

(d) Regulations relating to applications for or renewals of demonstration projects

(1) An application or renewal of any experimental, pilot, or [demonstration project](#) undertaken under subsection (a) to promote the objectives of subchapter XIX or XXI in a [State](#) that would result in an impact on eligibility, enrollment, benefits, cost-sharing, or financing with respect to a [State](#) program under subchapter XIX or XXI (in this subsection referred to as a “[demonstration project](#)”) shall be considered by the [Secretary](#) in accordance with the regulations required to be promulgated under paragraph (2).

(2) Not later than 180 days after March 23, 2010, the [Secretary](#) shall promulgate regulations relating to applications for, and renewals of, a [demonstration project](#) that provide for—

(A) a process for public notice and comment at the [State](#) level, including public hearings, sufficient to ensure a meaningful level of public input;

(B) requirements relating to—

(i) the goals of the program to be implemented or renewed under the [demonstration project](#);

(ii) the expected [State](#) and Federal costs and coverage projections of the [demonstration project](#); and

(iii) the specific plans of the [State](#) to ensure that the [demonstration project](#) will be in compliance with subchapter XIX or XXI;

(C) a process for providing public notice and comment after the application is received by the [Secretary](#), that is sufficient to ensure a meaningful level of public input;

(D) a process for the submission to the [Secretary](#) of periodic reports by the [State](#) concerning the implementation of the [demonstration project](#); and

(E) a process for the periodic evaluation by the [Secretary](#) of the [demonstration project](#).

(3) The [Secretary](#) shall annually report to Congress concerning actions taken by the [Secretary](#) with respect to applications for [demonstration projects](#) under this section.

(e) Extensions of State-wide comprehensive demonstration projects for which waivers granted

(1) The provisions of this subsection shall apply to the extension of any [State](#)-wide comprehensive [demonstration project](#) (in this subsection referred to as “[waiver project](#)”) for which a waiver of compliance with requirements of subchapter XIX is granted under subsection (a).

(2) During the 6-month period ending 1 year before the date the waiver under subsection (a) with respect to a [waiver project](#) would otherwise expire, the chief executive officer of the [State](#) which is operating the project may submit to the [Secretary](#) a written request for an extension, of up to 3 years (5 years, in the case of a waiver described in [section 1396n\(h\)\(2\) of this title](#)), of the project.

(3) If the [Secretary](#) fails to respond to the request within 6 months after the date it is submitted, the request is deemed to have been granted.

(4) If such a request is granted, the deadline for submittal of a final report under the [waiver project](#) is deemed to have been extended until the date that is 1 year after the date the [waiver project](#) would otherwise have expired.

(5) The [Secretary](#) shall release an evaluation of each such project not later than 1 year after the date of receipt of the final report.

(6) Subject to paragraphs (4) and (7), the extension of a [waiver project](#) under this subsection shall be on the same terms and conditions (including applicable terms and conditions relating to

quality and access of services, budget neutrality, data and reporting requirements, and special population protections) that applied to the project before its extension under this subsection.

(7) If an original condition of approval of a [waiver project](#) was that Federal expenditures under the project not exceed the Federal expenditures that would otherwise have been made, the [Secretary](#) shall take such steps as may be necessary to ensure that, in the extension of the project under this subsection, such condition continues to be met. In applying the previous sentence, the [Secretary](#) shall take into account the [Secretary's](#) best estimate of rates of change in expenditures at the time of the extension.

(f) Application for extension of waiver project; submission; approval. An application by the chief executive officer of a [State](#) for an extension of a [waiver project](#) the [State](#) is operating under an extension under subsection (e) (in this subsection referred to as the “[waiver project](#)”) shall be submitted and approved or disapproved in accordance with the following:

(1) The application for an extension of the [waiver project](#) shall be submitted to the [Secretary](#) at least 120 days prior to the expiration of the current period of the [waiver project](#).

(2) Not later than 45 days after the date such application is received by the [Secretary](#), the [Secretary](#) shall notify the [State](#) if the [Secretary](#) intends to review the terms and conditions of the [waiver project](#). A failure to provide such notification shall be deemed to be an approval of the application.

(3) Not later than 45 days after the date a notification is made in accordance with paragraph (2), the [Secretary](#) shall inform the [State](#) of proposed changes in the terms and conditions of the [waiver project](#). A failure to provide such information shall be deemed to be an approval of the application.

(4) During the 30-day period that begins on the date information described in paragraph (3) is provided to a [State](#), the [Secretary](#) shall negotiate revised terms and conditions of the [waiver project](#) with the [State](#).

(5) (A) Not later than 120 days after the date an application for an extension of the [waiver project](#) is submitted to the [Secretary](#) (or such later date agreed to by the chief executive officer of the [State](#)), the [Secretary](#) shall—

(i) approve the application subject to such modifications in the terms and conditions—

(I) as have been agreed to by the [Secretary](#) and the [State](#); or

(II) in the absence of such agreement, as are determined by the [Secretary](#) to be reasonable, consistent with the overall objectives of the [waiver project](#), and not in violation of applicable law; or

(ii) disapprove the application.

(B) A failure by the [Secretary](#) to approve or disapprove an application submitted under this subsection in accordance with the requirements of subparagraph (A) shall be deemed to be an approval of the application subject to such modifications in the terms and conditions as have been agreed to (if any) by the [Secretary](#) and the [State](#).

(6) An approval of an application for an extension of a [waiver project](#) under this subsection shall be for a period not to exceed 3 years (5 years, in the case of a waiver described in [section 1396n\(h\)\(2\) of this title](#)).

(7) An extension of a [waiver project](#) under this subsection shall be subject to the final reporting and evaluation requirements of paragraphs (4) and (5) of subsection (e) (taking into account the extension under this subsection with respect to any timing requirements imposed under those paragraphs).