the first
12 date on which the State is an HCBS Improve-
13 ment Program State—

14 “(i) and for which the State meets the
15 requirements described in paragraphs (2)
16 and (4), notwithstanding subsection (b) or
17 (ff), subject to subparagraph (B), with re-
18 spect to amounts expended during the
19 quarter by such State for medical assist-
20 ance for home and community-based serv-
21 ices, the Federal medical assistance per-
22 centage for such State and quarter (as de-
23 termined for the State under subsection
24 (b) or (ff) and, if applicable, increased
25 under subsection (y), (z), (aa), or (ii), or

1 section 1915(k)(2)) shall be increased by 8
2 percentage points; and

3 “(ii) with respect to the State meeting
4 the requirements described in paragraphs
5 (2) and (4) and with respect to amounts
6 expended during the quarter and before
7 October 1, 2036, administrative costs for
8 expanding and enhancing home and com-
9 munity-based services, including for en-
10 hancing Medicaid data and technology in-
11 frastructure, modifying rate setting proc-
12 esses, adopting or improving training pro-
13 grams for direct care workers and family
14 caregivers, home and community-based
15 services ombudsman office activities, devel-
16 oping processes to identify direct care
17 workers and assign such workers unique
18 identifiers, and adopting, carrying out, or
19 enhancing programs that register direct
20 care workers or connect beneficiaries to di-
21 rect care workers, shall be eligible for Fed-
22 eral financial participation in the same
23 manner as other administrative expendi-
24 tures under section 1903(a), except that,
25 for purposes of this clause, the per centum

1 applicable to such expenditures shall be the
2 greater of 80 percent or the per centum
3 that would otherwise apply.

4 In no case may the application of clause (i) re-
5 sult in the Federal medical assistance percent-
6 age determined for a State being more than 95
7 percent with respect to such expenditures. Any
8 increase pursuant to clause (ii) shall be avail-
9 able to a State before the State meets the re-
10 quirements of paragraphs (2) and (4).

11 “(B) ADDITIONAL HCBS IMPROVEMENT
12 EFFORTS.—Subject to paragraph (5), in addi-
13 tion to the increase to the Federal medical as-
14 sistance percentage under subparagraph (A)(i)
15 for amounts expended during a quarter for
16 medical assistance for home and community-
17 based services by an HCBS Improvement Pro-
18 gram State that meets the requirements of
19 paragraphs (2) and (4) for the quarter, the
20 Federal medical assistance percentage for
21 amounts expended by the State during the
22 quarter for medical assistance for home and
23 community-based services shall be further in-
24 creased by 2 percentage points (but not to ex-
25 ceed 95 percent) during the first 6 fiscal quar-

1 ters throughout which the State has imple-
2 mented and has in effect a program that meets
3 the requirements of paragraph (3).

4 “(C) NONAPPLICATION TO CHIP EFMAP.—

5 Any increase to the Federal medical assistance
6 percentage of a State under subparagraph
7 (A)(i) or (B) or an increase to an applicable
8 Federal matching percentage under subpara-
9 graph (A)(ii) shall not be taken into account in
10 calculating the enhanced FMAP of a State
11 under section 2105.

12 “(2) REQUIREMENTS.—As conditions for re-
13 ceipt of the increase under paragraph (1)(A)(i) to
14 the Federal medical assistance percentage deter-
15 mined for a State, with respect to a fiscal year quar-
16 ter, the State shall meet each of the following re-
17 quirements:

18 “(A) NONSUPPLANTATION.—The State

19 uses an amount in State funds equivalent to the
20 additional Federal funds received by the State
21 that are attributable to the increase to the Fed-
22 eral medical assistance percentage for amounts
23 expended during a quarter for medical assist-
24 ance for home and community-based services
25 under paragraph (1)(A) and paragraph (1)(B)

1 (if applicable) to supplement, and not supplant,
2 the level of State funds expended for home and
3 community-based services for eligible individ-
4 uals through programs in effect as of the date
5 the State is awarded a planning grant under
6 section 801 of the Make Billionaires Pay Their
7 Fair Share Act. In applying this subparagraph,
8 the Secretary shall provide that a State shall
9 have a 3-year period, as specified by the Sec-
10 retary, to spend any accumulated unspent State
11 funds attributable to such increase to the Fed-
12 eral medical assistance percentage.

13 “(B) MAINTENANCE OF EFFORT.—

14 “(i) IN GENERAL.—The State does
15 not—

16 “(I) reduce the amount, dura-
17 tion, or scope of home and commu-
18 nity-based services available under the
19 State plan (or waiver of such plan)
20 relative to the home and community-
21 based services available under the
22 plan or a waiver of such plan as of
23 the date on which the State was
24 awarded a planning grant under sec-

tion 801 of the Make Billionaires Pay
Their Fair Share Act;

“(II) reduce payment rates for
home and community-based services
lower than such rates that were in
place as of the date described in sub-
clause (I), including, to the extent ap-
plicable, assumed payment rates for
such services that are included in
managed care capitation rates as such
rates are being prospectively built; or

“(III) except to the extent per-
mitted under clause (ii), adopt more
restrictive standards, methodologies,
or procedures for determining eligi-
bility for, or the scope of, medical as-
sistance for home and community-
based services, including with respect
to cost-sharing, than the standards,
methodologies, or procedures applica-
ble as of the date described in sub-
clause (I).

“(ii) CONDITIONS FOR FLEXI-
BILITY.—A State may make modifications
that would otherwise violate the mainte-

1 nance of effort described in clause (i) if the
2 State demonstrates to the satisfaction of
3 the Secretary that such modifications shall
4 not result in—

5 “(I) home and community-based
6 services that are less comprehensive
7 or lower in amount, duration, or
8 scope;

9 “(II) fewer individuals (overall
10 and within particular eligibility
11 groups) receiving home and commu-
12 nity-based services, adjusted for de-
13 mographic changes since the date de-
14 scribed in clause (i)(I); or

15 “(III) increased cost-sharing
16 (other than resulting from the rate of
17 inflation) for home and community-
18 based services.

19 “(C) ACCESS TO SERVICES.—The State
20 undertakes efforts to improve access to home
21 and community-based services by doing all of
22 the following not later than an implementation
23 date specified by the Secretary (which may vary
24 for each of the following clauses) after the first
25 day of the first fiscal quarter for which a State

1 receives an increase to the Federal medical as-
2 sistance percentage or other applicable Federal
3 matching percentage under paragraph (1):

4 “(i) Reduces access barriers and dis-
5 parities in access or utilization of home
6 and community-based services.

7 “(ii) Provides coverage of personal
8 care services authorized under subsection
9 (a)(24) for all individuals eligible for and
10 enrolled in medical assistance in the State.

11 “(iii) Provides for navigation of home
12 and community-based services through ‘no
13 wrong door’ programs, provides expedited
14 eligibility for home and community-based
15 services, and improves home and commu-
16 nity-based services counseling and edu-
17 cation programs.

18 “(iv) Expands access to behavioral
19 health services furnished in home and com-
20 munity-based settings.

21 “(v) Improves coordination of home
22 and community-based services with em-
23 ployment, housing, and transportation sup-
24 ports.

1 “(vi) Provides supports to family care-
2 givers.

3 “(vii) Newly provides coverage under,
4 or expands existing eligibility criteria for, 1
5 or more of the eligibility categories author-
6 ized under subclause (XIII), (XV), or
7 (XVI) of section 1902(a)(10)(A)(ii).

8 “(D) WORKFORCE.—The State strength-
9 ens and expands the workforce of direct care
10 workers that provides home and community-
11 based services by—

12 “(i) adopting processes to ensure that
13 payment rates for home and community-
14 based services are sufficient (as defined by
15 the Secretary) to ensure that services are
16 available, including by, not later than 2
17 years after approval of the HCBS improve-
18 ment plan and, at least every 3 years
19 thereafter, updating and, as appropriate,
20 increasing payment rates for home and
21 community-based services to support re-
22 cruitment and retention of direct care
23 workers using, through existing or other
24 processes to determine provider payments,

1 a transparent process involving input from
2 nongovernmental stakeholders;

3 “(ii) ensuring that increases in the
4 payment rates for home and community-
5 based services result in at least a propor-
6 tionate increase to payments for direct
7 care workers; and

8 “(iii) updating qualification standards
9 as appropriate, and developing and adopt-
10 ing training opportunities, for direct care
11 workers and family caregivers, at such
12 times as the Secretary shall prescribe.

13 “(3) SELF-DIRECTED MODELS FOR THE DELIV-
14 ERY OF SERVICES.—As conditions for receipt of the
15 increase under paragraph (1)(B) to the Federal
16 medical assistance percentage determined for a
17 State, with respect to a fiscal year quarter, the State
18 shall establish directly, or by contract with 1 or
19 more entities, including an agency with choice or a
20 similar service delivery model, a program for the
21 performance of all of the following functions, con-
22 sistent with guidance issued by the Secretary, to fa-
23 cilitate beneficiary use of self-directed care in the
24 case the State covers home and community-based
25 services under authorities that permit self-direction:

1 “(A) Recruiting and registering qualified
2 direct care workers and assisting beneficiaries
3 in finding qualified direct care workers.

4 “(B) Supporting beneficiary hiring, if se-
5 lected by the beneficiary, of independent pro-
6 viders of home and community-based services,
7 including through the provision of financial
8 management services.

9 “(C) To the extent a State permits bene-
10 ficiaries to hire a family member or individual
11 with whom they have an existing relationship to
12 provide home and community-based services,
13 providing support to beneficiaries who wish to
14 hire a caregiver who is a family member or in-
15 dividual with whom they have an existing rela-
16 tionship.

17 “(D) Ensuring that the program under
18 this paragraph does not promote or deter the
19 ability of workers to form a labor organization
20 or discriminate against workers who may join
21 or decline to join such an organization.

22 “(4) REPORTING AND OVERSIGHT.—As a condi-
23 tion for receipt of an increase under subparagraphs
24 (A)(i) or (B) of paragraph (1) to the Federal med-
25 ical assistance percentage determined for a State,

1 with respect to a fiscal year quarter, the State shall,
2 beginning with the last day of the 5th fiscal quarter
3 for which the State is an HCBS Improvement Pro-
4 gram State, and annually thereafter, report to the
5 Secretary, in a manner the Secretary shall prescribe,
6 on—

7 “(A) the State’s progress in implementing
8 the activities described in subparagraphs (C)
9 and (D) of paragraph (2) and (if applicable)
10 paragraph (3) in accordance with the State
11 HCBS improvement plan; and

12 “(B) the use of the increased funding pro-
13 vided under this subsection.

14 “(5) BENCHMARKS FOR DEMONSTRATING IM-
15 PROVEMENTS.—An HCBS Improvement Program
16 State shall cease to be eligible for an increase to the
17 Federal medical assistance percentage under para-
18 graph (1)(A)(i) or (1)(B) or an increase to an appli-
19 cable Federal matching percentage under paragraph
20 (1)(A)(ii) for each fiscal quarter after the 29th fiscal
21 quarter that begins on or after the first date on
22 which the State is an HCBS Improvement Program
23 State unless, at the end of such 29th fiscal quarter,
24 the State demonstrates the following in the annual
25 report required in paragraph (4) for such quarter:

1 “(A) Increased availability (above a mar-
2 ginal increase) of home and community-based
3 services in the State relative to such availability
4 as reported in the State HCBS improvement
5 plan and adjusted for demographic changes in
6 the State since the submission of such plan.

7 “(B) With respect to the percentage of ex-
8 penditures made by the State for long-term
9 services and supports that are for home and
10 community-based services, in the case of an
11 HCBS Improvement Program State for which
12 such percentage (as reported in the State
13 HCBS improvement plan) was—

14 “(i) less than 50 percent, the State
15 demonstrates that the percentage of such
16 expenditures has increased to at least 50
17 percent since the plan was approved; and

18 “(ii) at least 50 percent, the State
19 demonstrates that such percentage has not
20 decreased since the plan was approved.

21 “(6) DEFINITIONS.—In this subsection, the
22 terms ‘direct care worker’, ‘HCBS Improvement
23 Program State’, and ‘home and community-based
24 services’ have the meaning given those terms in sec-

1 tion 801(d) of the Make Billionaires Pay Their Fair
2 Share Act.”.

3 **SEC. 803. FUNDING FOR FEDERAL ACTIVITIES RELATED TO**
4 **MEDICAID HCBS.**

5 In addition to amounts otherwise available, there is
6 appropriated to the Secretary for fiscal year 2027, out of
7 any money in the Treasury not otherwise appropriated,
8 \$40,000,000, to remain available until expended, to carry
9 out section 802 (including the amendments made by such
10 section), including by issuing necessary guidance and tech-
11 nical assistance to States and conducting program integ-
12 rity and oversight efforts.

13 **SEC. 804. FUNDING FOR HCBS QUALITY MEASUREMENT**
14 **AND IMPROVEMENT.**

15 In addition to amounts otherwise available, there is
16 appropriated to the Secretary for fiscal year 2027, out of
17 any money in the Treasury not otherwise appropriated,
18 \$25,000,000, to remain available until expended, for pur-
19 poses of developing, in consultation with nongovernmental
20 stakeholders with expertise in home and community-based
21 services (including recipients and providers of such serv-
22 ices), a recommended set of home and community-based
23 services quality measures that reflect the full range of
24 home and community-based services (as defined in section
25 801(d)) and the recipients of such services.

1 **SEC. 805. PERMANENT EXTENSION OF MEDICAID PROTEC-**
2 **TIONS AGAINST SPOUSAL IMPOVERISHMENT**
3 **FOR RECIPIENTS OF HOME AND COMMUNITY-**
4 **BASED SERVICES.**

5 (a) IN GENERAL.—Section 1924(h)(1)(A) of the So-
6 cial Security Act (42 U.S.C. 1396r–5(h)(1)(A)) is amend-
7 ed by striking “(at the option of the State) is described
8 in section 1902(a)(10)(A)(ii)(VI)” and inserting the fol-
9 lowing: “is eligible for medical assistance for home and
10 community-based services provided under subsection (c),
11 (d), or (i) of section 1915 or under a waiver approved
12 under section 1115, or who is eligible for such medical
13 assistance by reason of being determined eligible under
14 section 1902(a)(10)(C) or by reason of section 1902(f) or
15 otherwise on the basis of a reduction of income based on
16 costs incurred for medical or other remedial care, or who
17 is eligible for medical assistance for home and community-
18 based attendant services and supports under section
19 1915(k)”.

20 (b) CONFORMING AMENDMENT.—Section 2404 of the
21 Patient Protection and Affordable Care Act (42 U.S.C.
22 1396r–5 note) is amended by striking “September 30,
23 2027” and inserting “the date of enactment of the Make
24 Billionaires Pay Their Fair Share Act”.

1 **SEC. 806. PERMANENT EXTENSION OF MONEY FOLLOWS**
2 **THE PERSON REBALANCING DEMONSTRA-**
3 **TION.**

4 Subsection (h) of section 6071 of the Deficit Reduc-
5 tion Act of 2005 (42 U.S.C. 1396a note) is amended—

6 (1) in paragraph (1)—

7 (A) in subparagraph (I), by inserting
8 “and” after the semicolon;

9 (B) in subparagraph (J), by inserting “and
10 each fiscal year thereafter” before the semi-
11 colon; and

12 (C) by striking subparagraphs (K) and
13 (L); and

14 (2) in paragraph (3), by striking “through fis-
15 cal year 2029”.

○