



AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
SUMMARY - MEDICAID PROVISIONS

Updated February 13, 2009

ISSUE/TITLE	House Bill	Senate Bill	Conference Agreement
MEDICAID			
TEMPORARY MEDICAID FMAP INCREASE			
General Provisions	<i>Sec. 5001</i> <ul style="list-style-type: none"> ▪ Provides, on a temporary basis, additional federal matching funds to help states maintain their Medicaid programs in the face of recession-driven revenue declines and caseload increases. ▪ Three types of temporary assistance are available during the period October 1, 2008, through December 31, 2010. <ul style="list-style-type: none"> • Holdharmless • FMAP Increase (4.9 percentage points) • Unemployment-Related FMAP Increase ▪ All states qualify for the FMAP increase. The holdharmless and the unemployment-related FMAP increase is available for qualifying states. 	<i>Sec. 5001</i> <ul style="list-style-type: none"> ▪ Same as House, except the FMAP increase is 7.6 percentage points. 	<i>Sec. 5001</i> <ul style="list-style-type: none"> ▪ Same as House, except the FMAP increase is 6.2 percentage points.
Holdharmless	<i>Sec. 5001(a)</i> <ul style="list-style-type: none"> ▪ Holdharmless. States that would otherwise experience a drop in their federal medical assistance percentages (FMAPs) under the normal FMAP formula would be held harmless against any decline. <ul style="list-style-type: none"> • For FY 2009, if your FY 2009 FMAP is less than your FY 2008 FMAP, the 	<i>Sec. 5001(a)</i> <ul style="list-style-type: none"> • Same as House, except the FMAP increase is 7.6 percent. 	<i>Sec. 5001(a)</i> <ul style="list-style-type: none"> • Same as House, except the FMAP increase is 6.2 percent.

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	<p>FMAP increase will be added to the FY 2008 FMAP. (For example: if your FY 2008 FMAP was 60% and your FY 2009 FMAP is 58%, the 4.9 percentage point increase will be applied to the 60% FMAP level that was applicable in FY 2008.</p> <ul style="list-style-type: none"> • For FY 2010, if your FY 2010 FMAP is less than either the levels in FY 2008 or FY 2009, the FMAP increase in FY 2010 will be applied to the greater of the FMAP levels for FY 2008 and FY 2009. (For example: if your FY 2008 FMAP was 60%, the FY 2009 FMAP was 58% and the FY 2010 FMAP was 59%, the 4.9 percentage point increase would be applied to the 60% FMAP level that was applicable in FY 2008). • For the first calendar quarter of FY 2011, if your FY 2011 FMAP is less than the FMAP for FY 2008, FY 2009 or FY 2010, the FMAP increase for the first calendar quarter of FY 2011 will be applied to the would the greater of the FMAP level of the previous fiscal years. 		
<p>Temporary FMAP Increase</p>	<p><i>Sec. 5001(b)</i></p> <ul style="list-style-type: none"> • FMAP Increase. All states would receive an increase in their FMAP by 4.9 percentage points. This means that 4.9 will be added to your existing FMAP, adjusted for the above holdharmless provisions. ▪ The FMAP increase applies to Medicaid, Foster Care and Adoption Assistance. • The FMAP increase does not apply to Temporary Assistance to Needy Families (TANF), child welfare, child support enforcement, State Children's Health Insurance (SCHIP), Disproportionate Share Hospital (DSH) Payments or items/services subject to an enhanced match. 	<p><i>Sec. 5001(b); 5001(e)(1-5)</i></p> <ul style="list-style-type: none"> ▪ FMAP Increase. All states would receive an increase in their FMAP by 7.6 percentage points. This means that 7.6 will be added to your existing FMAP, adjusted for the above holdharmless provisions. ▪ The FMAP increase applies to Medicaid, Foster Care and Adoption Assistance. <ul style="list-style-type: none"> • The FMAP increase does not apply to Temporary Assistance to Needy Families (TANF), child welfare, child support enforcement, State Children's Health Insurance (SCHIP), Disproportionate Share Hospital (DSH) Payments or items/services subject to an enhanced match. • The FMAP increase does not apply to individuals who become eligible as a result of eligibility standards that 	<p><i>Sec. 5001(b)</i> <i>Combines House and Senate provisions.</i></p> <ul style="list-style-type: none"> ▪ FMAP Increase. All states would receive an increase in their FMAP by 6.2 percentage points. This means that 6.2 will be added to your existing FMAP, adjusted for the above holdharmless provisions. ▪ The FMAP increase applies to Medicaid, Foster Care and Adoption Assistance. <ul style="list-style-type: none"> • The FMAP increase does not apply to Temporary Assistance to Needy Families (TANF), child welfare, child support enforcement, State Children's Health Insurance (SCHIP), Disproportionate Share Hospital (DSH) Payments or items/services subject to an enhanced match. • The FMAP increase does not apply to individuals who become eligible as

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		<p>are higher than those that were in effect on July 1, 2008. Regular FMAP would apply. [Sec. 5001(e)(5)]</p>	<p>a result of eligibility standards that are higher than those that were in effect on July 1, 2008. Regular FMAP would apply. [Sec. 5001(e)(5)]</p>
<p>Unemployment-Related FMAP Increase</p>	<p><i>Sec. 5001 (c)</i></p> <ul style="list-style-type: none"> ▪ Unemployment-Related FMAP Increase. States with large increases in unemployment, "high unemployment states" would receive an additional increase in their FMAP directly related to the increase in their unemployment rates. This high unemployment percentage point adjustment would automatically adjust upward to reflect increases in state unemployment rates if the recession worsens. These adjustments would be made on a quarterly basis. ▪ Under this formula, the FMAP increase and the unemployment bonus are equally weighted. <p><i>High Unemployment State</i></p> <ul style="list-style-type: none"> ▪ A state during the recession adjustment period with an unemployment increase percentage equal to or more than 1.5 percentage points. If a state is a high unemployment state for a calendar quarter, the state will retain that status for each subsequent calendar quarter ending before July 1, 2010. • Recession Adjustment Period - the period beginning on October 1, 2008, and ending on December 31, 2010. <p><i>State Unemployment Factor</i></p> <ul style="list-style-type: none"> ▪ If the state unemployment increase percentage is equal to 1.5, but less than 2.5, the reduction factor for the state and quarter is 6 percent. ▪ If the state unemployment increase percentage is equal to 2.5, but less than 3.5, the reduction factor for the state 	<p><i>Sec. 5001 (c)</i></p> <ul style="list-style-type: none"> ▪ Similar to House provision. The Senate provision limits the influence of the state unemployment factor in the determination of state allotments. ▪ Under this formula, the FMAP increase and the unemployment bonus are weighted on a 80% (FMAP increase) and 20% (unemployment bonus). <p><i>State Unemployment Factor</i></p> <ul style="list-style-type: none"> ▪ If the state unemployment increase percentage is equal to 1.5, but less than 2.5, the reduction factor for the state and quarter is 2.5 percent. ▪ If the state unemployment increase percentage is equal to 2.5, but less than 3.5, the reduction factor for the state and quarter is 4.5 percent. ▪ If the state unemployment increase percentage is equal to or more than 3.5, the reduction factor for the state and quarter is 6.5 percent. 	<p><i>Sec. 5001 (c)</i></p> <ul style="list-style-type: none"> ▪ Similar to House and Senate provisions. ▪ Under this formula, the FMAP increase and the unemployment bonus are weighted on a 65% (FMAP increase) and 35% (unemployment bonus). ▪ Changes the formula for computing the high unemployment percentage adjustment increase. <p><i>State Unemployment Factor</i></p> <ul style="list-style-type: none"> ▪ If the state unemployment increase percentage is equal to 1.5, but less than 2.5, the reduction factor for the state and quarter is 5.5 percent. ▪ If the state unemployment increase percentage is equal to 2.5, but less than 3.5, the reduction factor for the state and quarter is 8.5 percent. ▪ If the state unemployment increase percentage is equal to or more than 3.5, the reduction factor for the state and quarter is 11.5 percent. <p><i>Formula for Determining the Unemployment Increase Percentage</i></p> <ul style="list-style-type: none"> ▪ State Match (adjusted to reflect holdharmless) + 3.1 percentage points (1/2 of the FMAP percentage increase) multiplied by the appropriate("high unemployment percentage point adjustment) = unemployment increase percentage. This number is added to the 6.2 FMAP increase percentage. ▪ A states total FMAP increase is equal to the 6.2 percentage point increase

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	<p>and quarter is 12 percent.</p> <ul style="list-style-type: none"> ▪ If the state unemployment increase percentage is equal to or more than 3.5, the reduction factor for the state and quarter is 14 percent. <p><i>Unemployment Increase Percentage</i></p> <ul style="list-style-type: none"> ▪ The amount by which the average monthly unemployment rate for the state for the months in the most recent previous 3-consecutive-month period for which data are available, exceeds the lowest average monthly unemployment rate for the state for any 3-consecutive-month period preceding the most recent previous period and beginning on or after January 1, 2006. • Special Rule - The first 2 calendar quarters of the recession adjustment period, the most recent previous 3-consecutive-month period will be the 3-consecutive-month period beginning with October 2008; and the last 2 calendar quarters of the recession adjustment period, the most recent previous 3-consecutive-month period will be the 3-consecutive-month period beginning December 2009. • Average Monthly Unemployment Rate - the average of the monthly number of unemployed, divided by the average of the monthly civilian labor force, seasonably adjusted, as determined based on the most recent monthly publications of the Bureau of Labor Statistics of the Department of Labor. <p><i>Formula for Determining the Unemployment Increase Percentage</i></p> <ul style="list-style-type: none"> ▪ State Match (adjusted to reflect holdharmless) multiplied by the appropriate "high unemployment percentage point adjustment) = unemployment increase percentage. <p><i>Maintenance of Status</i></p>		<p>plus the unemployment increase percentage increase.</p>

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	<ul style="list-style-type: none"> ▪ In no case will the state unemployment reduction factor applied for a state for a quarter (beginning on or after January 1, 2009 and ending before July 1, 2010) be less than the reduction factor applied to the state for the previous quarter. 		
Increase in the Cap on Medicaid Payments to the Territories	<p><i>Sec. 5001(d)</i></p> <ul style="list-style-type: none"> ▪ Treatment of Territories - The territories (Puerto Rico, the U.S. Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa) would have the option of a 20% increase in their cap or a 4.9 percentage point increase in their FMAP plus a 10% increase in their cap. 	<p><i>Sec. 5001(d)</i></p> <ul style="list-style-type: none"> ▪ Treatment of Territories - Increases the cap by 15.2 percent for the territories (Puerto Rico, the U.S. Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa). 	<p><i>Sec. 5001(d)</i></p> <ul style="list-style-type: none"> ▪ Treatment of Territories - The territories (Puerto Rico, the U.S. Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa) would have the option of a 30% increase in their cap or a 6.2 percentage point increase in their FMAP plus a 15% increase in their cap. ▪ The option selected will be applied to the entire recession period.
Maintenance of Effort	<p><i>Sec. 5001 (f)</i></p> <ul style="list-style-type: none"> ▪ Maintenance of Effort. A state will be ineligible for the FMAP increase or increase in the cap for Territories if eligibility standards, methodologies or procedures under the Medicaid state plan (including Medicaid and/or Section 1115 waivers) are more restrictive than the eligibility standards, methodologies or procedures, respectively, under the state plan or waiver that was in effect on July 1, 2008. ▪ States retain the flexibility to make changes in benefits and reimbursement. <ul style="list-style-type: none"> • State Reinstatement of Eligibility Permitted. A state that has restricted eligibility standards, methodologies, or procedures after July 1, 2008, would become eligible for the FMAP increase beginning with the first calendar quarter in which the state has reinstated 	<p><i>Sec. 5001 (f)</i></p> <ul style="list-style-type: none"> ▪ Same provision. 	<p><i>Sec. 5001 (f)(1)</i></p> <ul style="list-style-type: none"> ▪ House provision.

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	<p>eligibility standards, methodologies and procedures that are no more restrictive than those that were in effect on July 1, 2008.</p> <ul style="list-style-type: none"> • Special Rule Regarding State Reinstatement. A state will not be ineligible for the increased FMAP before July 1, 2009, under the following circumstances: <ul style="list-style-type: none"> • on the basis of a restriction that was applied after July 1, 2008 and before the date of enactment of this act; or • on the basis of a restriction that was effective under state law as of July 1, 2008, and would have been in effect as of that date, but for a delay of not longer than one calendar quarter, in the approval of a request for a new waiver under section 1115 with respect to the restriction. 		
<p>Compliance with Medicaid Prompt Pay Requirements</p>	<ul style="list-style-type: none"> ▪ No provision. 	<p><i>Sec. 5001(f)(2)</i></p> <ul style="list-style-type: none"> ▪ Prevents a state from receiving the increased FMAP claims received by the state for days during any period when the state is out of compliance with the Medicaid prompt pay requirements. ▪ Requires states to report to the HHS Secretary within 30 days following the first day of each month regarding the states' compliance with the Medicaid prompt pay requirements with respect to claims made for covered items and services during the preceding month. ▪ Prohibits the Secretary from waiving this provision. ▪ Extends the application of the 	<p><i>5001(f)(2)</i> <i>Revised Senate provision.</i> <i>Application to Practitioners</i></p> <ul style="list-style-type: none"> ▪ Prevents a state from receiving the increased FMAP claims received by the state for days during any period when the state is out of compliance with the Medicaid prompt pay requirements.¹ ▪ State Reporting Requirement. Requires states to report to the HHS Secretary within 30 days following the first day of each month regarding the states' compliance with the Medicaid prompt pay requirements with respect to claims made for covered items and services during the preceding month. • Waiver Authority. Permits the

¹ The "Prompt Pay" provision in the Medicaid statute provides that states must ensure that 90% of clean claims, those provide for claims, those for which no further written information or substantiation is required in order to make payment are paid within 30 days of the date of receipt of the claims and that 99% of claims are paid within 90 days of the date of receipt. States must also provide for procedures of prepayment and postpayment claims review, including review of appropriate data with respect to the recipient and provider of a service and the nature of the service for which payment is claimed, to ensure the proper and efficient payment of claims and management of the program.

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		<p>Medicaid prompt payment provisions to nursing facilities.</p> <p><i>Effective Date</i></p> <ul style="list-style-type: none"> ▪ The provision becomes effective April 1, 2009 and sunsets on December 31, 2010. 	<p>Secretary to waive the prompt pay provision or the state reporting provision during any period in which there are exigent circumstances, including natural disasters, that prevent the timely processing of claims or the submission of the reports.</p> <p><i>Application to Nursing Facilities and Hospitals</i></p> <ul style="list-style-type: none"> ▪ Applies the provisions relating to practitioners to nursing facilities and hospitals that are paid on the submission of claims. • Grace Period. No period of ineligibility will be imposed on a state prior to June 1, 2009, on the basis of the state failing to pay a claim in accordance with this provision. <p><i>Effective Date</i></p> <ul style="list-style-type: none"> ▪ Upon enactment. ▪ Provisions of this section apply to claims submitted after enactment.
<p>Treatment of State Rainy Day Funds and Reserve Funds</p>	<p><i>Sec. 5001(e)</i></p> <ul style="list-style-type: none"> ▪ States will become ineligible for the increased FMAP if any of the funds directly or indirectly attributable to the FMAP increase are deposited or credited to any reserve or rainy day fund. 	<p><i>Sec. 5001 (g) (1)</i></p> <ul style="list-style-type: none"> ▪ Same provision, except the Senate provision specifically prohibits the HHS Secretary from waiving this provision. 	<p><i>5001(f)(6)</i> <i>Combines House and Senate Provisions.</i></p> <ul style="list-style-type: none"> ▪ States will become ineligible for the increased FMAP if any of the funds directly or indirectly attributable to the FMAP increase are deposited or credited to any reserve or rainy day fund. ▪ Prohibits the HHS Secretary from waiving this provision.
<p>Provision Of Medical Assistance On Behalf Of A Child During A Presumptive Eligibility Period under CHIP</p>	<p>No provision.</p>	<p>No provision.</p>	<p><i>Sec. 5001(f)(6)</i></p> <ul style="list-style-type: none"> ▪ Provides that expenditures of federal funds attributable to the provision of medical assistance on behalf of a child during a presumptive eligibility period in the State Children's Health Insurance Program (SCHIP) that was in effect before April 1, 2009 and were made between October 1, 2008 and March 30, 2009, will not be counted against the CHIP allotments.

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Treatment of Local Governments that Contribute to the State Share of Medicaid Payments	<i>Sec. 5001 (e)</i> <ul style="list-style-type: none"> ▪ Prohibits states from increasing the local government share of the state Medicaid match to a percentage greater than was in place under the state plan on September 30, 2008. 	<i>Sec. 5001 (f)</i> <ul style="list-style-type: none"> ▪ Same provision, except the Senate provision specifically prohibits the HHS Secretary from waiving this provision. 	<i>Sec. 5001 (g)(2)</i> <i>Combines House and Senate Provisions</i> <ul style="list-style-type: none"> ▪ Prohibits states from increasing the local government share of the state Medicaid match to a percentage greater than was in place under the state plan on September 30, 2008. ▪ Prohibits the HHS Secretary from waiving this provision.
Limitation of FMAP to 100 Percent	No provision.	No provision.	<i>5001(f)(5)</i> <ul style="list-style-type: none"> ▪ Provides that a state's FMAP cannot exceed 100 percent.
Limitation of FMAP Change	No provision.	No provision.	<i>Sec. 5001(j)</i> <ul style="list-style-type: none"> ▪ Provides that the increase in FMAP effected under section 614 of the Children's Health Insurance Program Reauthorization Act of 2009, "Adjustment in Computation of Medicaid FMAP to Disregard an Extraordinary Employer Pension Contribution," will not apply in the computation of the enhanced FMAP under Medicaid and CHIP for any period.
Sunset			<i>Sec. 5001(i)</i> <ul style="list-style-type: none"> ▪ Provides that this section does not apply to items and services provided after the end of the recession period, December 31, 2010.
OPTIONAL TEMPORARY, FEDERALLY FUNDED MEDICAID PROGRAM FOR THE UNEMPLOYED			
Temporary Optional Medicaid for the Unemployed	<i>Sec. 3003</i> <ul style="list-style-type: none"> ▪ Authorizes a temporary state Medicaid option to provide health care coverage to one or more of the following groups of unemployed individuals without health insurance (and their uninsured spouses and dependents): <ul style="list-style-type: none"> • Individuals receiving unemployment benefits and individuals who have exhausted unemployment benefits: 	<ul style="list-style-type: none"> ▪ No provision. 	<ul style="list-style-type: none"> ▪ Senate provision.

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	<ul style="list-style-type: none"> • Individuals who are receiving food stamps and are not otherwise eligible for Medicaid; and • Individuals in families with gross incomes below 200 percent of the federal poverty level. <ul style="list-style-type: none"> ▪ To qualify, individuals would have to be receiving or have exhausted unemployment benefits during the period September 1, 2008 - December 31, 2010, or be involuntarily separated from employment during this period. ▪ The federal government will assume 100 percent of the costs of benefits and administration for individuals enrolled under this option through December 31, 2010. 		
OTHER MEDICAID AMENDMENTS			
Temporary Increase in Disproportionate Share Hospital Allotments	<i>Sec. 5006 Temporary Increase in DSH Allotments During Recession</i> <ul style="list-style-type: none"> ▪ Increases Medicaid DSH allotments for states by 2.5 percent in FY2009, and another 2.5 percent in FY2010. 	<i>Sec. 5002 Extension and Update of Special Rule for Increase of Medicaid DSH Allotments for Low DSH States</i> <ul style="list-style-type: none"> ▪ Reinstates recently expired provisions from the Medicare Modernization Act that would increase, slightly, disproportionate share hospital payments (“low DSH”). This would allow a 16 percent increase in Medicaid disproportionate share hospital funding to continue through the first quarter of fiscal 2011 for several states. 	<i>Sec. 502</i> <ul style="list-style-type: none"> ▪ House provision.
Moratorium on Certain Medicaid Regulations	<i>Sec. 5002</i> <ul style="list-style-type: none"> ▪ Extends the current law moratorium on six Medicaid regulations, which expires on March 31, 2009, through June 30, 2009. • Current law imposes a moratorium on six Medicaid regulations relating to cost limits on public providers, graduate medical education (GME) payments, provider taxes, rehabilitative services, targeted case management 	<ul style="list-style-type: none"> ▪ No provision. 	<i>Sec. 5003 Revised House provision.</i> <i>Extends the Moratoria on the Certain Final Regulations through June 30, 2009</i> <ul style="list-style-type: none"> ▪ Optional Case Management Services ▪ Provider Taxes ▪ School-Based Administration and School-Based Transportation

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	<p>services, and school administration and transportation services.</p> <ul style="list-style-type: none"> ▪ Includes a seventh Medicaid regulation relating to outpatient hospital services that was published as a final rule on December 8, 2008. 		<p><i>Imposes a Moratorium on the Final Regulation Regarding Outpatient Hospital Facility Services through June 30, 2009</i></p> <ul style="list-style-type: none"> ▪ Prohibits the HHS Secretary from enforcing the final rule published in the December 8, 2008 <i>Federal Register</i> regarding any expenditures made between December 8, 2008 and June 30, 2009. <p><i>Sense of Congress</i></p> <ul style="list-style-type: none"> ▪ Includes Sense of the Congress that urges the HHS Secretary to not promulgate final regulations regarding: <ul style="list-style-type: none"> • Cost limits for Certain Providers; • Payments for Graduate Medical Education; and • Rehabilitative Services.
<p>Temporary Extension of Transitional Medical Assistance</p>	<p><i>Sec. 5003</i></p> <ul style="list-style-type: none"> ▪ Extends work-related TMA under Section 1925 through December 31, 2010. ▪ Permits states to opt to treat any reference to a 6-month period (or 6 months) as a reference to a 12-month period (or 12 months) for purposes of the initial eligibility period for work-related TMA, in which case the additional 6-month extension would not apply. ▪ Permits states to opt to waive the requirement that a family have received Medicaid in at least three of the last six months in order to qualify. ▪ Requires states to collect and submit to the HHS Secretary (and make publicly available) information on average monthly enrollment and participation rates for adults and children under work-related TMA, and on the number and percentage of children who become ineligible for work-related TMA and whose eligibility is 	<p><i>Sec. 3001</i></p> <ul style="list-style-type: none"> ▪ Same provision. 	<p><i>Sec. 5004</i></p> <ul style="list-style-type: none"> ▪ House provision.

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	<p>continued under another Medicaid eligibility category or who are enrolled in the State Children's Health Insurance Program.</p> <ul style="list-style-type: none"> ▪ Requires the HHS Secretary to submit annual reports to Congress concerning these rates. ▪ Effective July 1, 2009. 		
Extension of the Qualified Individual (QI) Program	<ul style="list-style-type: none"> ▪ No provision. 	<p><i>Sec. 3101</i></p> <ul style="list-style-type: none"> ▪ Extends the authorization for the QI program to December 2010. The current authorization expires on December 31, 2009.² ▪ Provides the following allocation amounts: <ul style="list-style-type: none"> • For the period January 1, 2010 - September 30, 2010, \$412.5 million; and • For the period October 1, 2010 - December 31, 2010, \$150 million. 	<p><i>Sec. 5005</i></p> <ul style="list-style-type: none"> ▪ Senate provision.
Payment of Medicare Liability to States as a Result of the Special Disability Workload Project	<ul style="list-style-type: none"> ▪ No provision. 	<p><i>Sec. 5003</i></p> <ul style="list-style-type: none"> ▪ Requires Medicare to repay state Medicaid programs for \$3 billion in Medicaid payments made by states, on behalf of certain disabled individuals, that should have been paid for by the Medicare program. ▪ Requires the HHS Secretary, in consultation with the Social Security Administration (SSA) Commissioner, to work with and reach agreement with each state, within three months of enactment, on the amount of payment owed the state related to the Medicare program liability related to the Special Disability Workload project. <p><i>Payments</i></p>	<ul style="list-style-type: none"> ▪ House provision.

² The Qualifying Individuals program is currently funded in the following way: \$130 million for the period October 1, 2008 - December 31, 2008; \$350 million for the period January 1, 2009 - September 30, 2009; and \$150 million for the period October 1, 2009 - December 31, 2009.

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		<ul style="list-style-type: none"> ▪ Requires the HHS Secretary to pay the state within 30 days of reaching agreement on the payment amount. <p><i>Appropriations</i></p> <ul style="list-style-type: none"> ▪ Appropriates \$3 billion for FY 2009, and prohibits any payments after four months after enactment. <p><i>Requirements</i></p> <ul style="list-style-type: none"> ▪ The amount of payments will be determined using the most recent federal data available. The payment methodology will consider the following factors: <ul style="list-style-type: none"> • The number of SDW cases found to have been eligible for benefits under the Medicare program and the month of the initial Medicare program eligibility for the cases; • The applicable non-federal share of expenditures made by a state under the Medicaid program during the time period for SDW cases; • Other factors deemed appropriate by the HHS Secretary and the SSA Commissioner. • No state will be required to submit individual claims evidencing specific Medicaid payments as a condition of receiving a payment under this provision. <p><i>Conditions for Payments</i></p> <ul style="list-style-type: none"> ▪ A state must do the following to receive payment under this provision: <ul style="list-style-type: none"> • Waive the right to file a civil action (or be a party to any action) in any federal or state court seeking payment related to the Medicare liability as a result of the SDW project; and • Release the United States from any further claims for reimbursement of state expenditures related to the SDW project. <p><i>Note: The total federal liability is estimated to be \$3.7 billion.</i></p>	

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Funding for the HHS Office of the Inspector General	<ul style="list-style-type: none"> ▪ No provision. 	<p><i>Sec. 5004</i></p> <ul style="list-style-type: none"> ▪ Provides a supplemental appropriation of \$31.25 million for the HHS Office of the Inspector General (OIG) for its Medicaid oversight responsibilities. The amounts appropriated will remain available until September 30, 2012. 	<p><i>Sec. 5007</i></p> <ul style="list-style-type: none"> ▪ Senate provision.
GAO Study and Report regarding State Needs During Periods of National Economic Downturn	<ul style="list-style-type: none"> ▪ No provision. 	<p><i>Sec. 5005</i></p> <ul style="list-style-type: none"> ▪ Requires a GAO study and report on the most recent economic downturn and recommendations for addressing the needs of states during future periods of national economic downturn. <ul style="list-style-type: none"> • Specifically, the Comptroller General would be required to analyze previous periods of national economic downturn in the last 35 years, as well as the current such period, and the past and projected effects of temporary increases in FMAP under Medicaid with respect these periods. • Not later than April 1, 2011, the Comptroller General shall submit a report to the relevant Committees of Congress on the results of the analysis conducted. Such report shall include recommendations for modifying the national economic downturn assistance (<i>i.e.</i>, countercyclical FMAP) formula called for in the GAO-07-97 report to improve the effectiveness of the application of such percentage in addressing the needs of states during periods of national economic downturn, including recommendations for: <ul style="list-style-type: none"> • improvements to the factors that begin and end the application of such percentage; • how the determination of such percentage could be adjusted to address state and regional economic variations during such periods; • how the determination of such percentage could be adjusted to be more responsive to actual Medicaid 	<p><i>Sec. 5008</i></p> <ul style="list-style-type: none"> ▪ Senate provision.

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		<p>costs incurred by states during such periods, including an examination of the impact on states of declining private coverage, declining state revenue, and caseload maintenance and growth; and</p> <ul style="list-style-type: none"> • the effects of any other specific economic indicators that the Comptroller General deems appropriate. 	
TEMPORARY HEALTH CARE COVERAGE FOR THE UNEMPLOYED			
TEMPORARY OPTIONAL MEDICAID COVERAGE FOR THE UNEMPLOYED			
Temporary Optional Medicaid Coverage for the Unemployed	<p><i>Sec. 3003</i></p> <ul style="list-style-type: none"> ▪ Provides states the option of offering coverage to unemployed workers through their Medicaid programs, with the federal government matching 100 percent of the costs of benefits and administration. ▪ States could offer coverage to individuals who are unemployed and uninsured and fall into one or more of the following three categories: <ul style="list-style-type: none"> • individuals (and their dependents) who receive unemployment insurance benefits or who have exhausted unemployment insurance benefits; • individuals (and their dependents) who have income below 200 percent FPL (\$42,400 for a family of 4) and are not otherwise eligible for Medicaid or CHIP; • individuals (and their dependents) receiving food stamps who are not otherwise eligible for Medicaid or CHIP. ▪ In all cases, the individual must be involuntarily separated from employment between September 1, 2008 and December 31, 2010 and remain unemployed. 	<ul style="list-style-type: none"> ▪ No provision. 	<ul style="list-style-type: none"> ▪ Senate Provision.