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118TH CONGRESS
2D SESSION

H. R. 8697

To direct the Secretary of Health and Human Services to conduct a demonstration project to test the impact of a guaranteed monthly income on the health of individuals enrolled for medical assistance under the Medicaid program.

IN THE HOUSE OF REPRESENTATIVES

JUNE 11, 2024

Mr. SCHIFF (for himself, Mrs. WATSON COLEMAN, Ms. NORTON, Mr. MULLIN, and Mr. ROBERT GARCIA of California) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To direct the Secretary of Health and Human Services to conduct a demonstration project to test the impact of a guaranteed monthly income on the health of individuals enrolled for medical assistance under the Medicaid program.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Guaranteed Additional Income for families in Need Act of 2024" or the "GAIN Act of 2024".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Medical research in recent decades has demonstrated the significant impact of income volatility on individuals' health.

(2) Research has found that income volatility can lead to increased incidence of cardiovascular disease, depression and anxiety, and cognitive decline.

(3) From February 2019 to January 2021, the city of Stockton, California implemented a universal basic income pilot program. Participants reported improved physical, mental, and emotional health as a result of increased financial assistance, according to the final program evaluation published in the Journal of Urban Health.

SEC. 3. GUARANTEED MONTHLY INCOME DEMONSTRATION PROJECT.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services (in this section referred to as the "Secretary") shall conduct a 5-year demonstration project (in this section referred to as the "Project") under which a participating eligible entity shall provide a guaranteed monthly income to individuals enrolled for medical assistance under the Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), and measure the impact of such guaranteed monthly income on the health of such participants.

(b) APPLICATION.—An eligible entity seeking to participate in the Project under this section shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including information with respect to the manner in which such entity will distribute the guaranteed monthly income.

(c) PROJECT DESIGN.—

(1) IN GENERAL.—The Secretary shall award not less than 10 grants to eligible entities on a competitive basis to provide participants in the Project with a guaranteed monthly income.

(2) OPTION TO TARGET SUBPOPULATION.—An eligible entity participating in the Project may choose to focus on a particular subpopulation of individuals enrolled for medical assistance under title XIX of the Social Security Act.

(3) GUARANTEED MONTHLY INCOME.—

(A) PARTICIPANT REQUIREMENTS.—To participate in the Project, a participant shall be enrolled for medical assistance under title XIX at the time such participant is selected for participation.

(B) DISTRIBUTION OF MONTHLY INCOME.—

(i) IN GENERAL.—Each participant shall receive a monthly payment, in an amount of not less than $500, as determined by the eligible entity through which such participant is enrolled for participation in the Project.

(ii) METHOD OF DISTRIBUTION.—Monthly payments made under the Project shall be made by direct deposit or paper check.

(iii) NO TAX LIABILITY.—Any payments made to a participant under clause (i) shall not be considered income for purposes of the Internal Revenue Code of 1986.

(iv) NO CONDITIONS ON USE OF PAYMENTS.—An eligible entity may not put any conditions on how participants spend the monthly payments made under the Project, and the manner in which a participant spends such payments shall not impact the eligibility of such participant to participate in the Project.

(4) LIMITATION ON USE OF FUNDS.—Not more than 20 percent of the total funds awarded to an eligible entity under this section may used for administrative costs incurred by such eligible entity in implementing the Project, or for outreach and education efforts made by such entity with respect to such Project.

(d) ELIGIBLE ENTITY.—For purposes of this subsection, an eligible entity means one of the following entities:

(1) Any of the following units of local government:

(A) A county.

(B) A borough.

(C) A municipality.

(D) A city.

(E) A town.

(F) A township.

(G) A parish.

(H) A local public authority, including any public housing agency (as defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437(b)).

(I) A special district.

(J) A school district.

(K) An intrastate district.

(L) A council of governments, without regard to whether such council is incorporated as a nonprofit corporation under State law.

(M) Any other agency or instrumentality of a multi-State, regional, or intra-State or local government.

(2) An Indian Tribe or Tribal organization (as such terms are defined in section 4 of the Indian Self-Determination and Education Assistance Act).

(3) A nonprofit organization.

(e) SURVEYS.—

(1) BASELINE SURVEY.—Prior to the first distribution of guaranteed monthly income payment under the Project, each eligible entity shall conduct a baseline survey of the participants receiving such income from such entity that includes—

(A) the demographic data of each participant, including the age, race, ethnicity, employment status, marital status, income (including individual income and total household income) and number of dependents with respect to such participant; and

(B) the financial circumstances of each participant and the impact of those circumstances on such participant's mental health and physical health.

(2) ONGOING SURVEY.—Not less than 3 times during each calendar year in which an entity is participating in the project under this subsection, each such entity shall survey each participant receiving monthly payments from such entity to determine—

(A) how the monthly payments are spent, including groceries, rent, utility bills, or other expenses; and

(B) the impact, if any, on—

(i) the employment status of each participant;

(ii) the mental health and physical health of each participant;

(iii) the mental health and physical health of the members of each participant's household; and

(iv) the status of each participant's financial circumstances, including any impact to such participant's credit score, ability to grow savings, or ability to make financial investments.

(3) GUIDANCE.—Prior to the first distribution of guaranteed monthly income payment under the

Project, the Secretary shall issue guidance to each eligible entity participating in the Project on conducting the surveys required under this subsection. Such guidance shall include recommendations for how to determine the financial circumstances, mental health, and physical health of a participant for purposes of such surveys.

(f) REPORTS.—

(1) REPORTS TO SECRETARY.—Not later than 1 year after the date on which the first guaranteed monthly income funds are distributed in accordance with subsection (c)(3)(B), and annually thereafter, each eligible entity shall submit to the Secretary a report on the Project, including the information collected from the surveys described in subsection (e).

(2) REPORTS TO CONGRESS.—Not later than 2 years after the first report is submitted under paragraph (1), and every 2 years thereafter, the Secretary shall submit to Congress a report on the Project, including a year-over-year analysis of the survey data submitted to the Secretary under paragraph (1), and any recommendations with respect to potential legislative action.

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