

***In the House of Representatives, U. S.,***

*December 12, 2013.*

*Resolved*, That the House recede from its amendment to the amendment of the Senate to the resolution (H.J. Res. 59) entitled “Joint Resolution making continuing appropriations for fiscal year 2014, and for other purposes.”, and concur therein with the following

**HOUSE AMENDMENT TO SENATE AMENDMENT:**

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

1                   **DIVISION A—BIPARTISAN**  
2                   **BUDGET AGREEMENT**

3   **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4                   (a) *SHORT TITLE.*—*This division may be cited as the*  
5   *“Bipartisan Budget Act of 2013”.*  
6                   (b) *TABLE OF CONTENTS.*—*The table of contents of this*  
7   *division is as follows:*

*DIVISION A—BUDGET ENFORCEMENT AND DEFICIT REDUCTION*

*Sec. 1. Short title and table of contents.*

*TITLE I—BUDGET ENFORCEMENT*

*Subtitle A—Amendments to the Balanced Budget and Emergency Deficit Control Act of 1985*

*Sec. 101. Amendments to the Balanced Budget and Emergency Deficit Control Act of 1985.*

*Subtitle B—Establishing a Congressional Budget*

*Sec. 111. Fiscal year 2014 budget resolution.*

*Sec. 112. Limitation on advance appropriations in the Senate.*

- Sec. 113. *Rule of construction in the House of Representatives.*
- Sec. 114. *Additional Senate budget enforcement.*
- Sec. 115. *Authority for fiscal year 2015 budget resolution in the House of Representatives.*
- Sec. 116. *Authority for fiscal year 2015 budget resolution in the Senate.*
- Sec. 117. *Exclusion of savings from PAYGO scorecards.*
- Sec. 118. *Exercise of rulemaking powers.*

#### *Subtitle C—Technical Corrections*

- Sec. 121. *Technical corrections to the Balanced Budget and Emergency Deficit Control Act of 1985.*
- Sec. 122. *Technical corrections to the Congressional Budget Act of 1974.*

#### **TITLE II—PREVENTION OF WASTE, FRAUD, AND ABUSE**

- Sec. 201. *Improving the collection of unemployment insurance overpayments.*
- Sec. 202. *Strengthening Medicaid Third-Party Liability.*
- Sec. 203. *Restriction on access to the death master file.*
- Sec. 204. *Identification of inmates requesting or receiving improper payments.*

#### **TITLE III—NATURAL RESOURCES**

- Sec. 301. *Ultra-deepwater and unconventional natural gas and other petroleum resources.*
- Sec. 302. *Amendment to the Mineral Leasing Act.*
- Sec. 303. *Approval of agreement with Mexico.*
- Sec. 304. *Amendment to the Outer Continental Shelf Lands Act.*
- Sec. 305. *Federal oil and gas royalty prepayment cap.*
- Sec. 306. *Strategic Petroleum Reserve.*

#### **TITLE IV—FEDERAL CIVILIAN AND MILITARY RETIREMENT**

- Sec. 401. *Increase in contributions to Federal Employees’ Retirement System for new employees.*
- Sec. 402. *Foreign Service Pension System.*
- Sec. 403. *Annual adjustment of retired pay and retainer pay amounts for retired members of the Armed Forces under age 62.*

#### **TITLE V—HIGHER EDUCATION**

- Sec. 501. *Default reduction program.*
- Sec. 502. *Elimination of nonprofit servicing contracts.*

#### **TITLE VI—TRANSPORTATION**

- Sec. 601. *Aviation security service fees.*
- Sec. 602. *Transportation cost reimbursement.*
- Sec. 603. *Sterile areas at airports.*

#### **TITLE VII—MISCELLANEOUS PROVISIONS**

- Sec. 701. *Extension of customs user fees.*
- Sec. 702. *Limitation on allowable government contractor compensation costs.*
- Sec. 703. *Pension Benefit Guaranty Corporation premium rate increases.*
- Sec. 704. *Cancellation of Unobligated Balances.*
- Sec. 705. *Conservation planning technical assistance user fees.*
- Sec. 706. *Self plus one coverage.*

1       (c) REFERENCES.—Except as expressly provided oth-  
2 erwise, any reference to “this Act” contained in any divi-  
3 sion of this Act shall be treated as referring only to the pro-  
4 visions of that division.

7 **Subtitle A—Amendments to the Bal-  
8 anced Budget and Emergency  
9 Deficit Control Act of 1985**

10 **SEC. 101. AMENDMENTS TO THE BALANCED BUDGET AND**  
11 **EMERGENCY DEFICIT CONTROL ACT OF 1985.**

12        (a) *REVISED DISCRETIONARY SPENDING LIMITS.*—  
13    *Section 251(c) of the Balanced Budget and Emergency Def-*  
14    *icit Control Act of 1985 is amended by striking paragraphs*  
15    *(1) through (10) and inserting the following new para-*  
16    *graphs:*

17                   “(1) for fiscal year 2014—

18                             “(A) for the revised security category,  
19                             \$520,464,000,000 in new budget authority; and  
20                             “(B) for the revised nonsecurity category

21                   \$491,773,000,000 in new budget authority;

22                   “(2) for fiscal year 2015—

23                             “(A) for the revised security category,  
24                             \$521 272 000 000 in new budget authority; and

1                   “(B) for the revised nonsecurity category,  
2                   \$492,356,000,000 in new budget authority;

3                   “(3) for fiscal year 2016—

4                   “(A) for the revised security category,  
5                   \$577,000,000,000 in new budget authority; and

6                   “(B) for the revised nonsecurity category,  
7                   \$530,000,000,000 in new budget authority;

8                   “(4) for fiscal year 2017—

9                   “(A) for the revised security category,  
10                   \$590,000,000,000 in new budget authority; and

11                   “(B) for the revised nonsecurity category,  
12                   \$541,000,000,000 in new budget authority;

13                   “(5) for fiscal year 2018—

14                   “(A) for the revised security category,  
15                   \$603,000,000,000 in new budget authority; and

16                   “(B) for the revised nonsecurity category,  
17                   \$553,000,000,000 in new budget authority;

18                   “(6) for fiscal year 2019—

19                   “(A) for the revised security category,  
20                   \$616,000,000,000 in new budget authority; and

21                   “(B) for the revised nonsecurity category,  
22                   \$566,000,000,000 in new budget authority;

23                   “(7) for fiscal year 2020—

24                   “(A) for the revised security category,  
25                   \$630,000,000,000 in new budget authority; and

1                   “(B) for the revised nonsecurity category,  
2                   \$578,000,000,000 in new budget authority; and  
3                   “(8) for fiscal year 2021—

4                   “(A) for the revised security category,  
5                   \$644,000,000,000 in new budget authority; and  
6                   “(B) for the revised nonsecurity category,  
7                   \$590,000,000,000 in new budget authority;”.

8                   (b) *DIRECT SPENDING ADJUSTMENTS FOR FISCAL*  
9    *YEARS 2014 AND 2015.*—(1) *Section 251A of the Balanced*  
10   *Budget and Emergency Deficit Control Act of 1985, as re-*  
11   *designated by subsection (d), is amended by adding at the*  
12   *end the following new paragraph:*

13                   “(10) *IMPLEMENTING DIRECT SPENDING REDUC-*  
14   *TIONS FOR FISCAL YEARS 2014 AND 2015.*—(A) OMB  
15   *shall make the calculations necessary to implement*  
16   *the direct spending reductions calculated pursuant to*  
17   *paragraphs (3) and (4) without regard to the amend-*  
18   *ment made to section 251(c) revising the discre-*  
19   *tionary spending limits for fiscal years 2014 and*  
20   *2015 by the Bipartisan Budget Act of 2013.*

21                   “(B) Paragraph (5)(B) shall not be implemented  
22   *for fiscal years 2014 and 2015.”.*

23                   (2) *Paragraph (5)(B) of section 251A of the Balanced*  
24   *Budget and Emergency Deficit Control Act of 1985, as re-*  
25   *designated by subsection (d)(2)(C) of this section, is amend-*

1 *ed by striking “On” and inserting “Except as provided by*  
2 *paragraph (10), on”.*

3       (c) *EXTENSION OF DIRECT SPENDING REDUCTIONS*  
4 *FOR FISCAL YEARS 2022 AND 2023.—Paragraph (6), as re-*  
5 *designated by subsection (d)(2)(C) of this section, of section*  
6 *251A of the Balanced Budget and Emergency Deficit Con-*  
7 *trol Act of 1985 is amended by inserting “(A)” before “On*  
8 *the date” and by adding at the end the following new sub-*  
9 *paragraph:*

10           “(B) *On the dates OMB issues its sequestration*  
11 *preview reports for fiscal year 2022 and for fiscal*  
12 *year 2023, pursuant to section 254(c), the President*  
13 *shall order a sequestration, effective upon issuance*  
14 *such that—*

15           “(i) *the percentage reduction for nonexempt*  
16 *direct spending for the defense function is the*  
17 *same percent as the percentage reduction for*  
18 *nonexempt direct spending for the defense func-*  
19 *tion for fiscal year 2021 calculated under para-*  
20 *graph (3)(B); and*

21           “(ii) *the percentage reduction for non-*  
22 *exempt direct spending for nondefense functions*  
23 *is the same percent as the percentage reduction*  
24 *for nonexempt direct spending for nondefense*

1           *functions for fiscal year 2021 calculated under*  
2           *paragraph (4)(B).”.*

3           *(d) CONFORMING AMENDMENTS.—Part C of title II of*  
4   *the Balanced Budget and Emergency Deficit Control Act*  
5   *of 1985 (2 U.S.C. 900 et seq.) is amended—*

6           *(1) in section 250(c)(4) (2 U.S.C. 900(c)(4)), by*  
7   *adding at the end the following:*

8           *“(D) The term ‘revised security category’ means*  
9   *discretionary appropriations in budget function 050.*

10           *“(E) The term ‘revised nonsecurity category’*  
11   *means discretionary appropriations other than in*  
12   *budget function 050.*

13           *“(F) The term ‘category’ means the subsets of*  
14   *discretionary appropriations in section 251(c). Dis-*  
15   *cretionary appropriations in each of the categories*  
16   *shall be those designated in the joint explanatory*  
17   *statement accompanying the conference report on the*  
18   *Balanced Budget Act of 1997. New accounts or activi-*  
19   *ties shall be categorized only after consultation with*  
20   *the Committees on Appropriations and the Budget of*  
21   *the House of Representatives and the Senate and that*  
22   *consultation shall, to the extent practicable, include*  
23   *written communication to such committees that af-*  
24   *fords such committees the opportunity to comment be-*

1       *fore official action is taken with respect to new ac-*  
2       *counts or activities.”; and*

3           *(2) in section 251A (2 U.S.C. 901a)—*

4               *(A) by striking, in the matter preceding*  
5       *paragraph (1), “Unless” through “as follows:”*  
6       *and inserting the following: “Discretionary ap-*  
7       *propriations and direct spending accounts shall*  
8       *be reduced in accordance with this section as fol-*  
9       *lows:”;*

10               *(B) by striking paragraphs (1) and (2);*

11               *(C) by redesignating paragraphs (3)*  
12       *through (11) as paragraphs (1) through (9), re-*  
13       *spectively;*

14               *(D) in paragraph (2), as redesignated, by*  
15       *striking “paragraph (3)” and inserting “para-*  
16       *graph (1)”;*

17               *(E) in paragraph (3), as redesignated, by*  
18       *striking “paragraph (4)” each place it appears*  
19       *and inserting “paragraph (2)”;*

20               *(F) in paragraph (4), as redesignated, by*  
21       *striking “paragraph (4)” each place it appears*  
22       *and inserting “paragraph (2)”;*

23               *(G) in paragraph (5), as redesignated—*

1 (i) by striking “paragraph (5)” each  
2 place it appears and inserting “paragraph  
3 (3)”; and

4 (ii) by striking “paragraph (6)” each  
5 place it appears and inserting “paragraph  
6 (4)”;  
7 (H) in paragraph (6), as redesignated—  
8 (i) by striking “paragraph (4)” and  
9 inserting “paragraph (2)”; and  
10 (ii) by striking “paragraphs (5) and  
11 (6)” and inserting “paragraphs (3) and  
12 (4)”;  
13 (I) in paragraph (7), as redesignated—  
14 (i) by striking “paragraph (8)” and  
15 inserting “paragraph (6)”; and  
16 (ii) by striking “paragraph (6)” each  
17 place it appears and inserting “paragraph  
18 (4)”; and  
19 (J) in paragraph (9), as redesignated, by  
20 striking “paragraph (4)” and inserting “para-  
21 graph (2)”.  
22

1                   **Subtitle B—Establishing a**  
2                   **Congressional Budget**

3   **SEC. 111. FISCAL YEAR 2014 BUDGET RESOLUTION.**

4                   (a) *FISCAL YEAR 2014.—For the purpose of enforcing*  
5   *the Congressional Budget Act of 1974 for fiscal year 2014,*  
6   *and enforcing, in the Senate, budgetary points of order in*  
7   *prior concurrent resolutions on the budget, the allocations,*  
8   *aggregates, and levels provided for in subsection (b) shall*  
9   *apply in the same manner as for a concurrent resolution*  
10   *on the budget for fiscal year 2014 with appropriate budg-*  
11   *etary levels for fiscal year 2014 and for fiscal years 2015*  
12   *through 2023.*

13                  (b) *COMMITTEE ALLOCATIONS, AGGREGATES, AND*  
14   *LEVELS.—The Chairmen of the Committee on the Budget*  
15   *of the House of Representatives and the Senate shall each*  
16   *submit a statement for publication in the Congressional*  
17   *Record as soon as practicable after the date of enactment*  
18   *of this Act that includes—*

19                  (1) *for the Committee on Appropriations of that*  
20   *House, committee allocations for fiscal year 2014 con-*  
21   *sistent with the discretionary spending limits set*  
22   *forth in this Act for the purpose of enforcing section*  
23   *302 of the Congressional Budget Act of 1974;*

4 (A) fiscal year 2014;

7 (C) fiscal years 2014 through 2023;

8       *consistent with the May 2013 baseline of the Congressional*  
9       *Budget Office adjusted to account for the budg-*  
10      *etary effects of this Act and legislation enacted prior*  
11      *to this Act but not included in the May 2013 baseline*  
12      *of the Congressional Budget Office, for the purpose of*  
13      *enforcing section 302 of the Congressional Budget Act*  
14      *of 1974;*

19 (4) aggregate revenue levels for—

20 (A) fiscal year 2014;

(B) fiscal years 2014 through 2018 in the Senate only; and

23 (C) fiscal years 2014 through 2023;

24 consistent with the May 2013 baseline of the Congressional  
25 Budget Office adjusted to account for the budg-

1       *etary effects of this Act and legislation enacted prior*  
2       *to this Act but not included in the May 2013 baseline*  
3       *of the Congressional Budget Office, for the purpose of*  
4       *enforcing section 311 of the Congressional Budget Act*  
5       *of 1974; and*

6           *(5) in the Senate only, levels of Social Security*  
7       *revenues and outlays for fiscal year 2014 and for the*  
8       *periods of fiscal years 2014 through 2018 and 2014*  
9       *through 2023 consistent with the May 2013 baseline*  
10       *of the Congressional Budget Office adjusted to account*  
11       *for the budgetary effects of this Act and legislation en-*  
12       *acted prior to this Act but not included in the May*  
13       *2013 baseline of the Congressional Budget Office, for*  
14       *the purpose of enforcing sections 302 and 311 of the*  
15       *Congressional Budget Act of 1974.*

16       *(c) FURTHER ADJUSTMENTS.—After the date of enact-*  
17       *ment of this Act, the Chairman of the Committee on the*  
18       *Budget of the House of Representatives may reduce the ag-*  
19       *gregates, allocations, and other budgetary levels included in*  
20       *the statement of the Chairman of the Committee on the*  
21       *Budget of the House of Representatives referred to in sub-*  
22       *section (b) to reflect the budgetary effects of any legislation*  
23       *enacted during the 113th Congress that reduces the deficit.*

1 **SEC. 112. LIMITATION ON ADVANCE APPROPRIATIONS IN**2 **THE SENATE.**3 **(a) POINT OF ORDER AGAINST ADVANCE APPROPRIA-**4 **TIONS IN THE SENATE.—**5 **(1) IN GENERAL.—**

6 **(A) POINT OF ORDER.**—Except as provided  
7 in paragraph (2), it shall not be in order in the  
8 Senate to consider any bill, joint resolution, mo-  
9 tion, amendment, amendment between the  
10 Houses, or conference report that would provide  
11 an advance appropriation.

12 **(B) DEFINITION.**—In this subsection, the  
13 term “advance appropriation” means any new  
14 budget authority provided in a bill or joint reso-  
15 lution making appropriations for fiscal year  
16 2014 that first becomes available for any fiscal  
17 year after 2014 or any new budget authority  
18 provided in a bill or joint resolution making ap-  
19 propriations for fiscal year 2015 that first be-  
20 comes available for any fiscal year after 2015.

21 **(2) EXCEPTIONS.**—Advance appropriations may  
22 be provided—

23 **(A) for fiscal years 2015 and 2016 for pro-**  
24 **grams, projects, activities, or accounts identified**  
25 **in a statement submitted to the Congressional**  
26 **Record by the Chairman of the Committee on the**

1           *Budget of the Senate under the heading “Ac-*  
2           *counts Identified for Advance Appropriations”*  
3           *in an aggregate amount not to exceed*  
4           *\$28,852,000,000 in new budget authority in each*  
5           *fiscal year;*

6           *(B) for the Corporation for Public Broad-*  
7           *casting; and*

8           *(C) for the Department of Veterans Affairs*  
9           *for the Medical Services, Medical Support and*  
10           *Compliance, and Medical Facilities accounts of*  
11           *the Veterans Health Administration.*

12           *(3) SUPERMAJORITY WAIVER AND APPEAL.—*

13           *(A) WAIVER.—In the Senate, paragraph (1)*  
14           *may be waived or suspended only by an affirma-*  
15           *tive vote of three-fifths of the Members, duly cho-*  
16           *sen and sworn.*

17           *(B) APPEAL.—An affirmative vote of three-*  
18           *fifths of the Members of the Senate, duly chosen*  
19           *and sworn, shall be required to sustain an ap-*  
20           *peal of the ruling of the Chair on a point of*  
21           *order raised under paragraph (1).*

22           *(4) FORM OF POINT OF ORDER.—A point of*  
23           *order under paragraph (1) may be raised by a Sen-*  
24           *ator as provided in section 313(e) of the Congres-*  
25           *sional Budget Act of 1974.*

(5) CONFERENCE REPORTS.—When the Senate is considering a conference report on, or an amendment between the Houses in relation to, a bill, upon a point of order being made by any Senator pursuant to this subsection, and such point of order being sustained, such material contained in such conference report or amendment between the Houses shall be stricken, and the Senate shall proceed to consider the question of whether the Senate shall recede from its amendment and concur with a further amendment, or concur in the House amendment with a further amendment, as the case may be, which further amendment shall consist of only that portion of the conference report or House amendment, as the case may be, not so stricken. Any such motion in the Senate shall be debatable. In any case in which such point of order is sustained against a conference report (or Senate amendment derived from such conference report by operation of this paragraph), no further amendment shall be in order.

(b) EXPIRATION.—Subsection (a) shall expire if a current resolution on the budget for fiscal year 2015 is agreed to by the Senate and House of Representatives pur-

1 suant to section 301 of the Congressional Budget Act of  
2 1974.

3 **SEC. 113. RULE OF CONSTRUCTION IN THE HOUSE OF REP-**  
4 **RESENTATIVES.**

5       *In the House of Representatives, for the remainder of  
6 the 113th Congress, the provisions of H. Con. Res. 25 (113th Con-  
7 gress), as deemed in force by H. Res. 243 (113th Con-  
8 gress), shall remain in force to the extent its budgetary lev-  
9 els are not superseded by this subtitle or by further action  
10 of the House of Representatives.*

11 **SEC. 114. ADDITIONAL SENATE BUDGET ENFORCEMENT.**

12       (a) *SENATE PAY-AS-YOU-GO SCORECARD.—*

13           *(1) IN GENERAL.—Effective on the date of enact-  
14 ment of this Act, for the purpose of enforcing section  
15 201 of S. Con. Res. 21 (110th Congress), the Chair-  
16 man of the Committee on the Budget of the Senate  
17 shall reduce any balances of direct spending and reve-  
18 nues for any fiscal year to zero.*

19           *(2) FISCAL YEAR 2015.—After April 15, 2014,  
20 but not later than May 15, 2014, for the purpose of  
21 enforcing section 201 of S. Con. Res. 21 (110th Con-  
22 gress), the Chairman of the Committee on the Budget  
23 of the Senate shall reduce any balances of direct  
24 spending and revenues for any fiscal year to zero.*

(b) FURTHER ADJUSTMENTS.—With respect to any al-  
locations, aggregates, or levels set or adjustments made pur-  
suant to this subtitle, sections 412 through 414 of S. Con.  
Res. 13 (111th Congress) shall remain in effect.

(c) DEFICIT-NEUTRAL RESERVE FUND TO REPLACE  
SEQUESTRATION.—The Chairman of the Committee on the  
Budget of the Senate may revise the allocations of a com-  
mittee or committees, aggregates, and other appropriate lev-  
els and limits set pursuant to this subtitle for one or more  
bills, joint resolutions, amendments, motions, or conference  
reports that amend section 251A of the Balanced Budget  
and Emergency Deficit Control Act of 1985 (2 U.S.C. 901a)  
to repeal or revise the enforcement procedures established  
under that section, by the amounts provided in such legisla-  
tion for those purposes, provided that such legislation would  
not increase the deficit over the period of the total of fiscal  
years 2014 through 2023. For purposes of determining def-  
icit-neutrality under this subsection, the Chairman may in-  
clude the estimated effects of any amendment or amend-  
ments to the discretionary spending limits in section 251(c)

1 of the Balanced Budget and Emergency Deficit Control Act  
2 of 1985 (2 U.S.C. 901(c)).

3                   (d)     *ADDITIONAL     DEFICIT-NEUTRAL     RESERVE*  
4    *FUNDS.—In the Senate only, sections 302, 303, 304, 305,*  
5    *306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317,*  
6    *318, 319, 320, 322, 323, 324, 325, 326, 327, 328, 329, 330,*  
7    *331, 332, 333, 334, 335, 338, 339, 340, 341, 344, 348, 349,*  
8    *350, 353, 354, 356, 361, 363, 364, 365, 366, 367, 368, 369,*  
9    *371, 376, 378, 379, and 383 of S. Con. Res. 8 (113th Con-*  
10    *gress), as passed the Senate, shall have force and effect.*

11 (e) EXPIRATION.—Subsections (a)(2), (c), and (d) shall  
12 expire if a concurrent resolution on the budget for fiscal  
13 year 2015 is agreed to by the Senate and House of Rep-  
14 resentatives pursuant to section 301 of the Congressional  
15 Budget Act of 1974.

16 SEC. 115. AUTHORITY FOR FISCAL YEAR 2015 BUDGET RESO-  
17 LUTION IN THE HOUSE OF REPRESENTA-  
18 TIVES.

19       (a) *FISCAL YEAR 2015.—If a concurrent resolution on*  
20 *the budget for fiscal year 2015 has not been adopted by*  
21 *April 15, 2014, for the purpose of enforcing the Congres-*  
22 *sional Budget Act of 1974, the allocations, aggregates, and*  
23 *levels provided for in subsection (b) shall apply in the*  
24 *House of Representatives after April 15, 2014, in the same*  
25 *manner as for a concurrent resolution on the budget for*

1 fiscal year 2015 with appropriate budgetary levels for fiscal  
2 year 2015 and for fiscal years 2016 through 2024.

3 (b) COMMITTEE ALLOCATIONS, AGGREGATES, AND  
4 LEVELS.—In the House of Representatives, the Chairman  
5 of the Committee on the Budget shall submit a statement  
6 for publication in the Congressional Record after April 15,  
7 2014, but not later than May 15, 2014, containing—

8 (1) for the Committee on Appropriations, com-  
9 mittee allocations for fiscal year 2015 at the total  
10 level as set forth in section 251(c)(2) of the Balanced  
11 Budget and Emergency Deficit Control Act of 1985  
12 for the purpose of enforcing section 302 of the Con-  
13 gressional Budget Act of 1974;

14 (2) for all committees other than the Committee  
15 on Appropriations, committee allocations for fiscal  
16 year 2015 and for the period of fiscal years 2015  
17 through 2024 at the levels included in the most recent  
18 baseline of the Congressional Budget Office, as ad-  
19 justed for the budgetary effects of any provision of law  
20 enacted during the period beginning on the date such  
21 baseline is issued and ending on the date of submis-  
22 sion of such statement, for the purpose of enforcing  
23 section 302 of the Congressional Budget Act of 1974;  
24 and

(c) ADDITIONAL MATTER.—The statement referred to in subsection (b) may also include for fiscal year 2015, the matter contained in title IV (reserve funds) and in sections 601, 603(a), 605(a), and 609 of H. Con. Res. 25 (113th Congress), as adopted by the House, updated by one fiscal year, including updated amounts for section 601.

17 (d) FISCAL YEAR 2015 ALLOCATION TO THE COM-  
18 MITTEE ON APPROPRIATIONS.—*If the statement referred to  
19 in subsection (b) is not filed by May 15, 2014, then the  
20 matter referred to in subsection (b)(1) shall be submitted  
21 by the Chairman of the Committee on the Budget for publi-  
22 cation in the Congressional Record on the next day that  
23 the House of Representatives is in session.*

24 (e) *ADJUSTMENTS.—The Chairman of the Committee*  
25 *on the Budget of the House of Representatives may adjust*

1 *the levels included in the statement referred to in subsection*  
2 *(b) to reflect the budgetary effects of any legislation enacted*  
3 *during the 113th Congress that reduces the deficit or as oth-*  
4 *erwise necessary.*

5 *(f) APPLICATION.—Subsections (a), (b), (c), (d), and*  
6 *(e) shall no longer apply if a concurrent resolution on the*  
7 *budget for fiscal year 2015 is agreed to by the Senate and*  
8 *House of Representatives pursuant to section 301 of the*  
9 *Congressional Budget Act of 1974.*

10 **SEC. 116. AUTHORITY FOR FISCAL YEAR 2015 BUDGET RESO-**  
11 **LUTION IN THE SENATE.**

12 *(a) FISCAL YEAR 2015.—For the purpose of enforcing*  
13 *the Congressional Budget Act of 1974, after April 15, 2014,*  
14 *and enforcing budgetary points of order in prior concurrent*  
15 *resolutions on the budget, the allocations, aggregates, and*  
16 *levels provided for in subsection (b) shall apply in the Sen-*  
17 *ate in the same manner as for a concurrent resolution on*  
18 *the budget for fiscal year 2015 with appropriate budgetary*  
19 *levels for fiscal years 2014 and 2016 through 2024.*

20 *(b) COMMITTEE ALLOCATIONS, AGGREGATES, AND*  
21 *LEVELS.—After April 15, 2014, but not later than May 15,*  
22 *2014, the Chairman of the Committee on the Budget of the*  
23 *Senate shall file—*

24 *(1) for the Committee on Appropriations, com-*  
25 *mittee allocations for fiscal years 2014 and 2015 con-*

1       sistent with the discretionary spending limits set  
2       forth in this Act for the purpose of enforcing section  
3       302 of the Congressional Budget Act of 1974;

4               (2) for all committees other than the Committee  
5       on Appropriations, committee allocations for fiscal  
6       years 2014, 2015, 2015 through 2019, and 2015  
7       through 2024 consistent with the most recent baseline  
8       of the Congressional Budget Office for the purpose of  
9       enforcing section 302 of the Congressional Budget Act  
10      of 1974;

11               (3) aggregate spending levels for fiscal years  
12       2014 and 2015 in accordance with the allocations es-  
13       tablished under paragraphs (1) and (2), for the pur-  
14       pose of enforcing section 311 of the Congressional  
15       Budget Act of 1974;

16               (4) aggregate revenue levels for fiscal years 2014,  
17       2015, 2015 through 2019, and 2015 through 2024  
18       consistent with the most recent baseline of the Con-  
19       gressional Budget Office for the purpose of enforcing  
20       section 311 of the Congressional Budget Act of 1974;  
21       and

22               (5) levels of Social Security revenues and outlays  
23       for fiscal years 2014, 2015, 2015 through 2019, and  
24       2015 through 2024 consistent with the most recent  
25       baseline of the Congressional Budget Office for the

1       *purpose of enforcing sections 302 and 311 of the Con-*  
2       *gressional Budget Act of 1974.*

3       *(c) ADDITIONAL MATTER.—The filing referred to in*  
4       *subsection (b) may also include, for fiscal year 2015, the*  
5       *reserve funds included in section 114(c) and (d) of this Act,*  
6       *updated by one fiscal year.*

7       *(d) SUPERSEDING PREVIOUS STATEMENT.—In the*  
8       *Senate, the filing referred to in subsection (b) shall super-*  
9       *sede the statement referred to in section 111(b) of this Act.*

10       *(e) EXPIRATION.—This section shall expire if a con-*  
11       *current resolution on the budget for fiscal year 2015 is*  
12       *agreed to by the Senate and House of Representatives pur-*  
13       *suant to section 301 of the Congressional Budget Act of*  
14       *1974.*

15       **SEC. 117. EXCLUSION OF SAVINGS FROM PAYGO SCORE-**  
16       **CARDS.**

17       *(a) STATUTORY PAY-AS-YOU-GO SCORECARDS.—Not-*  
18       *withstanding section 1(c) of this division, the budgetary ef-*  
19       *fects of this Act shall not be entered on either PAYGO score-*  
20       *card maintained pursuant to section 4(d) of the Statutory*  
21       *Pay-As-You-Go Act of 2010.*

22       *(b) SENATE PAYGO SCORECARDS.—Notwithstanding*  
23       *section 1(c) of this division, the budgetary effects of this Act*  
24       *shall not be entered on any PAYGO scorecard maintained*

1 for purposes of section 201 of S. Con. Res. 21 (110th Con-  
2 gress).

3 **SEC. 118. EXERCISE OF RULEMAKING POWERS.**

4 The provisions of this subtitle are enacted by the Con-  
5 gress—

6 (1) as an exercise of the rulemaking power of the  
7 House of Representatives and the Senate, respectively,  
8 and as such they shall be considered as part of the  
9 rules of each House, respectively, or of that House to  
10 which they specifically apply, and such rules shall su-  
11 persede other rules only to the extent that they are in-  
12 consistent therewith; and

13 (2) with full recognition of the constitutional  
14 right of either House to change such rules (so far as  
15 relating to such House) at any time, in the same  
16 manner, and to the same extent as in the case of any  
17 other rule of such House.

18 **Subtitle C—Technical Corrections**

19 **SEC. 121. TECHNICAL CORRECTIONS TO THE BALANCED  
20 BUDGET AND EMERGENCY DEFICIT CONTROL  
21 ACT OF 1985.**

22 The Balanced Budget and Emergency Deficit Control  
23 Act of 1985 is amended as follows:

1                   (1) *In section 252(b)(2)(B), strike “applicable to*  
2                   *budget year” and insert “applicable to the budget*  
3                   *year”.*

4                   (2) *In section 252(c)(1)(C)(i), strike “paragraph*  
5                   *(1)” and insert “subsection (b)”.*

6                   (3) *In section 254(c)(3)(A), strike “subsection*  
7                   *252(b)” and insert “section 252(b)”.*

8                   (4) *In section 254(f)(4), strike “subsection*  
9                   *252(b)” and insert “section 252(b)”.*

10                  (5) *In section 255(a), strike “section 231b(a),*  
11                  *231b(f)(2), 231c(a), and 231c(f) of title 45 United*  
12                  *States Code” and insert “sections 3 and 4 of the Rail-*  
13                  *road Retirement Act of 1937 (45 U.S.C. 231 et seq.)”.*

14                  (6) *In section 255(h), in the item relating to*  
15                  *Federal Pell Grants, strike “section 401 Title IV” and*  
16                  *insert “section 401 of title IV”.*

17                  (7) *In the first subsection (j) of section 255 (re-*  
18                  *lating to Split Treatment Programs), move the mar-*  
19                  *gins for the list items two ems to the right.*

20                  (8) *Redesignate the second subsection (j) of sec-*  
21                  *tion 255 (relating to Identification of Programs) as*  
22                  *subsection (k).*

23                  (9) *In section 257(b)(2)(A)(i), strike “differenes”*  
24                  *and insert “differences”.*

3 SEC. 122. TECHNICAL CORRECTIONS TO THE CONGRES-  
4 SIONAL BUDGET ACT OF 1974.

5        *The Congressional Budget Act of 1974 is amended as*  
6        *follows:*

23        "(b) IN THE HOUSE OF REPRESENTATIVES.—In the  
24 House of Representatives, no bill or joint resolution, or  
25 amendment thereto, or conference report thereon, dealing

1 *with any matter which is within the jurisdiction of the*  
2 *Committee on the Budget shall be considered unless it is*  
3 *a bill or joint resolution which has been reported by the*  
4 *Committee on the Budget (or from the consideration of*  
5 *which such committee has been discharged) or unless it is*  
6 *an amendment to such a bill or joint resolution.”.*

7                   (8) *In section 308(d), in the subsection heading,*  
8                   *strike “Scorekeeping Guidelines.—” and insert*  
9                   *“SCOREKEEPING GUIDELINES.—”*

10                  (9) *In section 310(c)(1)(A)(i) and (ii), strike*  
11                  *“under that paragraph by more than” and insert*  
12                  *“under that paragraph by more than—”.*

13                  (10) *In section 314(d)(2), strike subparagraph*  
14                  *(A), redesignate subparagraphs (B) and (C) as sub-*  
15                  *paragraphs (A) and (B) respectively, in subpara-*  
16                  *graph (A), as redesignated, strike “under subpara-*  
17                  *graph (A)” and insert “under paragraph (1)”, and in*  
18                  *subparagraph (B), as redesignated, strike “under sub-*  
19                  *paragraph (B)” and insert “under subparagraph*  
20                  *(A)”.*

21                  (11) *In section 315, add at the end the following*  
22                  *new sentence: “In the case of a reported bill or joint*  
23                  *resolution considered pursuant to a special order of*  
24                  *business, a point of order under section 303 shall be*  
25                  *determined on the basis of the text made in order as*

1       *an original bill or joint resolution for the purpose of*  
2       *amendment or to the text on which the previous ques-*  
3       *tion is ordered directly to passage, as the case may*  
4       *be.”.*

5           *(12) In section 401(b)(2), strike “section 302(b)”*  
6       *and insert “section 302(a)”.*

7           *(13) In section 401(c), add at the end the fol-*  
8       *lowing new paragraph:*

9           *“(3) In the House of Representatives, subsections*  
10       *(a) and (b) shall not apply to new authority described*  
11       *in those subsections to the extent that a provision in*  
12       *a bill or joint resolution, or an amendment thereto or*  
13       *a conference report thereon, establishes prospectively*  
14       *for a Federal office or position a specified or min-*  
15       *imum level of compensation to be funded by annual*  
16       *discretionary appropriations.”.*

17           *(14) In section 421(5)(A)(i)(II), strike “subpara-*  
18       *graph (B))” and insert “subparagraph (B)”.*

19           *(15) In section 505(c), strike “section 406(b)”*  
20       *both places it appears and insert “section 405(b)”.*

21           *(16) In section 904(c)(2), strike*  
22       *“258A(b)(3)(C)(I)” and “258(h)(3)” and insert*  
23       *“258A(b)(3)(C)(i)” and “258B(h)(3)”, respectively,*  
24       *and strike “and 314(e)” and insert “314(e), and*  
25       *314(f)”.*

**6           TITLE II—PREVENTION OF**  
**7           WASTE, FRAUD, AND ABUSE**

8 SEC. 201. IMPROVING THE COLLECTION OF UNEMPLOY-  
9 MENT INSURANCE OVERPAYMENTS.

10           (a) *IN GENERAL.*—Section 303 of the Social Security  
11 Act (42 U.S.C. 503) is amended by adding at the end the  
12 following:

13        "(m) In the case of a covered unemployment compensa-  
14      tion debt (as defined under section 6402(f)(4) of the Inter-  
15      nal Revenue Code of 1986) that remains uncollected as of  
16      the date that is 1 year after the debt was finally determined  
17      to be due and collected, the State to which such debt is owed  
18      shall take action to recover such debt under section 6402(f)  
19      of the Internal Revenue Code of 1986.".

20 (b) *EFFECTIVE DATE.*—The amendment made by sub-  
21 section (a) shall take effect upon the date of enactment of  
22 this Act.

1 SEC. 202. **STRENGTHENING MEDICAID THIRD-PARTY LI-**2 **ABILITY.**3 (a) *PAYMENT FOR PRENATAL AND PREVENTIVE PEDI-  
4 ATRIC CARE AND IN CASES INVOLVING MEDICAL SUP-  
5 PORT.*—Section 1902(a)(25) of the Social Security Act (42  
6 U.S.C. 1396a(a)(25)) is amended—7 (1) *in subparagraph (E)(i), by inserting before  
8 the semicolon at the end the following: “, except that  
9 the State may, if the State determines doing so is  
10 cost-effective and will not adversely affect access to  
11 care, only make such payment if a third party so lia-  
12 ble has not made payment within 90 days after the  
13 date the provider of such services has initially sub-  
14 mitted a claim to such third party for payment for  
15 such services”;* and16 (2) *in subparagraph (F)(i), by striking “30 days  
17 after such services are furnished” and inserting “90  
18 days after the date the provider of such services has  
19 initially submitted a claim to such third party for  
20 payment for such services, except that the State may  
21 make such payment within 30 days after such date if  
22 the State determines doing so is cost-effective and nec-  
23 essary to ensure access to care.”.*24 (b) *RECOVERY OF MEDICAID EXPENDITURES FROM  
25 BENEFICIARY LIABILITY SETTLEMENTS.*—

20                   “(A) pursuant to—

21                   “(i) the judgment of a court on account of  
22                   benefits incorrectly paid on behalf of such indi-  
23                   vidual, or

1                   “(ii) rights acquired by or assigned to the  
2                   State in accordance with section 1902(a)(25)(H)  
3                   or section 1912(a)(1)(A), or”.

4                   (c) **EFFECTIVE DATE.**—The amendments made by this  
5                   section shall take effect on October 1, 2014.

6                   **SEC. 203. RESTRICTION ON ACCESS TO THE DEATH MASTER**

7                   **FILE.**

8                   (a) **IN GENERAL.**—The Secretary of Commerce shall  
9                   not disclose to any person information contained on the  
10                  Death Master File with respect to any deceased individual  
11                  at any time during the 3-calendar-year period beginning  
12                  on the date of the individual’s death, unless such person  
13                  is certified under the program established under subsection  
14                  (b).

15                  (b) **CERTIFICATION PROGRAM.**—

16                  (1) **IN GENERAL.**—The Secretary of Commerce  
17                  shall establish a program—

18                   (A) to certify persons who are eligible to ac-  
19                   cess the information described in subsection (a)  
20                   contained on the Death Master File, and

21                   (B) to perform periodic and unscheduled  
22                   audits of certified persons to determine the com-  
23                   pliance by such certified persons with the re-  
24                   quirements of the program.

6 (A) has—

19 (C) agrees to satisfy the requirements of  
20 such section 6103(p)(4) as if such section applied  
21 to such person.

22 (3) FEES.—

1           *of fees sufficient to cover (but not to exceed) all*  
2           *costs associated with evaluating applications for*  
3           *certification and auditing, inspecting, and moni-*  
4           *toring certified persons under the program. Any*  
5           *fees so collected shall be deposited and credited as*  
6           *offsetting collections to the accounts from which*  
7           *such costs are paid.*

8           *(B) REPORT.—The Secretary of Commerce*  
9           *shall report on an annual basis to the Committee*  
10           *on Finance of the Senate and the Committee on*  
11           *Ways and Means of the House of Representatives*  
12           *on the total fees collected during the preceding*  
13           *year and the cost of administering the certifi-*  
14           *cation program under this subsection for such*  
15           *year.*

16           *(c) IMPOSITION OF PENALTY.—*

17           *(1) IN GENERAL.—Any person who is certified*  
18           *under the program established under subsection (b),*  
19           *who receives information described in subsection (a),*  
20           *and who during the period of time described in sub-*  
21           *section (a)—*

22           *(A) discloses such information to any per-*  
23           *son other than a person who meets the require-*  
24           *ments of subparagraphs (A), (B), and (C) of sub-*  
25           *section (b)(2),*

## 13 (2) LIMITATION ON PENALTY.—

23 (d) DEATH MASTER FILE.—For purposes of this sec-  
24 tion, the term “Death Master File” means information on  
25 the name, social security account number, date of birth, and

1 *date of death of deceased individuals maintained by the*  
2 *Commissioner of Social Security, other than information*  
3 *that was provided to such Commissioner under section*  
4 *205(r) of the Social Security Act (42 U.S.C. 405(r)).*

5       (e) *EXEMPTION FROM FREEDOM OF INFORMATION ACT*  
6 *REQUIREMENT WITH RESPECT TO CERTAIN RECORDS OF*  
7 *DECEASED INDIVIDUALS.—*

8           (1) *IN GENERAL.—No Federal agency shall be*  
9 *compelled to disclose the information described in sub-*  
10 *section (a) to any person who is not certified under*  
11 *the program established under subsection (b).*

12           (2) *TREATMENT OF INFORMATION.—For pur-*  
13 *poses of section 552 of title 5, United States Code, this*  
14 *section shall be considered a statute described in sub-*  
15 *section (b)(3) of such section 552.*

16       (f) *EFFECTIVE DATE.—*

17           (1) *IN GENERAL.—Except as provided in para-*  
18 *graph (2), this section shall take effect on the date*  
19 *that is 90 days after the date of the enactment of this*  
20 *Act.*

21           (2) *FOIA EXEMPTION.—Subsection (e) shall take*  
22 *effect on the date of the enactment of this Act.*

1 **SEC. 204. IDENTIFICATION OF INMATES REQUESTING OR**2 **RECEIVING IMPROPER PAYMENTS.**3 **(a) INFORMATION PROVIDED TO THE PRISONER UP-**4 **DATE PROCESSING SYSTEM (PUPS).—**5                   **(1) SECTION 202(x)(3)(B)(i)(I).**—Section

6                   202(x)(3)(B)(i)(I) of the Social Security Act (42

7                   U.S.C. 402(x)(3)(B)(i)(I)) is amended by—

8                   (A) inserting “first, middle, and last” before

9                   “names”;

10                   (B) striking the comma after the words “so-  
11                   cial security account numbers” and inserting “or  
12                   taxpayer identification numbers, prison assigned  
13                   inmate numbers, last known addresses, ”;14                   (C) inserting “dates of release or antici-  
15                   pated dates of release, dates of work release,” be-  
16                   fore “and, to the extent available”; and17                   (D) by inserting “and clause (iv) of this  
18                   subparagraph” after “paragraph (1)”.19                   **(2) SECTION 1611(e)(1)(I)(i)(I).**—Section

20                   1611(e)(1)(I)(i)(I) of the Social Security Act (42

21                   U.S.C. 1382(e)(1)(I)(i)(I)) is amended by—

22                   (A) inserting “first, middle, and last” before  
23                   “names”;24                   (B) striking the comma after the words “so-  
25                   cial security account numbers” and inserting “or

1           *taxpayer identification numbers, prison assigned*  
2           *inmate numbers, last known addresses,”;*

3           *(C) inserting “dates of release or anticipated*  
4           *dates of release, dates of work release,” be-*  
5           *fore “and, to the extent available”;* and

6           *(D) by inserting “and clause (iv) of this*  
7           *subparagraph” after “this paragraph”.*

8           *(b) AUTHORITY OF SECRETARY OF THE TREASURY TO*  
9           *ACCESS PUPS.—*

10           *(1) SECTION 202(x)(3)(B).—Section 202(x)(3)(B)*  
11           *of the Social Security Act (42 U.S.C. 402(x)(3)(B)) is*  
12           *amended—*

13           *(A) in clause (iv), by inserting before the*  
14           *period the following: “, for statistical and re-*  
15           *search activities conducted by Federal and State*  
16           *agencies, and to the Secretary of the Treasury*  
17           *for the purposes of tax administration, debt col-*  
18           *lection, and identifying, preventing, and recov-*  
19           *ering improper payments under federally funded*  
20           *programs”;* and

21           *(B) by adding at the end the following:*

22           *“(v)(I) The Commissioner may disclose information*  
23           *received pursuant to this paragraph to any officer, em-*  
24           *ployee, agent, or contractor of the Department of the Treas-*  
25           *ury whose official duties require such information to assist*

1 *in the identification, prevention, and recovery of improper*  
2 *payments or in the collection of delinquent debts owed to*  
3 *the United States, including payments certified by the head*  
4 *of an executive, judicial, or legislative paying agency, and*  
5 *payments made to individuals whose eligibility, or con-*  
6 *tinuing eligibility, to participate in a Federal program (in-*  
7 *cluding those administered by a State or political subdivi-*  
8 *sion thereof) is being reviewed.*

9       “(II) *Notwithstanding the provisions of section 552a*  
10 *of title 5, United States Code, or any other provision of*  
11 *Federal or State law, the Secretary of the Treasury may*  
12 *compare information disclosed under subclause (I) with any*  
13 *other personally identifiable information derived from a*  
14 *Federal system of records or similar records maintained by*  
15 *a Federal contractor, a Federal grantee, or an entity ad-*  
16 *ministering a Federal program or activity, and may redis-*  
17 *close such comparison of information to any paying or ad-*  
18 *ministering agency and to the head of the Federal Bureau*  
19 *of Prisons and the head of any State agency charged with*  
20 *the administration of prisons with respect to inmates whom*  
21 *the Secretary of the Treasury has determined may have been*  
22 *issued, or facilitated in the issuance of, an improper pay-*  
23 *ment.*

1       “(III) The comparison of information disclosed under  
2 subclause (I) shall not be considered a matching program  
3 for purposes of section 552a of title 5, United States Code.”.

4           (2) SECTION 1611(e)(1)(I).—Section 1611(e)(1)(I)  
5 of the Social Security Act (42 U.S.C. 1382(e)(1)(I))  
6 is amended—

7           (A) in clause (iii), by inserting before the  
8 period the following: “, for statistical and re-  
9 search activities conducted by Federal and State  
10 agencies, and to the Secretary of the Treasury  
11 for the purposes of tax administration, debt col-  
12 lection, and identifying, preventing, and recov-  
13 ering improper payments under federally funded  
14 programs”; and

15           (B) by adding at the end the following:

16       “(v)(I) The Commissioner may disclose information  
17 received pursuant to this paragraph to any officer, em-  
18 ployee, agent, or contractor of the Department of the Treas-  
19 ury whose official duties require such information to assist  
20 in the identification, prevention, and recovery of improper  
21 payments or in the collection of delinquent debts owed to  
22 the United States, including payments certified by the head  
23 of an executive, judicial, or legislative paying agency, and  
24 payments made to individuals whose eligibility, or con-  
25 tinuing eligibility, to participate in a Federal program (in-

1 *cluding those administered by a State or political subdivi-*  
2 *sion thereof) is being reviewed.*

3       “(II) *Notwithstanding the provisions of section 552a*  
4 *of title 5, United States Code, or any other provision of*  
5 *Federal or State law, the Secretary of the Treasury may*  
6 *compare information disclosed under subclause (I) with any*  
7 *other personally identifiable information derived from a*  
8 *Federal system of records or similar records maintained by*  
9 *a Federal contractor, a Federal grantee, or an entity ad-*  
10 *ministering a Federal program or activity and may redis-*  
11 *close such comparison of information to any paying or ad-*  
12 *ministering agency and to the head of the Federal Bureau*  
13 *of Prisons and the head of any State agency charged with*  
14 *the administration of prisons with respect to inmates whom*  
15 *the Secretary of the Treasury has determined may have been*  
16 *issued, or facilitated in the issuance of, an improper pay-*  
17 *ment.*

18       “(III) *The comparison of information disclosed under*  
19 *subclause (I) shall not be considered a matching program*  
20 *for purposes of section 552a of title 5, United States Code.”.*

21       (c) *CONFORMING AMENDMENT TO THE DO NOT PAY*  
22 *INITIATIVE.—Section 5(a)(2) of the Improper Payments*  
23 *Elimination and Recovery Improvement Act of 2012 (31*  
24 *U.S.C. 3321 note) is amended by adding at the end the fol-*  
25 *lowing:*

1                   “(F) Information regarding incarcerated  
2                   individuals maintained by the Commissioner of  
3                   Social Security under sections 202(x) and  
4                   1611(e) of the Social Security Act.”.

5                   **TITLE III—NATURAL RESOURCES**

6                   **SEC. 301. ULTRA-DEEPWATER AND UNCONVENTIONAL NAT-  
7                   URAL GAS AND OTHER PETROLEUM RE-  
8                   SOURCES.**

9                   (a) *REPEAL*.—Subtitle J of title IX of the Energy Pol-  
10               icy Act of 2005 (42 U.S.C. 16371 et seq.) is repealed.

11               (b) *RESCISSION*.—Any unobligated funds appro-  
12               priated for carrying out the subtitle repealed by subsection  
13               (a) are rescinded.

14               **SEC. 302. AMENDMENT TO THE MINERAL LEASING ACT.**

15               Section 35(b) of the Mineral Leasing Act (30 U.S.C.  
16               191(b)) is amended to read as follows—

17               “(b) *DEDUCTION FOR ADMINISTRATIVE COSTS*.—In  
18               determining the amount of payments to the States under  
19               this section, beginning in fiscal year 2014 and for each year  
20               thereafter, the amount of such payments shall be reduced  
21               by 2 percent for any administrative or other costs incurred  
22               by the United States in carrying out the program author-  
23               ized by this Act, and the amount of such reduction shall  
24               be deposited to miscellaneous receipts of the Treasury.”.

1 **SEC. 303. APPROVAL OF AGREEMENT WITH MEXICO.**

2       *The Agreement between the United States of America  
3 and the United Mexican States Concerning Transboundary  
4 Hydrocarbon Reservoirs in the Gulf of Mexico, signed at  
5 Los Cabos, February 20, 2012, is hereby approved.*

6 **SEC. 304. AMENDMENT TO THE OUTER CONTINENTAL**7                    **SHELF LANDS ACT.**

8       *The Outer Continental Shelf Lands Act (43 U.S.C.  
9 1331 et seq.) is amended by adding at the end the following:*

10 **“SEC. 32. TRANSBOUNDARY HYDROCARBON AGREEMENTS.**

11       “(a) AUTHORIZATION.—*After the date of enactment of  
12 the Bipartisan Budget Act of 2013, the Secretary may im-  
13 plement the terms of any transboundary hydrocarbon agree-  
14 ment for the management of transboundary hydrocarbon  
15 reservoirs entered into by the President and approved by  
16 Congress. In implementing such an agreement, the Sec-  
17 retary shall protect the interests of the United States to pro-  
18 mote domestic job creation and ensure the expeditious and  
19 orderly development and conservation of domestic mineral  
20 resources in accordance with all applicable United States  
21 laws governing the exploration, development, and produc-  
22 tion of hydrocarbon resources on the Outer Continental  
23 Shelf.*

24       “(b) SUBMISSION TO CONGRESS.—

25       “(1) IN GENERAL.—*No later than 180 days after  
26 all parties to a transboundary hydrocarbon agreement*

1       *have agreed to its terms, a transboundary hydro-*  
2       *carbon agreement that does not constitute a treaty in*  
3       *the judgment of the President shall be submitted by*  
4       *the Secretary to—*

5               “*(A) the Speaker of the House of Represent-*  
6       *atives;*

7               “*(B) the Majority Leader of the Senate;*  
8               “*(C) the Chair of the Committee on Natural*  
9       *Resources of the House of Representatives; and*

10               “*(D) the Chair of the Committee on Energy*  
11       *and Natural Resources of the Senate.*

12               “*(2) CONTENTS OF SUBMISSION.—The submis-*  
13       *sion shall include—*

14               “*(A) any amendments to this Act or other*  
15       *Federal law necessary to implement the agree-*  
16       *ment;*

17               “*(B) an analysis of the economic impacts*  
18       *such agreement and any amendments neces-*  
19       *sitated by the agreement will have on domestic*  
20       *exploration, development, and production of hy-*  
21       *drocarbon resources on the Outer Continental*  
22       *Shelf; and*

23               “*(C) a detailed description of any regula-*  
24       *tions expected to be issued by the Secretary to*  
25       *implement the agreement.*

1       “(c) *IMPLEMENTATION OF SPECIFIC TRANSBOUNDARY*  
2 *AGREEMENT WITH MEXICO.*—The Secretary may take ac-  
3 tions as necessary to implement the terms of the Agreement  
4 between the United States of America and the United Mexi-  
5 can States Concerning Transboundary Hydrocarbon Res-  
6 ervoirs in the Gulf of Mexico, signed at Los Cabos, February  
7 20, 2012, including—

8           “(1) approving unitization agreements and re-  
9 lated arrangements for the exploration, development,  
10 or production of oil and natural gas from trans-  
11 boundary reservoirs or geological structures;

12           “(2) making available, in the limited manner  
13 necessary under the agreement and subject to the pro-  
14 tections of confidentiality provided by the agreement,  
15 information relating to the exploration, development,  
16 and production of oil and natural gas from a trans-  
17 boundary reservoir or geological structure that may  
18 be considered confidential, privileged, or proprietary  
19 information under law;

20           “(3) taking actions consistent with an expert de-  
21 termination under the agreement; and

22           “(4) ensuring only appropriate inspection staff  
23 at the Bureau of Safety and Environmental Enforce-  
24 ment or other Federal agency personnel designated by  
25 the Bureau, the operator, or the lessee have authority

1       *to stop work on any installation or other device or*  
2       *vessel permanently or temporarily attached to the sea-*  
3       *bed of the United States that may be erected thereon*  
4       *for the purpose of resource exploration, development*  
5       *or production activities as approved by the Secretary.*

6       “*(d) SAVINGS PROVISIONS.—Nothing in this section*  
7       *shall be construed—*

8           “*(1) to authorize the Secretary to participate in*  
9       *any negotiations, conferences, or consultations with*  
10       *Cuba regarding exploration, development, or produc-*  
11       *tion of hydrocarbon resources in the Gulf of Mexico*  
12       *along the United States maritime border with Cuba*  
13       *or the area known by the Department of the Interior*  
14       *as the ‘Eastern Gap’; or*

15           “*(2) as affecting the sovereign rights and the ju-*  
16       *risdiction that the United States has under inter-*  
17       *national law over the Outer Continental Shelf that*  
18       *appertains to it.”.*

19       **SEC. 305. FEDERAL OIL AND GAS ROYALTY PREPAYMENT**

20           **CAP.**

21       “(a) *IN GENERAL.—Section 111(i) of the Federal Oil*  
22       *and Gas Royalty Management Act of 1982 (30 U.S.C.*  
23       *1721(i)) is amended by striking “(i) Upon” and all that*  
24       *follows through “For purposes” and inserting the following:*

25       “*(i) LIMITATION ON INTEREST.—*

1           “(1) *IN GENERAL*.—Interest shall not be paid on  
2        any excessive overpayment.

3           “(2) *EXCESSIVE OVERPAYMENT DEFINED*.—For  
4        purposes”.

5           (b) *EFFECTIVE DATE*.—The amendment made by sub-  
6        section (a) shall take effect on July 1, 2014.

7   **SEC. 306. STRATEGIC PETROLEUM RESERVE.**

8           (a) *REPEAL OF AUTHORITY TO ACQUIRE IN-KIND  
9        ROYALTY CRUDE OIL*.—Section 160(a) of the Energy Pol-  
10      icy and Conservation Act (42 U.S.C. 6240(a)) is amended  
11      to read as follows:

12           “(a) The Secretary may acquire, place in storage,  
13      transport, or exchange petroleum products acquired by pur-  
14      chase or exchange.”.

15           (b) *RESCISSION OF FUNDS*.—Any unobligated bal-  
16      ances available in the SPR Petroleum Account in the Treas-  
17      ury on the date of enactment of this section are permanently  
18      rescinded.

19   **TITLE IV—FEDERAL CIVILIAN  
20      AND MILITARY RETIREMENT**

21   **SEC. 401. INCREASE IN CONTRIBUTIONS TO FEDERAL EM-  
22      PLOYEES' RETIREMENT SYSTEM FOR NEW EM-  
23      PLOYEES.**

24           (a) *DEFINITION*.—

1 (1) *IN GENERAL.—Section 8401 of title 5,*

2        *United States Code, is amended—*

3 (A) in paragraph (36), by striking "and"

4 *at the end;*

5 (B) in paragraph (37), by striking the pe-

6                   *riod and inserting “; and”; and*

7 (C) by adding at the end the following:

8           “(38) the term ‘further revised annuity employee’

9 means any individual who—

19                   “(B) after December 31, 2013, becomes em-  
20                   ployed as an employee or becomes a Member cov-  
21                   ered under this chapter performing service which  
22                   is creditable service under section 8411.”.

23 (2) TECHNICAL AMENDMENT.—Section  
24 8401(37)(B) of title 5, United States Code, is amend-

1       ed by inserting “and before January 1, 2014,” after  
 2       “after December 31, 2012.”.

3       (b) *INCREASE IN INDIVIDUAL CONTRIBUTIONS.*—Section  
 4 8422(a)(3) of title 5, United States Code, is amended—

5           (1) in subparagraph (A), by inserting “or fur-  
 6       ther revised annuity employees” after “revised annu-  
 7       ity employees”; and

8           (2) by adding at the end the following:

9           “(C) The applicable percentage under this paragraph  
 10 for civilian service by further revised annuity employees  
 11 shall be as follows:

“Employee .....	10.6	After December 31, 2013.
Congressional em- ployee .....	10.6	After December 31, 2013.
Member .....	10.6	After December 31, 2013.
Law enforcement offi- cer, firefighter, member of the Cap- itol Police, member of the Supreme Court Police, or air traffic controller .....	11.1	After December 31, 2013.
Nuclear materials cou- rier .....	11.1	After December 31, 2013.
Customs and border protection officer .....	11.1	After December 31, 2013.”.

12       (c) *GOVERNMENT CONTRIBUTIONS.*—Section  
 13 8423(a)(2) of title 5, United States Code, is amended—

14           (1) by striking “(2)” and inserting “(2)(A)”;  
 15       and

16           (2) by adding at the end the following:

17           “(B)(i) Subject to clauses (ii) and (iii), for purposes  
 18 of any period in any year beginning after December 31,

1 2013, the normal-cost percentage under this subsection shall  
2 be determined and applied as if section 401(b) of the Bipar-  
3 tisan Budget Act of 2013 had not been enacted.

4       “(ii) Any contributions under this subsection in excess  
5 of the amounts which (but for clause (i)) would otherwise  
6 have been payable shall be applied toward reducing the un-  
7 funded liability of the Civil Service Retirement System.

8       “(iii) After the unfunded liability of the Civil Service  
9 Retirement System has been eliminated, as determined by  
10 the Office, Government contributions under this subsection  
11 shall be determined and made disregarding this subpara-  
12 graph.

13       “(iv) The preceding provisions of this subparagraph  
14 shall be disregarded for purposes of determining the con-  
15 tributions payable by the United States Postal Service and  
16 the Postal Regulatory Commission.”.

17       (d) ANNUITY CALCULATION.—Section 8415(d) of title  
18 5, United States Code, is amended by inserting “or a fur-  
19 ther revised annuity employee” after “a revised annuity  
20 employee”.

21 **SEC. 402. FOREIGN SERVICE PENSION SYSTEM.**

22       (a) DEFINITION.—

23           (1) IN GENERAL.—Section 852 of the Foreign  
24 Service Act of 1980 (22 U.S.C. 4071a) is amended—

6                   “(8) the term ‘further revised annuity partici-  
7                   pant’ means any individual who—

21 (b) DEDUCTIONS AND WITHHOLDINGS FROM PAY.—

22 Section 856(a)(2) of the Foreign Service Act of 1980 (22  
23 U.S.C. 4071e(a)(2)) is amended—

4 (2) by adding at the end the following:

5       “(C) The applicable percentage for a further revised  
6 annuity participant shall be as follows:

“11.15 ..... After December 31, 2013.”

7       (c) GOVERNMENT CONTRIBUTIONS.—Section 857 of the  
8 Foreign Service Act of 1980 (22 U.S.C. 4071f) is amended  
9 by adding at the end the following:

10       “(c)(1) Subject to paragraphs (2) and (3), for purposes  
11 of any period in any year beginning after December 31,  
12 2013, the normal-cost percentage under this section shall  
13 be determined and applied as if section 402(b) of the Bipar-  
14 tisan Budget Act of 2013 had not been enacted.

15       “(2) Any contributions under this section in excess of  
16 the amounts which (but for paragraph (1)) would otherwise  
17 have been payable shall be applied toward reducing the un-  
18 funded liability of the Foreign Service Retirement and Dis-  
19 ability System.

20       “(3) After the unfunded liability of the Foreign Service  
21 Retirement and Disability System has been eliminated, as  
22 determined by the Secretary of State, Government contribu-  
23 tions under this section shall be determined and made dis-  
24 regarding this subsection.”.

1 **SEC. 403. ANNUAL ADJUSTMENT OF RETIRED PAY AND RE-**2 **TAINER PAY AMOUNTS FOR RETIRED MEM-**3 **BERS OF THE ARMED FORCES UNDER AGE 62.**4 (a) *CPI MINUS ONE PERCENT.*—Section 1401a(b) of  
5 title 10, *United States Code*, is amended—6 (1) in paragraph (1), by striking “paragraphs  
7 (2) and (3)” and inserting “paragraph (2), (3), or  
8 (4)”;9 (2) by redesignating paragraphs (4) and (5) as  
10 paragraphs (5) and (6), respectively; and11 (3) by inserting after paragraph (3) the fol-  
12 lowing new paragraph (4):13 “(4) *REDUCED PERCENTAGE FOR RETIRED MEM-*  
14 *BERS UNDER AGE 62.*—15 (A) *IN GENERAL.*—Effective on December  
16 1 of each year, the retired pay of each member  
17 and former member under 62 years of age enti-  
18 tled to that pay shall be adjusted in accordance  
19 with this paragraph instead of paragraph (2) or  
20 (3).21 (B) *CPI MINUS ONE.*—If the percent deter-  
22 mined under paragraph (2) is greater than 1  
23 percent, the Secretary shall increase the retired  
24 pay of each member and former member by the  
25 difference between—

1                   “(i) the percent determined under  
2                   paragraph (2); and  
3                   “(ii) 1 percent.

4                   “(C) *NO NEGATIVE ADJUSTMENT.*—If the  
5                   percent determined under paragraph (2) is equal  
6                   to or less than 1 percent, the Secretary shall not  
7                   increase the retired pay of members and former  
8                   members under this paragraph.

9                   “(D) *REVISED ADJUSTMENT UPON REACH-*  
10                   *ING AGE 62.*—When a member or former member  
11                   whose retired pay has been subject to adjustment  
12                   under this paragraph becomes 62 years of age,  
13                   the Secretary of Defense shall recompute the re-  
14                   tired pay of the member or former member, to be  
15                   effective on the date of the next adjustment of re-  
16                   tired pay under this subsection, so as to be the  
17                   amount equal to the amount of retired pay to  
18                   which the member or former member would be  
19                   entitled on that date if increases in the retired  
20                   pay of the member or former member had been  
21                   computed as provided in paragraph (2) or as  
22                   specified in section 1410 of this title, as applica-  
23                   ble, rather than this paragraph.

24                   “(E) *INAPPLICABILITY OF CATCH-UP*  
25                   *RULE.*—Paragraph (5) shall not apply in the

1           *case of adjustments made, or not made, as a re-*  
 2           *sult of application of this paragraph.”.*

3           *(b) RESTORAL OF FULL RETIREMENT AMOUNT AT AGE*  
 4    *62.—Section 1410(1) of title 10, United States Code, is*  
 5    *amended by striking “paragraph (3)” and inserting “para-*  
 6    *graph (3) or (4)”.*

7           *(c) EFFECTIVE DATE.—The amendments made by sub-*  
 8    *sections (a) and (b) shall take effect on December 1, 2015.*

## 9           **TITLE V—HIGHER EDUCATION**

### 10    **SEC. 501. DEFAULT REDUCTION PROGRAM.**

11           *Effective July 1, 2014, section 428F(a)(1) of the High-*  
 12    *er Education Act of 1965 (20 U.S.C. 1078-6(a)(1)) is*  
 13    *amended—*

14           *(1) in subparagraph (A), by striking clause (ii)*  
 15    *and inserting the following:*

16            *“(ii) beginning July 1, 2014, assign*  
 17           *the loan to the Secretary if the guaranty*  
 18           *agency has been unable to sell the loan*  
 19           *under clause (i).”; and*

20           *(2) in subparagraph (D), by striking clause (i)*  
 21    *and inserting the following:*

22            *“(i) the guaranty agency—*

23            *“(I) shall, in the case of a sale*  
 24           *made on or after July 1, 2014, repay*  
 25           *the Secretary 100 percent of the*

1                   *amount of the principal balance out-*  
2                   *standing at the time of such sale, mul-*  
3                   *tiplied by the reinsurance percentage*  
4                   *in effect when payment under the*  
5                   *guaranty agreement was made with re-*  
6                   *spect to the loan; and*

7                   “*(II) may, in the case of a sale*  
8                   *made on or after July 1, 2014, in*  
9                   *order to defray collection costs—*

10                  “*(aa) charge to the borrower*  
11                  *an amount not to exceed 16 per-*  
12                  *cent of the outstanding principal*  
13                  *and interest at the time of the*  
14                  *loan sale; and*

15                  “*(bb) retain such amount*  
16                  *from the proceeds of the loan sale;*  
17                  *and”.*

18   **SEC. 502. ELIMINATION OF NONPROFIT SERVICING CON-**  
19                   **TRACTS.**

20                  *The Higher Education Act of 1965 (20 U.S.C. 1001*  
21                  *et seq.) is amended—*

22                  *(1) in section 456 (20 U.S.C. 1087f)—*

23                  *(A) in subsection (a), by striking paragraph*  
24                  *(4); and*

25                  *(B) by striking subsection (c); and*

## 3 **TITLE VI—TRANSPORTATION**

#### **4 SEC. 601. AVIATION SECURITY SERVICE FEES.**

5 (a) *AIR CARRIER FEES.*—

14 (b) *RESTRUCTURING OF PASSENGER FEE.*—Section  
15 44940(c) of such title is amended to read as follows:

16       “(c) *LIMITATION ON FEE*.—Fees imposed under sub-  
17 section (a)(1) shall be \$5.60 per one-way trip in air trans-  
18 portation or intrastate air transportation that originates  
19 at an airport in the United States.”.

20 (c) DEPOSIT OF RECEIPTS IN GENERAL FUND.—Sec-  
21 tion 44940(i) of such title is amended to read as follows:

22 " (i) DEPOSIT OF RECEIPTS IN GENERAL FUND.—

23                   “(1) *IN GENERAL.*—Beginning in fiscal year  
24                   2014, out of fees received in a fiscal year under sub-  
25                   section (a)(1), after amounts are made available in

1       *the fiscal year under section 44923(h), the next funds*  
2       *derived from such fees in the fiscal year, in the*  
3       *amount specified for the fiscal year in paragraph (4),*  
4       *shall be credited as offsetting receipts and deposited*  
5       *in the general fund of the Treasury.*

6       “(2) *FEE LEVELS.*—*The Secretary of Homeland*  
7       *Security shall impose the fee authorized by subsection*  
8       *(a)(1) so as to collect in a fiscal year at least the*  
9       *amount specified in paragraph (4) for the fiscal year*  
10       *for making deposits under paragraph (1).*

11       “(3) *RELATIONSHIP TO OTHER PROVISIONS.*—  
12       *Subsections (b) and (f) shall not apply to amounts to*  
13       *be used for making deposits under this subsection.*

14       “(4) *FISCAL YEAR AMOUNTS.*—*For purposes of*  
15       *paragraphs (1) and (2), the fiscal year amounts are*  
16       *as follows:*

- 17           “(A) \$390,000,000 for fiscal year 2014.
- 18           “(B) \$1,190,000,000 for fiscal year 2015.
- 19           “(C) \$1,250,000,000 for fiscal year 2016.
- 20           “(D) \$1,280,000,000 for fiscal year 2017.
- 21           “(E) \$1,320,000,000 for fiscal year 2018.
- 22           “(F) \$1,360,000,000 for fiscal year 2019.
- 23           “(G) \$1,400,000,000 for fiscal year 2020.
- 24           “(H) \$1,440,000,000 for fiscal year 2021.
- 25           “(I) \$1,480,000,000 for fiscal year 2022.

1                   “(J) \$1,520,000,000 for fiscal year 2023.”.

2                   (d) *IMPOSITION OF FEE INCREASE.*—*The Secretary of*  
3   *Homeland Security shall implement the fee increase author-*  
4   *ized by the amendment made by subsection (b)—*

5                   (1) *beginning on July 1, 2014; and*

6                   (2) *through the publication of notice of such fee*  
7   *in the Federal Register, notwithstanding section 9701*  
8   *of title 31, United States Code, and the procedural re-*  
9   *quirements of section 553 of title 5, United States*  
10   *Code.*

11                   (e) *CONTINUED AVAILABILITY OF EXISTING BAL-*  
12   *ANCES.*—*The amendments made by this section shall not*  
13   *affect the availability of funds made available under section*  
14   *44940(i) of title 49, United States Code, before the date of*  
15   *enactment of this Act.*

16   **SEC. 602. TRANSPORTATION COST REIMBURSEMENT.**

17                   (a) *REPEAL.*—*Sections 55316 and 55317 of chapter*  
18   *553 of title 46, United States Code, are repealed.*

19                   (b) *TABLE OF SECTIONS AMENDMENT.*—*The table of*  
20   *sections at the beginning of chapter 553 of title 46, United*  
21   *States Code, is amended by striking the items relating to*  
22   *section 55316 and 55317.*

23   **SEC. 603. STERILE AREAS AT AIRPORTS.**

24                   Section 44903 of title 49, United States Code, is  
25   *amended by adding at the end the following:*

1       “(n) PASSENGER EXIT POINTS FROM STERILE  
2 AREA.—

3           “(1) IN GENERAL.—The Secretary of Homeland  
4 Security shall ensure that the Transportation Secu-  
5 rity Administration is responsible for monitoring  
6 passenger exit points from the sterile area of airports  
7 at which the Transportation Security Administration  
8 provided such monitoring as of December 1, 2013.

9           “(2) STERILE AREA DEFINED.—In this section,  
10 the term ‘sterile area’ has the meaning given that  
11 term in section 1540.5 of title 49, Code of Federal  
12 Regulations (or any corresponding similar regulation  
13 or ruling).”.

14 **TITLE VII—MISCELLANEOUS  
15 PROVISIONS**

16 **SEC. 701. EXTENSION OF CUSTOMS USER FEES.**

17       Section 13031(j)(3) of the Consolidated Omnibus  
18 Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is  
19 amended—

20           (1) in subparagraph (A), by striking “October  
21 22, 2021” and inserting “September 30, 2023”; and  
22           (2) in subparagraph (B)(i), by striking “October  
23 29, 2021” and inserting “September 30, 2023”.

1 SEC. 702. **LIMITATION ON ALLOWABLE GOVERNMENT CON-**

## 2 ***TRACTOR COMPENSATION COSTS.***

### 3 (a) LIMITATION.—

7           “(16) Costs of compensation of contractor and  
8        subcontractor employees for a fiscal year, regardless of  
9        the contract funding source, to the extent that such  
10      compensation exceeds \$487,000 per year, adjusted an-  
11      nually to reflect the change in the Employment Cost  
12      Index for all workers, as calculated by the Bureau of  
13      Labor Statistics, except that the head of an executive  
14      agency may establish one or more narrowly targeted  
15      exceptions for scientists, engineers, or other specialists  
16      upon a determination that such exceptions are needed  
17      to ensure that the executive agency has continued ac-  
18      cess to needed skills and capabilities.”.

22                   “(P) Costs of compensation of contractor  
23 and subcontractor employees for a fiscal year, re-  
24 gardless of the contract funding source, to the ex-  
25 tent that such compensation exceeds \$487,000  
26 per year, adjusted annually to reflect the change

1           *in the Employment Cost Index for all workers,*  
2           *as calculated by the Bureau of Labor Statistics,*  
3           *except that the head of an executive agency may*  
4           *establish one or more narrowly targeted excep-*  
5           *tions for scientists, engineers, or other specialists*  
6           *upon a determination that such exceptions are*  
7           *needed to ensure that the executive agency has*  
8           *continued access to needed skills and capabili-*  
9           *ties.”.*

10           **(b) CONFORMING AMENDMENTS.—**

11           **(1) REPEAL.**—Section 1127 of title 41, United  
12           *States Code, is hereby repealed.*

13           **(2) CLERICAL AMENDMENT.**—The table of sec-  
14           *tions at the beginning of chapter 11 of title 41,*  
15           *United States Code, is amended by striking the item*  
16           *relating to section 1127.*

17           **(c) APPLICABILITY.**—This section and the amendments  
18           *made by this section shall apply only with respect to costs*  
19           *of compensation incurred under contracts entered into on*  
20           *or after the date that is 180 days after the date of the enact-*  
21           *ment of this Act.*

22           **(d) REPORTS.—**

23           **(1) IN GENERAL.**—Not later than 60 days after  
24           *the end of each fiscal year, the Director of the Office*

1       *of Management and Budget shall submit a report on*  
2       *contractor compensation to—*

3           *(A) the Committee on Armed Services of the*  
4           *Senate;*

5           *(B) the Committee on Armed Services of the*  
6           *House of Representatives;*

7           *(C) the Committee on Homeland Security*  
8           *and Governmental Affairs of the Senate;*

9           *(D) the Committee on Oversight and Gov-*  
10          *ernment Reform of the House of Representatives;*

11          *(E) the Committee on Appropriations of the*  
12          *Senate; and*

13          *(F) the Committee on Appropriations of the*  
14          *House of Representatives.*

15          *(2) ELEMENTS.—The report required under*  
16          *paragraph (1) shall include—*

17           *(A) the total number of contractor employ-*  
18          *ees, by executive agency, in the narrowly tar-*  
19          *geted exception positions described under sub-*  
20          *section (a) during the preceding fiscal year;*

21           *(B) the taxpayer-funded compensation*  
22          *amounts received by each contractor employee in*  
23          *a narrowly targeted exception position during*  
24          *such fiscal year; and*

4 (e) *REVIEW.—Not later than 90 days after the date*  
5 *of the enactment of this Act, the Secretary of Defense and*  
6 *the Director of the Office of Management and Budget shall*  
7 *report to Congress on alternative benchmarks and industry*  
8 *standards for compensation, including whether any such*  
9 *benchmarks or standards would provide a more appropriate*  
10 *measure of allowable compensation for the purposes of sec-*  
11 *tion 2324(e)(1)(P) of title 10, United States Code, and sec-*  
12 *tion 4304(a)(16) of title 41, United States Code, as amend-*  
13 *ed by this Act.*

14 SEC. 703. PENSION BENEFIT GUARANTY CORPORATION

## 15 ***PREMIUM RATE INCREASES.***

19 (1) in subclause (II), by striking "and" at the  
20 end;

1                   “(IV) for plan years beginning after December 31, 2014, and before January 1, 2016, \$57; 3 and

4                   “(V) for plan years beginning after December 31, 2015, and before January 1, 2017, \$64.”.

6       (b) *FLAT-RATE PREMIUM RATE INDEXED TO 7 WAGES.*—

8                   (1) *IN GENERAL.*—Section 4006(a)(3) of such 9 Act (29 U.S.C. 1306(a)(3)) is amended—

10                   (A) by redesignating subparagraphs (G) 11 through (J) as subparagraphs (H) through (K), 12 respectively; and

13                   (B) by inserting after subparagraph (F) the 14 following:

15                   “(G) For each plan year beginning in a calendar year 16 after 2016, there shall be substituted for the premium rate 17 specified in clause (i) of subparagraph (A) an amount equal 18 to the greater of—

19                   “(i) the product derived by multiplying the pre- 20 mium rate specified in clause (i) of subparagraph (A) 21 by the ratio of—

22                   “(I) the national average wage index (as de- 23 fined in section 209(k)(1) of the Social Security 24 Act) for the first of the 2 calendar years pre-

1 ceding the calendar year in which such plan  
 2 year begins, to

3 “(II) the national average wage index (as so  
 4 defined) for 2014; and

5 “(ii) the premium rate in effect under clause (i)  
 6 of subparagraph (A) for plan years beginning in the  
 7 preceding calendar year.

8 If the amount determined under this subparagraph is not  
 9 a multiple of \$1, such product shall be rounded to the near-  
 10 est multiple of \$1.”.

11 (2) CONFORMING AMENDMENTS.—Section  
 12 4006(a)(3)(F) of such Act (29 U.S.C. 1306(a)(3)(F))  
 13 is amended—

14 (A) in the matter before clause (i), by in-  
 15 serting “and before 2013” after “after 2006”;  
 16 and

17 (B) in the flush text following clause (ii), by  
 18 striking the second sentence.

19 (c) VARIABLE RATE PREMIUM INCREASES.—

20 (1) IN GENERAL.—Section 4006(a)(8)(C) of such  
 21 Act (29 U.S.C. 1306(a)(8)(C)) is amended—

22 (A) in clause (i), by striking “and” at the  
 23 end;

24 (B) in clause (ii), by striking “\$5.” and in-  
 25 serting “\$10; and”; and

1 (C) by adding at the end the following:

7 (A) in subparagraph (A)—

10 (ii) in clause (iii), by striking the pe-  
11 riod at the end and inserting “; and”; and

19 (B) in subparagraph (D)—

20 (i) in clause (ii), by striking “and” at  
21 the end;

22 (ii) in clause (iii), by striking the pe-  
23 riod at the end and inserting “; and”; and

24 (iii) by adding at the end the following:  
25

1                             “(iv) 2014, in the case of plan years  
2                             beginning after calendar year 2016.”.

3                             (d) *INCREASE IN VARIABLE RATE PREMIUM CAP.*—

4                             (1) *IN GENERAL.*—Section 4006(a)(3)(E)(i) of  
5                             such Act (29 U.S.C. 1306(a)(3)(E)(i)) is amended—  
6                             (A) in subclause (I), by striking “and” at

7                             the end;

8                             (B) in subclause (II)—

9                             (i) by inserting “and before 2016”  
10                             after “2012”; and

11                             (ii) by striking the period at the end  
12                             and inserting “and”; and

13                             (C) by adding at the end the following:

14                             “(III) in the case of plan years beginning in a  
15                             calendar year after 2015, shall not exceed \$500.”.

16                             (2) *INDEX TO WAGES.*—Section 4006(a)(3) of  
17                             such Act (29 U.S.C. 1306(a)(3)) is amended—

18                             (A) in subparagraph (K) (as redesignated  
19                             by subsection (b)(1)(A)), by inserting “and before  
20                             2016” after “2013”; and

21                             (B) by inserting at the end the following:

22                             “(L) For each plan year beginning in a calendar year  
23                             after 2016, there shall be substituted for the dollar amount  
24                             specified in subclause (III) of subparagraph (E)(i) an  
25                             amount equal to the greater of—

1           “(i) the product derived by multiplying such dol-  
2       lar amount by the ratio of—

3           “(I) the national average wage index (as de-  
4       fined in section 209(k)(1) of the Social Security  
5       Act) for the first of the 2 calendar years pre-  
6       ceding the calendar year in which such plan  
7       year begins, to

8           “(II) the national average wage index (as so  
9       defined) for 2014; and

10          “(ii) such dollar amount for plan years begin-  
11       ning in the preceding calendar year.

12          If the amount determined under this subparagraph is not  
13       a multiple of \$1, such product shall be rounded to the near-  
14       est multiple of \$1.”.

15          (e) **EFFECTIVE DATE.**—The amendments made by this  
16       section shall apply to plan years beginning after December  
17       31, 2013.

18          **SEC. 704. CANCELLATION OF UNOBLIGATED BALANCES.**

19          (a) **DEPARTMENT OF JUSTICE ASSETS FORFEITURE**  
20       **FUND.**—Effective on the date of enactment of this Act, of  
21       the unobligated balances available under the Department  
22       of Justice Assets Forfeiture Fund, \$693,000,000 are perma-  
23       nently cancelled.

24          (b) **TREASURY FORFEITURE FUND.**—Effective on the  
25       date of enactment of this Act, of the unobligated balances

1 *available under the Department of the Treasury Forfeiture*  
2 *Fund, \$867,000,000, are permanently cancelled.*

3 **SEC. 705. CONSERVATION PLANNING TECHNICAL ASSIST-  
4 ANCE USER FEES.**

5 *(a) USER FEES AUTHORIZED.—Section 3 of the Soil*  
6 *Conservation and Domestic Allotment Act (16 U.S.C. 590c)*  
7 *is amended—*

8 *(1) by striking “require—” and inserting “re-  
9 quire the following:”;*

10 *(2) in paragraph (1), by striking the semicolon  
11 at the end and inserting a period;*

12 *(3) in paragraph (2), by striking “; and” at the  
13 end and inserting a period; and*

14 *(4) by adding at the end the following:*

15 *“(4)(A) The payment of user fees for conservation  
16 planning technical assistance if the Secretary determines  
17 that the fees, subject to subparagraph (B), are—*

18 *“(i) reasonable and appropriate;*

19 *“(ii) assessed for conservation planning technical  
20 assistance resulting in the development of a conserva-  
21 tion plan; and*

22 *“(iii) assessed based on the size of the land or the  
23 complexity of the resource issues involved.*

1       “(B) Fees under subparagraph (A) may not exceed  
2 \$150 per conservation plan for which technical assistance  
3 is provided.

4       “(C) The Secretary may waive fees otherwise required  
5 under subparagraph (A) in the case of conservation plan-  
6 ning technical assistance provided—

7           “(i) to beginning farmers or ranchers (as defined  
8 in section 343(a) of the Consolidated Farm and Rural  
9 Development Act (7 U.S.C. 1991(a));

10          “(ii) to limited resource farmers or ranchers (as  
11 defined by the Secretary);

12          “(iii) to socially disadvantaged farmers or  
13 ranchers (as defined in section 355(e) of the Consoli-  
14 dated Farm and Rural Development Act (7 U.S.C.  
15 2003(e));

16          “(iv) to qualify for an exemption from ineli-  
17 gibility under section 1212 of the Food Security Act of  
18 1985 (16 U.S.C. 3812); or

19          “(v) to comply with Federal, State, or local regu-  
20 latory requirements.”.

21        (b) **CONSERVATION TECHNICAL ASSISTANCE FUND.—**  
22 Section 6 of the Soil Conservation and Domestic Allotment  
23 Act (16 U.S.C. 590f) is amended—

6       “(a) AUTHORIZATION OF APPROPRIATIONS.—There is  
7 authorized”; and

8 (2) by adding at the end the following:

9        "(b) *CONSERVATION TECHNICAL ASSISTANCE FUND.*—

10           “(1) *IN GENERAL.*—There is established in the  
11           Treasury of the United States a fund to be known as  
12           the ‘Conservation Technical Assistance Fund’ (re-  
13           ferred to in this subsection as the ‘Fund’), to be ad-  
14           ministered by the Secretary of Agriculture.

15           “(2) *DEPOSITS*.—An amount equal to the  
16 amounts collected as fees under section 3(4) and late  
17 payments, interest, and such other amounts as are  
18 authorized to be collected pursuant to section 3717 of  
19 title 31, United States Code, shall be deposited in the  
20 Fund.

21                   “(3)    AVAILABILITY.—Amounts    in    the    Fund  
22                    shall—

23                   “(A) only be available to the extent and in  
24                   the amount provided in advance in appropria-  
25                   tions Acts;

1               “(B) be used for the costs of carrying out  
2               this Act; and  
3               “(C) remain available until expended.”.

4 **SEC. 706. SELF PLUS ONE COVERAGE.**

5               (a) *ELECTION OF COVERAGE*.—Section 8905 of title 5,  
6 *United States Code*, is amended—

7               (1) by striking subsection (a) and inserting the  
8 following:

9               “(a) An employee may enroll in an approved health  
10 benefits plan described in section 8903 or 8903a—

11               “(1) as an individual;

12               “(2) for self plus one; or

13               “(3) for self and family.”;

14               (2) in subsection (c)—

15               (A) in paragraph (1), in the matter fol-  
16 lowing subparagraph (B), by inserting “for self  
17 plus one or” before “self and family as provided  
18 in paragraph (2) of this subsection”; and

19               (B) in paragraph (2)—

20               (i) in the matter preceding subpara-  
21 graph (A), by inserting “for self plus one  
22 or” before “for self and family”; and

23               (ii) in subparagraph (B), by inserting  
24 “(or, in the case of self plus one coverage,

1                   *not more than 1 such child)" after "adopted*  
2                   *children";*

3                   *(3) in subsection (e), by striking "or each spouse*  
4                   *may enroll as an individual" and inserting "or for*  
5                   *a self plus one enrollment that covers the spouse, or*  
6                   *each spouse may enroll as an individual or for a self*  
7                   *plus one enrollment that does not cover the other*  
8                   *spouse or a child who is covered under the enrollment*  
9                   *of the other spouse"; and*

10                  *(4) in subsection (h)—*

11                  *(A) by striking "self and family enrollment"*  
12                  *each place it appears and inserting "self*  
13                  *plus one or self and family enrollment, as nec-*  
14                  *essary to provide health insurance coverage for*  
15                  *each child who is covered under the order,";*

16                  *(B) by striking "a child" each place it ap-*  
17                  *pears and inserting "1 or more children";*

18                  *(C) by striking "the child resides" each*  
19                  *place it appears and inserting "the child or chil-*  
20                  *dren reside";*

21                  *(D) in paragraph (1), by striking "self and*  
22                  *family coverage" each place it appears and in-*  
23                  *serting "self plus one or self and family coverage,*  
24                  *as necessary to provide health insurance coverage*

1                   *for each child who is covered under the order,’’;*

2                   *and*

3                   *(E) in paragraph (3), by striking ‘‘the child*  
4                   *continues’’ and inserting ‘‘the child or children*  
5                   *continue’’.*

6                   *(b) CONTINUED COVERAGE.—Section 8905a of title 5,*

7                   *United States Code, is amended—*

8                   *(1) in subsection (d)(3)(A), by inserting ‘‘for self*  
9                   *plus one or’’ before ‘‘for self and family’’; and*

10                   *(2) in subsection (f)(3)(A), by striking ‘‘for self*  
11                   *and family based on such person’s separation from*  
12                   *service’’ and inserting ‘‘based on such person’s sepa-*  
13                   *ration from service under a self plus one enrollment*  
14                   *that covered the individual or under a self and family*  
15                   *enrollment’’.*

16                   *(c) CONTRIBUTIONS.—Section 8906(a)(1) of title 5,*

17                   *United States Code is amended—*

18                   *(1) in subparagraph (A), by striking at the end*  
19                   *‘‘and’’;*

20                   *(2) by redesignating subparagraph (B) as sub-*  
21                   *paragraph (C); and*

22                   *(3) by inserting after subparagraph (A) the fol-*  
23                   *lowing:*

24                   *‘‘(B) enrollments under this chapter for self plus*  
25                   *one; and’’.*

1       (d) *WEIGHTED AVERAGE FOR FIRST YEAR.*—For the  
 2 *first contract year for which an employee may enroll for*  
 3 *self plus one coverage under chapter 89 of title 5, United*  
 4 *States Code, the Office of Personnel Management shall de-*  
 5 *termine the weighted average of the subscription charges*  
 6 *that will be in effect for the contract year for enrollments*  
 7 *for self plus one under such chapter based on an actuarial*  
 8 *analysis.*

9       **DIVISION B—MEDICARE AND**  
 10      **OTHER HEALTH PROVISIONS**

11      **SEC. 1001. SHORT TITLE; TABLE OF CONTENTS.**

12       (a) *SHORT TITLE.*— *This division may be cited as the*  
 13 *“Pathway for SGR Reform Act of 2013”.*  
 14       (b) *TABLE OF CONTENTS.*—*The table of contents of this*  
 15 *division is as follows:*

**DIVISION B—MEDICARE AND OTHER HEALTH PROVISIONS**

Sec. 1001. *Short title; table of contents.*  
 Sec. 1002. *Findings; purpose statement.*

**TITLE I—MEDICARE EXTENDERS**

Sec. 1101. *Physician payment update.*  
 Sec. 1102. *Extension of work GPCI floor.*  
 Sec. 1103. *Extension of therapy cap exceptions process.*  
 Sec. 1104. *Extension of ambulance add-ons.*  
 Sec. 1105. *Medicare inpatient hospital payment adjustment for low-volume hospitals.*  
 Sec. 1106. *Medicare-dependent hospital (MDH) program.*  
 Sec. 1107. *1-year extension of authorization for special needs plans.*  
 Sec. 1108. *1-year extension of Medicare reasonable cost contracts.*  
 Sec. 1109. *Extension of existing funding for contract with consensus-based entity.*  
 Sec. 1110. *Extension of funding outreach and assistance for low-income programs.*

**TITLE II—OTHER HEALTH PROVISIONS**

Sec. 1201. *Extension of the qualifying individual (QI) program.*  
 Sec. 1202. *Temporary extension of transitional medical assistance (TMA).*

Sec. 1203. Extension of funding for family-to-family health information centers.  
Sec. 1204. Delay of reductions to Medicaid DSH allotments.  
Sec. 1205. Realignment of the Medicare sequester for fiscal year 2023.  
Sec. 1206. Payment for inpatient services in long-term care hospitals (LTCHs).

1 **SEC. 1002. FINDINGS; PURPOSE STATEMENT.**

2 *In order to support the provision of quality care for  
3 our nations seniors, Congress finds it appropriate to reform  
4 physician reimbursements under the Medicare program.  
5 SGR reform legislation provides such an opportunity, but  
6 not until next year. In order to facilitate such reform, Con-  
7 gress finds that the Centers for Medicare & Medicaid Serv-  
8 ices should continue to focus its efforts on the following  
9 areas:*

10 (1) *SIMPLIFY AND REDUCE ADMINISTRATIVE  
11 BURDEN ON PHYSICIANS.—The application and as-  
12 sessment of measures and other activities under SGR  
13 reform should be facilitated by the Centers for Medi-  
14 care and Medicaid Services (CMS) in a way that ac-  
15 counts for the administrative burden such measure-  
16 ment places on physicians. Therefore, the Congress en-  
17 courages CMS to identify and implement, to the ex-  
18 tent practicable, mechanisms to ensure that the appli-  
19 cation and assessment of measures be coordinated  
20 across programs.*

21 (2) *TIMELY FEEDBACK FOR PHYSICIANS.—In  
22 order for measure and assessment programs to en-  
23 courage the highest quality care for Medicare seniors,*

1       *the Congress finds it critical that CMS provide physi-*  
2       *cians with feedback on performance in as close to real*  
3       *time as possible. Such timely feedback will ensure*  
4       *that physicians can excel under a system of meaning-*  
5       *ful measurement.*

6           (3) *ENCOURAGE DEVELOPMENT OF NEW MOD-*  
7       *ELS.—There is great need to test alternatives to Fee-*  
8       *For-Service reimbursement in the Medicare program.*  
9       *One option is the promotion and adoption of new*  
10      *models of care for physicians. To date, there has been*  
11      *significant development and testing of models for pri-*  
12      *mary care. Congress supports these efforts and en-*  
13      *courages them to continue in the future. Congress also*  
14      *encourages the development and testing of models of*  
15      *specialty care.*

## 16      **TITLE I—MEDICARE EXTENDERS**

### 17      **SEC. 1101. PHYSICIAN PAYMENT UPDATE.**

18       *Section 1848(d) of the Social Security Act (42 U.S.C.*  
19      *10 1395w-4(d)) is amended by adding at the end the fol-*  
20      *lowing new paragraph:*

21           “(15) *UPDATE FOR JANUARY THROUGH MARCH*  
22      *OF 2014.—*

23           “(A) *IN GENERAL.—Subject to paragraphs*  
24      *(7)(B), (8)(B), (9)(B), (10)(B), (11)(B), (12)(B),*  
25      *(13)(B), and (14)(B), in lieu of the update to the*

1           single conversion factor established in paragraph  
2           (1)(C) that would otherwise apply for 2014 for  
3           the period beginning on January 1, 2014, and  
4           ending on March 31, 2014, the update to the sin-  
5           gle conversion factor shall be 0.5 percent.

6           “(B) NO EFFECT ON COMPUTATION OF CON-  
7           VERSION FACTOR FOR REMAINING PORTION OF  
8           2014 AND SUBSEQUENT YEARS.—The conversion  
9           factor under this subsection shall be computed  
10          under paragraph (1)(A) for the period beginning  
11          on April 1, 2014, and ending on December 31,  
12          2014, and for 2015 and subsequent years as if  
13          subparagraph (A) had never applied.”.

14 **SEC. 1102. EXTENSION OF WORK GPCI FLOOR.**

15          Section 1848(e)(1)(E) of the Social Security Act (42  
16 U.S.C. 1395w-4(e)(1)(E)) is amended by striking “January  
17 1, 2014” and inserting “April 1, 2014”.

18 **SEC. 1103. EXTENSION OF THERAPY CAP EXCEPTIONS  
19           PROCESS.**

20          Section 1833(g) of the Social Security Act (42 U.S.C.  
21 1395l(g)) is amended—

22           (1) in paragraph (5)(A), in the first sentence, by  
23          striking “December 31, 2013” and inserting “March  
24          31, 2014”; and

25           (2) in paragraph (6)(A)—

## 5 SEC. 1104. EXTENSION OF AMBULANCE ADD-ONS.

6       (a) GROUND AMBULANCE.—Section 1834(l)(13)(A) of  
7 the Social Security Act (42 U.S.C. 1395m(l)(13)(A)) is  
8 amended—

(b) *SUPER RURAL GROUND AMBULANCE*.—Section 1834(l)(12)(A) of the Social Security Act (42 U.S.C. 1395m(l)(12)(A)) is amended by striking “January 1, 2014” and inserting “April 1, 2014”.

19 SEC. 1105. MEDICARE INPATIENT HOSPITAL PAYMENT AD-  
20 JUSTMENT FOR LOW-VOLUME HOSPITALS.

21        *Section 1886(d)(12) of the Social Security Act (42*  
22 *U.S.C. 1395ww(d)(12)) is amended—*

1       *fiscal year 2014 beginning on April 1, 2014, fiscal  
2       year 2015, and subsequent fiscal years”;*

3           (2) *in subparagraph (C)(i)—*

4              (A) *by inserting “and the portion of fiscal  
5           year 2014 before” after “and 2013,” each place  
6           it appears; and*

7              (B) *by inserting “or portion of fiscal year”  
8           after “during the fiscal year”; and*

9           (3) *in subparagraph (D)—*

10              (A) *by inserting “and the portion of fiscal  
11          year 2014 before April 1, 2014,” after “and  
12          2013,”; and*

13              (B) *by inserting “or the portion of fiscal  
14          year” after “in the fiscal year”.*

15 **SEC. 1106. MEDICARE-DEPENDENT HOSPITAL (MDH) PRO-**

16           **GRAM.**

17       (a) *IN GENERAL.—Section 1886(d)(5)(G) of the Social  
18          Security Act (42 U.S.C. 1395ww(d)(5)(G)) is amended—*

19              (1) *in clause (i), by striking “October 1, 2013”  
20          and inserting “April 1, 2014”; and*

21              (2) *in clause (ii)(II), by striking “October 1,  
22          2013” and inserting “April 1, 2014”.*

23       (b) *CONFORMING AMENDMENTS.—*

(B) in clause (iv), by inserting “and the portion of fiscal year 2014 before April 1, 2014” after “through fiscal year 2013”.

16 SEC. 1107. 1-YEAR EXTENSION OF AUTHORIZATION FOR  
17 **SPECIAL NEEDS PLANS.**

18        *Section 1859(f)(1) of the Social Security Act (42*  
19 *U.S.C. 1395w-28(f)(1)) is amended by striking “2015” and*  
20 *inserting “2016”.*

21 **SEC. 1108. 1-YEAR EXTENSION OF MEDICARE REASONABLE  
22 COST CONTRACTS.**

23        *Section 1876(h)(5)(C)(ii) of the Social Security Act*  
24    *(42 U.S.C. 1395mm(h)(5)(C)(ii)) is amended, in the matter*

1 preceding subclause (I), by striking “January 1, 2014” and  
2 inserting “January 1, 2015”.

3 **SEC. 1109. EXTENSION OF EXISTING FUNDING FOR CON-**

4 **TRACT WITH CONSENSUS-BASED ENTITY.**

5 Section 1890(d) of the Social Security Act (42 U.S.C.  
6 1395aaa(d)) is amended by adding at the end the following  
7 new sentence: “Amounts transferred under the preceding  
8 sentence shall remain available until expended.”.

9 **SEC. 1110. EXTENSION OF FUNDING OUTREACH AND AS-**

10 **SISTANCE FOR LOW-INCOME PROGRAMS.**

11 (a) **ADDITIONAL FUNDING FOR STATE HEALTH INSUR-**  
12 **ANCE PROGRAMS.**—Subsection (a)(1)(B) of section 119 of  
13 the Medicare Improvements for Patients and Providers Act  
14 of 2008 (42 U.S.C. 1395b–3 note), as amended by section  
15 3306 of the Patient Protection and Affordable Care Act  
16 Public Law 111–148) and section 610 of the American Tax-  
17 payer Relief Act of 2012 (Public Law 112-240), is amend-  
18 ed—

19 (1) in clause (ii), by striking “and” at the end;  
20 (2) in clause (iii), by striking the period at the  
21 end and inserting “; and”; and

22 (3) by inserting after clause (iii) the following  
23 new clause:

24 “(iv) for the portion of fiscal year 2014  
25 before April 1, 2014, of \$3,750,000.”.

1       (b) ADDITIONAL FUNDING FOR AREA AGENCIES ON  
2 AGING.—Subsection (b)(1)(B) of such section 119, as so  
3 amended, is amended—

4           (1) in clause (ii), by striking “and” at the end;  
5           (2) in clause (iii), by striking the period at the  
6 end and inserting “; and”; and  
7           (3) by inserting after clause (iii) the following  
8 new clause:

9               “(iv) for the portion of fiscal year 2014  
10               before April 1, 2014, of \$3,750,000.”.

11       (c) ADDITIONAL FUNDING FOR AGING AND DISABILITY  
12 RESOURCE CENTERS.—Subsection (c)(1)(B) of such section  
13 119, as so amended, is amended—

14           (1) in clause (ii), by striking “and” at the end;  
15           (2) in clause (iii), by striking the period at the  
16 end and inserting “; and”; and  
17           (3) by inserting after clause (iii) the following  
18 new clause:

19               “(iv) for the portion of fiscal year 2014  
20               before April 1, 2014, of \$2,500,000.”.

21       (d) ADDITIONAL FUNDING FOR CONTRACT WITH THE  
22 NATIONAL CENTER FOR BENEFITS AND OUTREACH EN-  
23 ROLLMENT.—Subsection (d)(2) of such section 119, as so  
24 amended, is amended—

25           (1) in clause (ii), by striking “and” at the end;

3 (3) by inserting after clause (iii) the following  
4 new clause:

7                   ***TITLE II—OTHER HEALTH***  
8                   ***PROVISIONS***

## 9 SEC. 1201. EXTENSION OF THE QUALIFYING INDIVIDUAL

10 *(QI) PROGRAM.*

11       (a) EXTENSION.—Section 1902(a)(10)(E)(iv) of the  
12 Social Security Act (42 U.S.C. 1396a(a)(10)(E)(iv)) is  
13 amended by striking “December 2013” and inserting  
14 “March 2014”.

15           (b) EXTENDING TOTAL AMOUNT AVAILABLE FOR AL-  
16 LOCATION.—Section 1933(g) of the Social Security Act (42  
17 U.S.C. 1396u-3(g)) is amended—

18 (1) in paragraph (2)—

(B) in subparagraph (T), by striking the period at the end and inserting “; and”; and

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

1                   “(U) for the period that begins on January  
2                   1, 2014, and ends on March 31, 2014, the total  
3                   allocation amount is \$200,000,000.”.

4   **SEC. 1202. TEMPORARY EXTENSION OF TRANSITIONAL MED-  
5                   ICAL ASSISTANCE (TMA).**

6                   Sections 1902(e)(1)(B) and 1925(f) of the Social Secu-  
7                   rity Act (42 U.S.C. 1396a(e)(1)(B), 1396r-6(f)) are each  
8                   amended by striking “December 31, 2013” and inserting  
9                   “March 31, 2014”.

10   **SEC. 1203. EXTENSION OF FUNDING FOR FAMILY-TO-FAMILY  
11                   HEALTH INFORMATION CENTERS.**

12                   Section 501(c)(1)(A) of the Social Security Act (42  
13                   U.S.C. 701(c)(1)(A)) is amended—

14                   (1) in clause (ii), by striking at the end “and”;  
15                   (2) in clause (iii), by striking the period at the  
16                   end and inserting “; and”; and  
17                   (3) by adding at the end the following new  
18                   clause:

19                   “(iv) \$2,500,000 for the portion of fis-  
20                   cal year 2014 before April 1, 2014.”.

21   **SEC. 1204. DELAY OF REDUCTIONS TO MEDICAID DSH AL-  
22                   LOTMENTS.**

23                   (a) IN GENERAL.—Section 1923(f) of the Social Secu-  
24                   rity Act (42 U.S.C. 1396r-4(f)) is amended—

25                   (1) in paragraph (7)(A)—

3 (B) in clause (ii)—

4 (i) by striking subclauses (I) and (II);

5 (ii) by redesignating subclauses (III)

6 through (VII) as subclauses (I) through (V),

7 respectively; and

8 (iii) in subclause (I) (as redesignated

9 by clause (ii)), by striking “\$600,00

11 (2) in paragraph (8)—

12 (A) by redesignating subparagraph (C) as

13 *subparagraph (D);*

1           *price index for all urban consumers (all items;*  
2           *U.S. city average), for fiscal year 2022.”; and*  
3           *(C) in subparagraph (D) (as redesignated*  
4           *by subparagraph (A)), by striking “fiscal year*  
5           *2022” and inserting “fiscal year 2023”.*

6       *(b) EFFECTIVE DATE.—The amendments made by sub-*  
7       *section (a) shall be effective as of October 1, 2013.*

8       **SEC. 1205. REALIGNMENT OF THE MEDICARE SEQUESTER**  
9           **FOR FISCAL YEAR 2023.**

10       *Paragraph (6) (relating to implementing direct spend-*  
11       *ing reductions, as redesignated by section 101(d)(2)(C), and*  
12       *as amended by section 101(c), of the Bipartisan Budget Act*  
13       *of 2013) of section 251A of the Balanced Budget and Emer-*  
14       *gency Deficit Control Act of 1985 (2 U.S.C. 901a) is*  
15       *amended by adding at the end the following new subpara-*  
16       *graph:*

17       *“(C) Notwithstanding the 2 percent limit speci-*  
18       *fied in subparagraph (A) for payments for the Medi-*  
19       *care programs specified in section 256(d), the seque-*  
20       *stration order of the President under such subpara-*  
21       *graph for fiscal year 2023 shall be applied to such*  
22       *payments so that—*

23       *“(i) with respect to the first 6 months in*  
24       *which such order is effective for such fiscal year,*  
25       *the payment reduction shall be 2.90 percent; and*

1                   “(ii) with respect to the second 6 months in  
2                   which such order is so effective for such fiscal  
3                   year, the payment reduction shall be 1.11 per-  
4                   cent.”.

5   **SEC. 1206. PAYMENT FOR INPATIENT SERVICES IN LONG-**  
6                   **TERM CARE HOSPITALS (LTCHS).**

7                   (a) *ESTABLISHMENT OF CRITERIA FOR APPLICATION  
8                   OF SITE NEUTRAL PAYMENT.—*

9                   (1) *IN GENERAL.—Section 1886(m) of the Social  
10                   Security Act (42 U.S.C. 1395ww(m)) is amended by  
11                   adding at the end the following:*

12                   “(6) *APPLICATION OF SITE NEUTRAL IPPS PAY-  
13                   MENT RATE IN CERTAIN CASES.—*

14                   “(A) *GENERAL APPLICATION OF SITE NEU-  
15                   TRAL IPPS PAYMENT AMOUNT FOR DISCHARGES  
16                   FAILING TO MEET APPLICABLE CRITERIA.—*

17                   “(i) *IN GENERAL.—For a discharge in  
18                   cost reporting periods beginning on or after  
19                   October 1, 2015, except as provided in  
20                   clause (ii) and subparagraph (C), payment  
21                   under this title to a long-term care hospital  
22                   for inpatient hospital services shall be made  
23                   at the applicable site neutral payment rate  
24                   (as defined in subparagraph (B)).*

1                   “(ii) *EXCEPTION FOR CERTAIN DIS-*  
2                   *CHARGES MEETING CRITERIA.*—Clause (i)  
3                   *shall not apply (and payment shall be made*  
4                   *to a long-term care hospital without regard*  
5                   *to this paragraph) for a discharge if—*

6                   “(I) *the discharge meets the ICU*  
7                   *criterion under clause (iii) or the ven-*  
8                   *tilator criterion under clause (iv); and*

9                   “(II) *the discharge does not have*  
10                   *a principal diagnosis relating to a*  
11                   *psychiatric diagnosis or to rehabilita-*  
12                   *tion.*

13                   “(iii) *INTENSIVE CARE UNIT (ICU) CRI-*  
14                   *TERION.*—

15                   “(I) *IN GENERAL.*—The criterion  
16                   *specified in this clause (in this para-*  
17                   *graph referred to as the ‘ICU cri-*  
18                   *terion’), for a discharge from a long-*  
19                   *term care hospital, is that the stay in*  
20                   *the long-term care hospital ending with*  
21                   *such discharge was immediately pre-*  
22                   *ceded by a discharge from a stay in a*  
23                   *subsection (d) hospital that included at*  
24                   *least 3 days in an intensive care unit*  
25                   *(ICU), as determined by the Secretary.*

23                   “(B) APPLICABLE SITE NEUTRAL PAYMENT  
24                   RATE DEFINED.—

1                   “(i) *IN GENERAL.*—In this paragraph,  
2                   the term ‘applicable site neutral payment  
3                   rate’ means—

4                   “(I) for discharges in cost reporting  
5                   periods beginning during fiscal  
6                   year 2016 or fiscal year 2017, the  
7                   blended payment rate specified in  
8                   clause (iii); and

9                   “(II) for discharges in cost reporting  
10                  periods beginning during fiscal  
11                  year 2018 or a subsequent fiscal year,  
12                  the site neutral payment rate (as de-  
13                  fined in clause (ii)).

14                  “(ii) *SITE NEUTRAL PAYMENT RATE*  
15                  ~~DEFINED.~~—In this paragraph, the term ‘site  
16                  neutral payment rate’ means the lower of—

17                  “(I) the IPPS comparable per  
18                  diem amount determined under para-  
19                  graph (d)(4) of section 412.529 of title  
20                  42, *Code of Federal Regulations*, in-  
21                  cluding any applicable outlier pay-  
22                  ments under section 412.525 of such  
23                  title; or

24                  “(II) 100 percent of the estimated  
25                  cost for the services involved.

1                     “(iii) *BLENDED PAYMENT RATE*.—The  
2                     *blended payment rate specified in this*  
3                     *clause, for a long-term care hospital for in-*  
4                     *patient hospital services for a discharge, is*  
5                     *comprised of—*

6                     “(I) *half of the site neutral pay-*  
7                     *ment rate (as defined in clause (ii)) for*  
8                     *the discharge; and*

9                     “(II) *half of the payment rate*  
10                     *that would otherwise be applicable to*  
11                     *such discharge without regard to this*  
12                     *paragraph, as determined by the Sec-*  
13                     *retary.*

14                     “(C) *LIMITING PAYMENT FOR ALL HOSPITAL*  
15                     *DISCHARGES TO SITE NEUTRAL PAYMENT RATE*  
16                     *FOR HOSPITALS FAILING TO MEET APPLICABLE*  
17                     *LTCH DISCHARGE THRESHOLDS.*—

18                     “(i) *NOTICE OF LTCH DISCHARGE PAY-*  
19                     *MENT PERCENTAGE*.—*For cost reporting pe-*  
20                     *riods beginning during or after fiscal year*  
21                     *2016, the Secretary shall inform each long-*  
22                     *term care hospital of its LTCH discharge*  
23                     *payment percentage (as defined in clause*  
24                     *(iv)) for such period.*

1                             “(ii) *LIMITATION*.—For cost reporting  
2                             periods beginning during or after fiscal  
3                             year 2020, if the Secretary determines for a  
4                             long-term care hospital that its LTCH dis-  
5                             charge payment percentage for the period is  
6                             not at least 50 percent—

7                             “(I) the Secretary shall inform the  
8                             hospital of such fact; and

9                             “(II) subject to clause (iii), for all  
10                            discharges in the hospital in each suc-  
11                            ceeding cost reporting period, the pay-  
12                            ment amount under this subsection  
13                            shall be the payment amount that  
14                            would apply under subsection (d) for  
15                            the discharge if the hospital were a  
16                            subsection (d) hospital.

17                             “(iii) *PROCESS FOR REINSTATE-  
18                            MENT*.—The Secretary shall establish a  
19                            process whereby a long-term care hospital  
20                            may seek to and have the provisions of sub-  
21                            clause (II) of clause (ii) discontinued with  
22                            respect to that hospital.

23                             “(iv) *LTCH DISCHARGE PAYMENT  
24                            PERCENTAGE*.—In this subparagraph, the  
25                            term ‘LTCH discharge payment percentage’

1           means, with respect to a long-term care hos-  
2           pital for a cost reporting period beginning  
3           during or after fiscal year 2020, the ratio  
4           (expressed as a percentage) of—

5                   “(I) the number of discharges for  
6           such hospital and period for which  
7           payment is not made at the site neu-  
8           tral payment rate, to

9                   “(II) the total number of dis-  
10           charges for such hospital and period.

11                   “(D) INCLUSION OF SUBSECTION (D) PUER-  
12           TO RICO HOSPITALS.—In this paragraph, any  
13           reference in this paragraph to a subsection (d)  
14           hospital shall be deemed to include a reference to  
15           a subsection (d) Puerto Rico hospital.”.

16                   (2) MEDPAC STUDY AND REPORT ON IMPACT OF  
17           CHANGES.—

18                   (A) STUDY.—The Medicare Payment Assess-  
19           ment Commission shall examine the effect of ap-  
20           plying section 1886(m)(6) of the Social Security  
21           Act, as added by the amendment made by para-  
22           graph (1), on—

23                   (i) the quality of patient care in long-  
24           term care hospitals;



1                   1395ww(d)(1)(B)(iv)(I))           and           section  
2                   1861(ccc)(2)    of    such    Act    (42    U.S.C.  
3                   1395x(ccc)(2)),    the   Secretary    of   Health    and  
4                   Human   Services   shall   exclude   the   following:

5 (i) *SITE NEUTRAL PAYMENT.—Any pa-*  
6 *tient for whom payment is made at the site*  
7 *neutral payment rate (as defined in section*  
8 *1886(m)(6)(B)(ii)) of such Act, as added by*  
9 *paragraph (1)).*

14 (B) *LIMITATION ON CONVERTING SUB-*  
15 *SECTION (D) HOSPITALS.—Subparagraph (A)*  
16 *shall not apply to a hospital that is classified as*  
17 *of December 10, 2013, as a subsection (d) hos-*  
18 *pital (as defined in section 1886(d)(1)(B) of the*  
19 *Social Security Act, 42 U.S.C.*  
20 *1395ww(d)(1)(B)) for purposes of determining*  
21 *whether the requirements of section*  
22 *1886(d)(1)(B)(iv)(I) or 1861(ccc)(2) of such Act*  
23 *(42 U.S.C. 1395ww(d)(1)(B)(iv)(I),*  
24 *1395x(ccc)(2)) are met.*

1       (b) *EXTENSION OF CERTAIN LTCH PAYMENT RULES*  
2 *AND MORATORIUM ON THE ESTABLISHMENT OF CERTAIN*  
3 *HOSPITALS AND FACILITIES.*—

4           (1) *EXTENSION OF CERTAIN PAYMENT RULES.*—

5               (A) *PAYMENT FOR HOSPITALS-WITHIN-HOS-*  
6 *PITALS.*—Paragraph (2)(C) of section 114(c) of  
7 *the Medicare, Medicaid, and SCHIP Extension*  
8 *Act of 2007* (42 U.S.C. 1395ww note), as amend-  
9 *ed by sections 3106(a) and 10312(a) of Public*  
10 *Law 111-148, is amended by striking “5-year*  
11 *period” and inserting “9-year period”.*

12               (B) *25 PERCENT PATIENT THRESHOLD PAY-*  
13 *MENT ADJUSTMENT; MAKING THE GRAND-*  
14 *FATHERED EXEMPTION FOR LONG-TERM CARE*  
15 *HOSPITALS PERMANENT.*—Section 114(c)(1) of  
16 *the Medicare, Medicaid, and SCHIP Extension*  
17 *Act of 2007* (42 U.S.C. 1395ww note), as amend-  
18 *ed by sections 3106(a) and 10312(a) of Public*  
19 *Law 111-148, is amended—*

20                       (i) *in the matter preceding subparagraph (A), by striking “for a 5-year pe-*  
21 *riod”; and*

22                       (ii) *in subparagraph (A), by inserting “for a 9-year period,” before “section*  
23 *412.536”.*

(C) REPORT ASSESSING CONTINUED SUS-  
PENSION OF 25 PERCENT RULE.—Not later than  
1 year before the end of the 9-year period re-  
ferred to in section 114(c)(1) of the Medicare,  
Medicaid, and SCHIP Extension Act of 2007  
(42 U.S.C. 1395ww note), as amended by sub-  
paragraph (B), the Secretary of Health and  
Human Services shall submit to Congress a re-  
port on the need for any further extensions (or  
modifications of the extensions) of the 25 percent  
rule described in sections 412.534 and 412.536 of  
title 42, Code of Federal Regulations, particu-  
larly taking into account the application of sec-  
tion 1886(m)(6) of the Social Security Act, as  
added by subsection (a)(1).

22 (A) in paragraph (1), in the matter pre-  
23 ceding subparagraph (A), by inserting after "5-  
24 year period" the following: "(and for the period

1           beginning January 1, 2015, and ending Sep-  
2           tember 30, 2017)”; and

3           (B) by adding at the end the following new  
4           paragraph:

5           “(6) **LIMITATION ON APPLICATION OF EXCEP-**  
6           **TIONS.**—Paragraphs (2) and (3) shall not apply dur-  
7           ing the period beginning January 1, 2015, and end-  
8           ing September 30, 2017.”.

9           (c) **ADDITIONAL QUALITY MEASURE.**—Section  
10          1886(m)(5)(D) of the Social Security Act (42 U.S.C.  
11          1395ww(m)(5)(D)) is amended by adding at the end the  
12          following new clause:

13           “(iv) **ADDITIONAL QUALITY MEAS-**  
14           **URES.**—Not later than October 1, 2015, the  
15           Secretary shall establish a functional status  
16           quality measure for change in mobility  
17           among inpatients requiring ventilator sup-  
18           port.”.

19           (d) **REVIEW OF TREATMENT OF CERTAIN LTCHS.**—  
20           (1) **EVALUATION.**—As part of the annual rule-  
21           making for fiscal year 2015 or fiscal year 2016 to  
22           carry out the payment rates under subsection (d) of  
23           section 1886 of the Social Security Act (42 U.S.C.  
24           1395ww), the Secretary shall evaluate both the pay-  
25           ment rates and regulations governing hospitals which

1       are classified under subclause (II) of subsection  
2       (d)(1)(B)(iv) of such section.

3                   (2) *ADJUSTMENT AUTHORITY*.—Based upon such  
4       evaluation, the Secretary may adjust payment rates  
5       under subsection (b)(3) of section 1886 of the Social  
6       Security Act (42 U.S.C. 1395ww) for a hospital so  
7       classified (such as payment based upon the TEFRA-  
8       payment model) and may adjust the regulations gov-  
9       erning such hospitals, including applying the regula-  
10      tions governing hospitals which are classified under  
11      clause (I) of subsection (d)(1)(B) of such section.

Attest:

*Clerk.*

113<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. J. RES. 59**

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**HOUSE AMENDMENT TO**  
**SENATE AMENDMENT**

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