

109TH CONGRESS
1ST SESSION

H. R. 3335

To prevent a severe reduction in the Federal medical assistance percentage determined for a State for fiscal year 2006 and to provide for adjustment in computation of such percentage to disregard an extraordinary employer pension contribution.

IN THE HOUSE OF REPRESENTATIVES

JULY 19, 2005

Mr. DINGELL (for himself, Mr. BROWN of Ohio, Mr. WAXMAN, Mr. KILDEE, and Mr. McDERMOTT) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To prevent a severe reduction in the Federal medical assistance percentage determined for a State for fiscal year 2006 and to provide for adjustment in computation of such percentage to disregard an extraordinary employer pension contribution.

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 “Medicaid Formula
5 Fairness Act of 2005”.

1 **SEC. 2. LIMITATION ON SEVERE REDUCTION IN THE MED-**
2 **ICAID FMAP FOR FISCAL YEAR 2006.**

3 (a) LIMITATION ON REDUCTION.—In no case shall
4 the FMAP for a State for fiscal year 2006 be less than
5 the greater of the following:

6 (1) HALF PERCENTAGE POINT DECREASE.—
7 The FMAP determined for the State for fiscal year
8 2005, decreased by 0.5 percentage points.

9 (2) COMPUTATION WITHOUT RETROACTIVE AP-
10 PPLICATION OF REBENCHMARKED PER CAPITA IN-
11 COME.—The FMAP that would have been deter-
12 mined for the State for fiscal year 2006 if the per
13 capita incomes for 2001 and 2002 that was used to
14 determine the FMAP for the State for fiscal year
15 2005 were used.

16 (b) SCOPE OF APPLICATION.—The FMAP applicable
17 to a State for fiscal year 2006 after the application of
18 subsection (a) shall apply only for purposes of titles XIX
19 and XXI of the Social Security Act (including for purposes
20 of making disproportionate share hospital payments de-
21 scribed in section 1923 of such Act (42 U.S.C. 1396r-
22 4) and payments under such titles that are based on the
23 enhanced FMAP described in section 2105(b) of such Act
24 (42 U.S.C. 1397ee(b))) and shall not apply with respect
25 to payments under title IV of such Act (42 U.S.C. 601
26 et seq.).

1 (c) DEFINITIONS.—In this section:

2 (1) FMAP.—The term “FMAP” means the
3 Federal medical assistance percentage, as defined in
4 section 1905(b) of the Social Security Act (42
5 U.S.C. 1396d(b)).

6 (2) STATE.—The term “State” has the mean-
7 ing given such term for purposes of title XIX of the
8 Social Security Act (42 U.S.C. 1396 et seq.).

9 **SEC. 3. REPEAL.**

10 Effective as of October 1, 2006, section 2 is repealed
11 and shall not apply to any fiscal year after fiscal year
12 2006.

13 **SEC. 4. ADJUSTMENT IN COMPUTATION OF MEDICAID**
14 **FMAP TO DISREGARD AN EXTRAORDINARY**
15 **EMPLOYER PENSION CONTRIBUTION.**

16 (a) IN GENERAL.—Only for purposes of computing
17 the Federal medical assistance percentage under section
18 1905(b) of the Social Security Act (42 U.S.C. 1396d(b))
19 for a State for a fiscal year (beginning with fiscal year
20 2006), any significantly disproportionate employer pension
21 contribution described in subsection (b) shall be dis-
22 regarded in computing the per capita income of such
23 State, but shall not be disregarded in computing the per
24 capita income for the continental United States (and Alas-
25 ka) and Hawaii.

1 (b) SIGNIFICANTLY DISPROPORTIONATE EMPLOYER
2 PENSION CONTRIBUTION.—For purposes of subsection
3 (a), a significantly disproportionate employer pension con-
4 tribution described in this subsection with respect to a
5 State for a fiscal year is an employer contribution towards
6 pensions that is allocated to such State for a period if the
7 aggregate amount so allocated exceeds 30 percent of the
8 total increase in personal income in that State for the pe-
9 riod involved.

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