

**SEC. 1201. FEDERAL FUNDING FOR STATES [AMENDMENTS FULLY INCORPORATED INTO PPACA].**

Section 1905 of the Social Security Act (42 U.S.C. 1396d), as amended by sections 2001(a)(3) and 10201(c) of the Patient Protection and Affordable Care Act, is amended—

(1) in subsection (y)—

(A) by redesignating subclause (II) of paragraph (1)(B)(ii) as paragraph (5) of subsection (z) and realigning the left margins accordingly [*see subsection (z) in section 10201(c), p. 840*]; and

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(B) ***Replaced paragraph (1)***

(2) in subsection (z)—

(A) ***Amended paragraph (1)***

(B) ***Struck paragraphs (2) through (4) and inserted a new paragraph (2)***

(C) by redesignating paragraph (5) (as added by paragraph (1)(A) of this section) as paragraph (3), realigning the left margins to align with paragraph (2), and striking the heading and all that follows through “a State is” and inserting “A State is”.