

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

# H. R. 625

To amend title XIX of the Social Security Act to improve the Federal medical assistance percentage used under the medicaid program, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 20, 1995

Mrs. THURMAN (for herself, Ms. BROWN of Florida, Mr. CANADY of Florida, Mr. DEUTSCH, Mr. DURBIN, Mr. FOLEY, Mrs. FOWLER, Mr. GOSS, Mr. HASTINGS of Florida, Mr. JOHNSTON of Florida, Mrs. MEEK of Florida, Mr. PETERSON of Florida, Mr. SCARBOROUGH, Mr. SHAW, Mr. STEARNS, and Mr. WELDON of Florida) introduced the following bill; which was referred to the Committee on Commerce

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## A BILL

To amend title XIX of the Social Security Act to improve the Federal medical assistance percentage used under the medicaid program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fairness in Medicaid  
5 Funding Act of 1995”.

1 **SEC. 2. CHANGE IN FEDERAL MEDICAL ASSISTANCE PER-**  
2 **CENTAGE.**

3 (a) IN GENERAL.—Subsection (b) of section 1905 of  
4 the Social Security Act (42 U.S.C. 1396d(b)) is amended  
5 to read as follows:

6 “(b)(1)(A) Except as provided in paragraph (3), the  
7 term ‘Federal medical assistance percentage’ means, for  
8 each of the 50 States and the District of Columbia, 100  
9 percent reduced by the product of the applicable percent-  
10 age (as defined in subparagraph (B)) and the ratio of—

11 “(i)(I) for each of the 50 States, the total tax-  
12 able resources ratio (as defined in subparagraph  
13 (C)) of the State, or

14 “(II) for the District of Columbia, the per cap-  
15 ita income ratio (as defined in subparagraph (D)),  
16 to—

17 “(ii) the population in poverty ratio (as defined  
18 in subparagraph (E)) of the State or District.

19 “(B)(i) For purposes of this subsection, the term ‘ap-  
20 plicable percentage’ means a percentage estimated by the  
21 Secretary with the advice of the General Accounting Office  
22 that, when applied under subparagraph (A), would result  
23 in an amount of aggregate payments under section  
24 1903(a) for calendar years 1996 through 2000 equal to  
25 the amount of aggregate payments that would have been  
26 made under such section for quarters in such years if this

1 subsection were applied as in effect on the day before the  
2 date of the enactment of the Medicaid Fairness in Fund-  
3 ing Act of 1995.

4 “(ii) The applicable percentage estimated by the Sec-  
5 retary under clause (i) shall continue to apply with respect  
6 to quarters beginning after calendar year 2000.

7 “(C) For purposes of this subsection, the term ‘total  
8 taxable resources ratio’ means—

9 “(i) an amount equal to the most recent 3-year  
10 average of the total taxable resources of the State,  
11 as determined by the Secretary of the Treasury, di-  
12 vided by

13 “(ii) an amount equal to the sum of the 3-year  
14 averages determined under clause (i) for each of the  
15 50 States.

16 “(D) For purposes of this subsection, the term ‘per  
17 capita income ratio’ means—

18 “(i) an amount equal to the most recent 3-year  
19 average of the total personal income of the District  
20 of Columbia, as determined in accordance with the  
21 provisions of section 1101(a)(8)(B), divided by

22 “(ii) an amount equal to the total personal in-  
23 come of the continental United States (including  
24 Alaska) and Hawaii, as determined under section  
25 1101(a)(8)(B).

1 “(E) For purposes of this subsection, the term ‘popu-  
2 lation in poverty ratio’ means—

3 “(i) an amount equal to the 3-year-average of  
4 the number of individuals in the State (or the Dis-  
5 trict of Columbia) whose family income is below the  
6 income official poverty line (as defined by the Office  
7 of Management and Budget and revised annually in  
8 accordance with section 673(2) of the Omnibus  
9 Budget Reconciliation Act of 1981), divided by

10 “(ii) an amount equal to the sum of the aver-  
11 ages determined under clause (i) for the 50 States.

12 “(2) The Federal medical assistance percentage for  
13 Puerto Rico, the Virgin Islands, Guam, the Northern Mar-  
14 iana Islands, and American Samoa shall be 50 percent.

15 “(3)(A) Except as provided in subparagraph (B), the  
16 Federal medical assistance percentage shall in no case be  
17 less than 40 percent or greater than 83 percent.

18 “(B) The Federal medical assistance percentage shall  
19 be 100 percent with respect to amounts expended as medi-  
20 cal assistance for services which are received through an  
21 Indian Health Service facility whether operated by the In-  
22 dian Health Service or by an Indian tribe or tribal organi-  
23 zation (as defined in section 4 of the Indian Health Care  
24 Improvement Act).

1       “(4) For purposes of any provision of law other than  
2 a provision of this title, unless otherwise specifically pro-  
3 vided, any reference to the ‘Federal medical assistance  
4 percentage’ as defined in this section shall be considered  
5 a reference to such term as defined under this subsection  
6 as in effect on the day before the date of the enactment  
7 of the Medicaid Fairness in Funding Act of 1995.”.

8       (b) CONFORMING AMENDMENT.—Section 1118 of the  
9 Social Security Act (42 U.S.C. 1318) is amended by strik-  
10 ing “(as defined in section 1905)” and inserting “(as de-  
11 fined in section 1905(b), as in effect on the day before  
12 the date of the enactment of the Medicaid Fairness in  
13 Funding Act of 1995)”.

14       (c) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to payments made to States with  
16 respect to calendar quarters beginning on or after January  
17 1, 1996.

18 **SEC. 3. ADMINISTRATION EXPENDITURES.**

19       (a) IN GENERAL.—Section 1903(a) of the Social Se-  
20 curity Act (42 U.S.C. 1396b(a)) is amended—

21               (1) in paragraph (2)—

22                       (A) in subparagraph (A), by striking “75  
23                       per centum” and inserting “the Federal medical  
24                       assistance percentage”;

1 (B) by striking subparagraph (B) and in-  
2 serting the following new subparagraph:

3 “(B) with respect to amounts expended for  
4 nursing aide training and competency evaluation  
5 programs, and competency evaluation programs de-  
6 scribed in section 1919(e)(1) (including the costs for  
7 nurses aides to complete such competency evaluation  
8 programs) regardless of whether the programs are  
9 provided in or outside nursing facilities or the skill  
10 of the personnel involved in such programs, an  
11 amount equal to the Federal medical assistance per-  
12 centage of so much of the sums expended during  
13 such quarter (as found necessary by the Secretary  
14 for the proper and efficient administration of the  
15 State plan) as are attributable to such programs;  
16 plus”;

17 (C) in subparagraph (C), by striking “75  
18 percent” and inserting “the Federal medical as-  
19 sistance percentage”; and

20 (D) by striking subparagraph (D) and in-  
21 serting the following new subparagraph:

22 “(D) an amount equal to the Federal medical  
23 assistance percentage of so much of the sums ex-  
24 pended (as found necessary by the Secretary for the  
25 proper and efficient administration of the State

1 plan) as are attributable to State activities under  
2 section 1919(g); plus”;

3 (2) in paragraph (3)—

4 (A) in subparagraph (A)—

5 (i) by striking “(A)(i)” and inserting  
6 “(A)”;

7 (ii) by striking “90 per centum” and  
8 inserting “the Federal medical assistance  
9 percentage”;

10 (iii) by striking “under this title, and”  
11 and inserting “under this title; plus”; and

12 (iv) by striking clause (ii);

13 (B) in subparagraph (B), by striking “75  
14 per centum” and inserting “the Federal medical  
15 assistance percentage”;

16 (C) in subparagraph (C), by striking “75  
17 per centum” and inserting “the Federal medical  
18 assistance percentage”; and

19 (D) in subparagraph (D), by striking “75  
20 percent” and inserting “the Federal medical as-  
21 sistance percentage”;

22 (3) in paragraph (4), by striking “100 percent”  
23 and inserting “the Federal medical assistance per-  
24 centage”;

1           (4) in paragraph (5), by striking “90 per cen-  
2           tum” and inserting “the Federal medical assistance  
3           percentage”;

4           (5) by striking paragraph (6) and inserting the  
5           following new paragraph:

6           “(6) subject to subsection (b)(3), an amount  
7           equal to the Federal medical assistance percentage  
8           of the sums expended with respect to costs incurred  
9           during such quarter (as found necessary by the Sec-  
10          retary for the elimination of fraud in the provision  
11          and administration of medical assistance provided  
12          under the State plan) which are attributable to the  
13          establishment and operation of (including the train-  
14          ing of personnel employed by) a State medicaid  
15          fraud control unit (described in subsection (q));  
16          plus”; and

17          (6) in paragraph (7), by striking “subject to  
18          section 1919(g)(3)(B), an amount equal to 50 per  
19          centum” and inserting “subject to section  
20          1919(g)(3)(C), an amount equal to the Federal med-  
21          ical assistance percentage”.

22          (b) EFFECTIVE DATE.—The amendments made by  
23          this section shall apply to payments made to States with

1 respect to calendar quarters beginning on or after January  
2 1, 1996.

