S. 203

To amend title XIX of the Social Security Act to provide for an equitable determination of the Federal medical assistance percentage.

IN THE SENATE OF THE UNITED STATES

JANUARY 19, 1999

Mr. MOYNIHAN introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend title XIX of the Social Security Act to provide for an equitable determination of the Federal medical assistance percentage.

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 "Equitable Federal

5 Medical Assistance Percentage Act of 1999".

6 **SEC. 2. EQUITABLE DETERMINATION OF FEDERAL MEDI-**

7   **CAL ASSISTANCE PERCENTAGE.**

8   (a) IN GENERAL.—Section 1905 of the Social Secu-

9 rity Act (42 U.S.C. 1396d) is amended by adding at the

10 end the following:

1 "(v) DETERMINATION OF EQUITABLE FEDERAL

2 MEDICAL ASSISTANCE PERCENTAGE.—

3   "(1) IN GENERAL.—Except as provided in para-

4 graph (4), the equitable Federal medical assistance

5 percentage determined under this subsection is, for

6 any State for a fiscal year, 100 percent reduced by

7 the product of 0.45 and the ratio of—

8   "(A) the State's share of cost-adjusted

9 total taxable resources determined under para-

10 graph (2); to

11   "(B) the State's share of program need de-

12 termined under paragraph (3).

13   "(2) DETERMINATION OF STATE'S SHARE OF

14 COST-ADJUSTED TOTAL TAXABLE RESOURCES.—

15   "(A) IN GENERAL.—For purposes of para-

16 graph (1)(A), with respect to a State, the

17 State's share of cost-adjusted total taxable re-

18 sources is the ratio of—

19   "(i)(I) an amount equal to the most

20 recent 3-year average of the total taxable

21 resources (TTR) of the State, as deter-

22 mined by the Secretary of the Treasury;

23 divided by

24   "(II) the most recent 3-year average

25 of the State's geographic health care cost

1   index (as determined under subparagraph

2   (B)); to

3   "(ii) an amount equal to the sum of

4   the amounts determined under clause (i)

5   for all States.

6   "(B) STATE'S GEOGRAPHIC HEALTH CARE

7   COST INDEX.—

8   "(i) IN GENERAL.—For purposes of

9   subparagraph (A)(i)(II), the geographic

10   health care cost index for a State for a fis-

11   cal year is the sum of—

12   "(I) 0.10;

13   "(II) 0.75 multiplied by the ratio

14   of—

15   "(aa) the most recent 3-year

16   average annual wages for hos-

17   pital employees in the State or

18   the District of Columbia (as de-

19   termined under clause (ii)); to

20   "(bb) the most recent 3-year

21   average annual wages for hos-

22   pital employees in the 50 States

23   and the District of Columbia (as

24   determined under that clause);

25   and

1   "(III) 0.15 multiplied by the

2   State's fair market rent index (as de-

3   termined under clause (iii)).

4   "(ii) DETERMINATION OF AVERAGE

5   ANNUAL WAGES OF HOSPITAL EMPLOY-

6   EES.—The Secretary shall provide for the

7   determination of the most recent 3-year

8   average annual wages for hospital employ-

9   ees in a State or the District of Columbia

10   and, collectively, in the 50 States and the

11   District of Columbia, based on the area

12   wage data applicable to hospitals under

13   section 1886(d)(3)(E) (or, if such data no

14   longer exists, comparable data of hospital

15   wages) for discharges occurring during the

16   fiscal years involved.

17   "(iii) DETERMINATION OF FAIR MAR-

18   KET RENT INDEX.—For purposes of clause

19   (i)(III), a State's fair market rent index is

20   the ratio of—

21   "(I) the average annual fair mar-

22   ket rent for 2-bedroom housing units

23   in the State or the District of Colum-

24   bia, to be determined by the Secretary

25   of Housing and Urban Development

1   for the most recent 3 fiscal years for

2   which data are available; to

3   "(II) the average annual fair

4   market rent for such housing units for

5   all States for such 3 fiscal years, as so

6   determined.

7   "(3) DETERMINATION OF STATE'S SHARE OF

8   PROGRAM NEED.—

9   "(A) IN GENERAL.—For purposes of para-

10   graph (1)(B), with respect to a State, the

11   State's share of program need is the ratio of—

12   "(i) the State's program need deter-

13   mined under subparagraph (B); to

14   "(ii) the sum of the amounts deter-

15   mined under clause (i) for all States.

16   "(B) DETERMINATION OF STATE PROGRAM

17   NEED.—

18   "(i) IN GENERAL.—For purposes of

19   subparagraph (A)(i), a State's program

20   need is equal to the average (determined

21   for the most recent 5 fiscal years for which

22   data are available) of the sum of the prod-

23   ucts determined under clause (iv) for each

24   such fiscal year (based on the number of

25   State residents whose income is below the

1   State's cost-of-living adjusted poverty in-

2   come level (as determined under clauses

3   (ii) and (iii)).

4   "(ii) DETERMINATION OF NUMBER OF

5   STATE RESIDENTS WITH INCOMES BELOW

6   THE STATE'S COST-OF-LIVING ADJUSTED

7   POVERTY LEVEL.—

8   "(I) IN GENERAL.—For purposes

9   of clause (iv), with respect to each

10   State and the District of Columbia,

11   the number of residents whose income

12   for a fiscal year is below the State's

13   cost-of-living adjusted poverty income

14   level applicable to a family of the size

15   involved (as determined under clause

16   (iii)) shall be determined.

17   "(II) CENSUS DATA.—The deter-

18   mination of the number of residents

19   under subclause (I) shall be based on

20   data made generally available by the

21   Bureau of the Census from the Cur-

22   rent Population Survey.

23   "(iii) DETERMINATION OF STATE'S

24   COST-OF-LIVING ADJUSTED POVERTY IN-

25   COME LEVEL.—

1   "(I) IN GENERAL.—For purposes

2   of clause (ii)(I), a State's cost-of-liv-

3   ing adjusted poverty income level is

4   the product of—

5   "(aa) the United States pov-

6   erty income threshold for the fis-

7   cal year involved (as defined by

8   the Office of Management and

9   Budget for general statistical

10   purposes); and

11   "(bb) the State's cost-of-liv-

12   ing index (as determined under

13   subclause (II)).

14   "(II) DETERMINATION OF

15   STATE'S COST-OF-LIVING INDEX.—

16   Subject to subclause (III), a State's

17   cost-of-living index is the sum of—

18   "(aa) 0.56; and

19   "(bb) the product of 0.44

20   and the State's fair market rent

21   index determined under para-

22   graph (2)(B)(iii).

23   "(III) ALTERNATE METHODOL-

24   OGY.—The Commissioner of Labor

25   Statistics may use an alternate meth-

1 odology to the formula set forth under

2 subclause (II) to determine a State's

3 cost-of-living index for purposes of

4 subclause (I)(bb) if the Commissioner

5 determines that the alternate meth-

6 odology results in a more accurate de-

7 termination of that index.

8 "(iv) WEIGHTING OF AGE CAT-

9 EGORIES OF RESIDENTS IN POVERTY TO

10 ACCOUNT FOR HIGHER COST POPU-

11 LATIONS.—For purposes of clause (i), the

12 products determined under this clause for

13 a fiscal year are the following:

14 "(I) WEIGHTING OF ELDERLY

15 RESIDENTS IN POVERTY.—The num-

16 ber of residents determined under

17 clause (ii) of the State or the District

18 of Columbia for the fiscal year who

19 have attained age 65 multiplied by

20 3.65.

21 "(II) WEIGHTING OF ADULT

22 RESIDENTS IN POVERTY.—The num-

23 ber of residents determined under

24 clause (ii) of the State or the District

25 of Columbia for the fiscal year who

1 have attained age 21 but have not at-

2 tained age 65 multiplied by 1.0.

3 "(III) WEIGHTING OF CHILDREN

4 IN POVERTY.—The number of resi-

5 dents determined under clause (ii) of

6 the State or the District of Columbia

7 for the fiscal year who have not at-

8 tained age 21 multiplied by 0.5.

9 "(4) SPECIAL RULES.—For purposes of this

10 subsection and subsection (b), the equitable Federal

11 medical assistance percentage is—

12 "(A) in the case of the District of Colum-

13 bia, the percentage determined under this sub-

14 section for the District of Columbia (without re-

15 gard to this paragraph) multiplied by 1.4.; and

16 "(B) in the case of Alaska, 59.8 percent.".

17 (b) CONFORMING AMENDMENTS.—Section 1905(b)

18 of the Social Security Act (42 U.S.C. 1396d(b)) is

19 amended—

20 (1) in the matter preceding paragraph (1), by

21 striking "100 per centum" and all that follows

22 through "Hawaii" and inserting "the equitable Fed-

23 eral medical assistance percentage determined under

24 subsection (v)";

1   (2) in paragraph (1), by striking ''50 per cen-

2   tum or more than 83 per centum,,'' and inserting

3   ''50 percent or more than 83 percent, and''; and

4   (3) in paragraph (2), by striking ''50 per cen-

5   tum'' and all that follows through the period at the

6   end of paragraph (3) and inserting ''50 percent.''.

7   (c) EFFECTIVE DATE.—The amendments made by

8 this Act take effect on October 1, 1999.

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