

117TH CONGRESS
2D SESSION

S. 3630

To establish a Dual Eligible Quality Care Fund to provide grants to State Medicaid programs to improve their capacity to ensure the provision of quality integrated care for dual eligible beneficiaries.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 10, 2022

Mr. SCOTT of South Carolina introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To establish a Dual Eligible Quality Care Fund to provide grants to State Medicaid programs to improve their capacity to ensure the provision of quality integrated care for dual eligible beneficiaries.

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 “Supporting Care for
5 Dual Eligibles Act”.

1 **SEC. 2. IMPROVING MEDICAID'S CAPACITY TO PROTECT**
2 **DUAL ELIGIBLE BENEFICIARIES.**

3 (a) ESTABLISHMENT OF DUAL ELIGIBLE QUALITY
4 CARE FUND.—

5 (1) IN GENERAL.—Not later than 6 months
6 after the date of enactment of this Act, the Sec-
7 retary of Health and Human Services (referred to in
8 this section as the “Secretary”) shall establish a
9 fund to be known as the “Dual Eligible Quality Care
10 Fund”.

11 (2) ESTABLISHMENT WITHIN FEDERAL COORDI-
12 NATED HEALTH CARE OFFICE.—The Dual Eligible
13 Quality Care Fund shall be established within, and
14 administered by the Director of, the Federal Coordi-
15 nated Health Care Office established under section
16 2602 of the Patient Protection and Affordable Care
17 Act (42 U.S.C. 1315b).

18 (3) FUNDING.—There is appropriated to the
19 Dual Eligible Quality Care Fund for fiscal year
20 2022 \$100,000,000, to remain available until ex-
21 pended.

22 (b) PURPOSE.—The purpose of the Dual Eligible
23 Quality Care Fund is to provide timely, targeted assist-
24 ance in the way of grants to State Medicaid programs to
25 improve their capacity to ensure the provision of quality
26 integrated care for dual eligible beneficiaries.

1 (c) ALLOWABLE USES OF GRANT FUNDS.—A State
2 Medicaid program may use amounts received under a
3 grant from the Dual Eligible Quality Care Fund to im-
4 prove its capacity to provide quality integrated care for
5 dual eligible beneficiaries through any of the following:

6 (1) Recruiting and paying workers with needed
7 subject matter knowledge, skills, or capabilities.

8 (2) Actuarial support for rate development and
9 analysis and development or purchase of risk adjust-
10 ment tools.

11 (3) Information technology system changes, in-
12 cluding changes that—

13 (A) improve member enrollments;

14 (B) improve encounter data collection and
15 analysis;

16 (C) improve the ability of State Medicaid
17 programs to develop customized data manage-
18 ment tools (such as queries and dashboards);

19 (D) improve compliance with Federal re-
20 porting requirements;

21 (E) enhance financial analysis;

22 (F) improve quality reporting and moni-
23 toring;

24 (G) improve modifications to capitation
25 payments;

1 (H) transfer eligibility and enrollment data
2 between systems;

3 (I) improve the grievances and appeals
4 process; and

5 (J) improve interaction with Medicare data
6 and related systems.

7 (4) Providing support for dual eligible bene-
8 ficiaries during enrollment processes, assistance to
9 dual eligible beneficiaries evaluating their enrollment
10 choices, informational materials to dual eligible
11 beneficiaries and those assisting with decision sup-
12 port, and coordination with Medicare enrollment
13 processes.

14 (5) Monitoring and oversight of efforts under-
15 taken by State Medicaid using grant funds, includ-
16 ing measuring the level of participation by stake-
17 holders and dual eligible beneficiaries.

18 (6) Quality measurement and State evaluation
19 activities, development and deployment of survey
20 tools, and costs of accessing, transferring, and ana-
21 lyzing data.

22 (7) Develop knowledge and understanding with-
23 in the State Medicaid agency of the Medicare pro-
24 gram under title XVIII of the Social Security Act
25 (42 U.S.C. 1395 et seq.).

1 (8) Supporting and improving Medicare initia-
2 tives, including new initiatives and existing or past
3 initiatives such as the Financial Alignment Initiative
4 for Medicare-Medicaid Enrollees demonstration
5 projects conducted under section 1115A of the So-
6 cial Security Act (42 U.S.C. 1315a).

7 (d) AWARDING GRANTS.—

8 (1) IN GENERAL.—A State Medicaid program
9 that wishes to receive a grant under this section
10 from the Dual Eligible Quality Care Fund shall sub-
11 mit an application to the Director of the Federal Co-
12 ordinated Health Care Office (referred to in this
13 subsection as the “Director”), in such form and
14 manner as the Director shall specify. The Director
15 may award a grant under this section to any State,
16 without regard to the State’s existing capacity to
17 provide quality integrated care for dual eligible bene-
18 ficiaries.

19 (2) APPLICATION REQUIREMENTS.—An applica-
20 tion for a grant under this section shall include an
21 identification of the uses of funds described in sub-
22 section (c) for which the State Medicaid program
23 will use the grant funds.

24 (3) METHODOLOGY FOR DISBURSING FUNDS.—

1 (A) IN GENERAL.—Not later than 6
2 months after the date of enactment of this Act,
3 the Director shall issue guidance establishing a
4 clear and equitable methodology for awarding
5 grants to State Medicaid programs under this
6 section.

7 (B) METHODOLOGY REQUIREMENTS.—The
8 methodology established by the Director under
9 this paragraph shall, to the extent practical—

10 (i) ensure that grant funds are used
11 in accordance with subsection (c);

12 (ii) provide that grants are awarded
13 by the Director in a manner that is trans-
14 parent and equitable to State Medicaid
15 programs; and

16 (iii) provide that, in determining the
17 grant amount to be awarded to a State
18 Medicaid program, the Director shall take
19 into consideration—

20 (I) the percentage of enrollees in
21 the program who are dual eligible
22 beneficiaries; and

23 (II) the total number of dual eli-
24 gible beneficiaries enrolled in the pro-
25 gram.

1 (C) LIMITATIONS.—The Director shall not
2 award more than 1 grant under this section to
3 any State Medicaid program, and in no case
4 may the amount of a grant awarded under this
5 section exceed \$2,000,000.

6 (e) STATE PROGRAM REPORTING.—

7 (1) QUARTERLY REPORTING.—States receiving
8 a grant under this section shall, in a form and man-
9 ner specified by the Director of the Federal Coordi-
10 nated Health Care Office (referred to in this sub-
11 section as the “Director”), report no less frequently
12 than once a quarter regarding the amount of grant
13 funds spent by the State and how funds received
14 from the grant are being used within the State.

15 (2) LONGITUDINAL REPORT.—States receiving
16 a grant under this section shall, no later than 2
17 years after the receipt of such grant, submit to the
18 Director and make available on a State website a re-
19 port summarizing how the funds received under such
20 grant were used. Such report shall include the fol-
21 lowing:

22 (A) An explanation of which uses of funds
23 described in subsection (e) the grant funds sup-
24 ported.

1 (B) An assessment of each of the fol-
2 lowing:

3 (i) The manner in which the grant
4 funds improved the State Medicaid pro-
5 gram’s capacity to provide quality inte-
6 grated care for dual eligible beneficiaries.

7 (ii) The manner in which the grant
8 funds improved the quality of care for dual
9 eligible beneficiaries.

10 (iii) The manner in which the grant
11 funds improved the integration and coordi-
12 nation of care for dual eligible bene-
13 ficiaries.

14 (f) DEFINITIONS.—In this section:

15 (1) DUAL ELIGIBLE BENEFICIARY.—The term
16 “dual eligible beneficiary” means an individual who
17 is entitled to, or enrolled for, benefits under part A
18 of title XVIII of the Social Security Act (42 U.S.C.
19 1395 et seq.), or enrolled for benefits under part B
20 of such title, and is eligible for medical assistance
21 under a State plan under title XIX of such Act (42
22 U.S.C. 1396 et seq.) or under a waiver of such a
23 plan.

24 (2) QUALITY INTEGRATED CARE.—The term
25 “quality integrated care” means the provision of

1 services provided under the Medicare program under
 2 title XVIII of the Social Security Act (42 U.S.C.
 3 1395 et seq.) and services provided under a State
 4 Medicaid program—

5 (A) through systems in which Medicaid
 6 and Medicare program administrative require-
 7 ments, financing, benefits, or care delivery are
 8 aligned; and

9 (B) in a coordinated fashion, which may
 10 include coverage of such services through a sin-
 11 gle entity or coordinating entities.

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

15 (4) STATE MEDICAID PROGRAM.—The term
 16 “State Medicaid program” means a State plan
 17 under title XIX of the Social Security Act (42
 18 U.S.C. 1396 et seq.), and includes any waiver of
 19 such a plan.

20 **SEC. 3. PAYMENT ERROR RATE MEASUREMENT (PERM)**
 21 **AUDIT REQUIREMENTS.**

22 (a) BIENNIAL PERM AUDIT REQUIREMENT.—Be-
 23 ginning with fiscal year 2023, the Administrator shall con-
 24 duct payment error rate measurement (“PERM”) audits
 25 of each State Medicaid program on a biennial basis.

1 (b) NOTIFICATION; IDENTIFICATION OF SOURCES OF
2 IMPROPER PAYMENTS.—

3 (1) NOTIFICATION.—Not later than 6 months
4 after the date of enactment of this Act, the Adminis-
5 trator shall notify the contractor conducting PERM
6 audits of the Administrator’s intent to modify con-
7 tracts to require PERM audits not less than once
8 every other year in each State.

9 (2) IDENTIFICATION OF SOURCES OF IMPROPER
10 PAYMENTS.—The Administrator shall direct the con-
11 tractor conducting PERM audits of State Medicaid
12 programs to identify areas known to be sources of
13 improper payments under such programs to identify
14 program areas or components known to be sources
15 of high risk for improper payments under such pro-
16 grams.

17 (c) STATE MEDICAID DIRECTOR LETTER.—Not later
18 than 12 months after the date of enactment of this Act,
19 the Administrator shall issue a State Medicaid Director
20 letter regarding State requirements under Federal law and
21 regulations regarding avoiding and responding to im-
22 proper payments under State Medicaid programs.

23 (d) STATE IMPROPER PAYMENT MITIGATION
24 PLANS.—

1 (1) IN GENERAL.—Not later than January 1,
2 2023, each State Medicaid program shall submit to
3 the Administrator a plan, which shall include spe-
4 cific actions and timeframes for taking such actions
5 and achieving specified results, for mitigating im-
6 proper payments under such program.

7 (2) PUBLICATION OF STATE PLANS.—The Ad-
8 ministrators shall make State plans submitted under
9 paragraph (1) available to the public.

10 (e) DEFINITIONS.—In this section:

11 (1) ADMINISTRATOR.—The term “Adminis-
12 trator” means the Administrator of the Centers for
13 Medicare & Medicaid Services.

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

17 (3) STATE MEDICAID PROGRAM.—The term
18 “State Medicaid program” means a State plan
19 under title XIX of the Social Security Act (42
20 U.S.C. 1396 et seq.), and includes any waiver of
21 such a plan.

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