



## NAMD RAPID ANALYSIS: [American Health Care Act](#)

### Subtitle B – Medicaid Program Enhancements

#### Repeal of Certain ACA Provisions

- **Sec. 111:** Halts hospital presumptive eligibility determinations on January 1, 2020, but allows such determinations for children, pregnant women, and breast and cervical cancer patients. Rescinds 6 percentage point FMAP for 1915(k) Community First Choice programs.

#### Treatment of Medicaid Expansion

- **Sec. 112:** Freezes enrollment in Medicaid expansion on December 31, 2019. Enhanced FMAP remains available until the expansion-enrolled beneficiary has a break in eligibility for more than one month, in which case the standard FMAP applies. New expansion enrollees on January 1, 2020 and beyond will receive normal FMAP. Sunsets the application of Essential Health Benefits to Medicaid Alternative Benefit Plans on December 31, 2019.
- **Sec. 113:** Repeals scheduled DSH cuts for non-expansion states in 2018. Repeals DSH cuts in expansion states in 2020. If a non-expansion state elects to expand before 2020, DSH cuts will apply to that state.
- **Sec. 115:** Creates a new pool of funding for non-expansion states. From FY 2018 through FY 2021, non-expansion states will receive enhanced match for funds used to adjust provider payments. Funds are capped at \$2 billion per year. A 100% FMAP for these adjustments will be available through CY 2018 – 2021 and 95% FMAP in CY 2022. State shares of this funding will be capped at the ratio of individuals in the state below 138% FPL in 2015 to the total number of individuals below 138% FPL in all non-expansion states in 2015.
- **Sec. 116:** After October 1, 2017, requires expansion states to verify expansion beneficiary eligibility each 6 months. Allows civil monetary penalties to be applied to individuals enrolled in the expansion but do not meet its income requirements. Provides enhanced FMAP of five percentage points between October 1, 2017 and December 31, 2019 for the newly required eligibility redeterminations.

### **Other Medicaid Proposals Previously in Circulation**

- **Sec. 114:** Includes separate Medicaid bills related to [excluding lottery winners from the program](#), repealing the 3-month retroactive eligibility period, [verifying eligibility for resident aliens prior to enrollment](#), and repeals state authority to substitute a home equity limit above the statutory minimum for income eligibility purposes.

### **Subtitle C – Per Capita Allotment for Medical Assistance**

- **Sec. 121:** Starting in FY 2020, converts Medicaid in to a per-capita allotment funding system. Uses each State’s spending in FY 2016 as the base year to set targeted spending for each enrollee category (elderly, blind and disabled, children, non-expansion adults, and expansion adults) in FY 2019 and subsequent years for that State.

Each State’s targeted spending amount would increase by the percentage increase in the medical care component of the consumer price index for all urban consumers from September 2019 to September of the next fiscal year. Starting in FY 2020, any State with spending higher than their specified targeted aggregate amount would receive reductions to their Medicaid funding for the following fiscal year. Exempts DSH payments and administrative payments from caps. Also exempts:

- Individuals covered under a CHIP Medicaid expansion program;
- Individuals who receive medical assistance through an Indian Health Service facility;
- Individuals entitled to medical assistance coverage of breast and cervical cancer treatment due to screening under the Breast and Cervical Cancer Early Detection Program;
- The following partial-benefit enrollees:
  - Unauthorized aliens eligible for Medicaid emergency medical care;
  - Individuals eligible for Medicaid family planning options;
  - Dual-eligible individuals eligible for coverage of Medicare cost sharing;
  - Individuals eligible for premium assistance;
  - Coverage of tuberculosis-related services for individuals infected with TB.

Includes data and reporting provisions, with a temporary increase to the federal matching percentage for these purposes (Oct. 1, 2017-Oct. 1, 2019). Provides for audits in specified years.