

AMENDMENT TO THE AMERICAN RESCUE PLAN
ACT OF 2021
OFFERED BY MR. BURGESS OF TEXAS

At the end of subtitle B of title III, add the following new section:

1 **SEC. ____ . ENSURING LOW PAYMENT ERROR RATES UNDER**
2 **THE MEDICAID PROGRAM.**

3 (a) **FUNDING.**—In addition to amounts otherwise
4 available, there are appropriated to the Secretary of
5 Health and Human Services, out of any monies in the
6 Treasury not otherwise appropriated—

7 (1) \$200,000,000 for fiscal year 2021, to re-
8 main available until expended, for purposes of un-
9 dertaking activities to reduce the payment error
10 rates under the Medicaid program under title XIX
11 of the Social Security Act (42. U.S.C. 1396 et seq.);
12 and

13 (2) \$200,000,000 for fiscal year 2021, to re-
14 main available until expended, for purposes of allo-
15 cating such funds among each State and territory of
16 the United States to enable each such State and ter-
17 ritory to undertake such activities.

1 (b) FAILURE TO ENSURE PAYMENT ERROR RATES
2 OF LESS THAN 10 PERCENT.—Section 1905 of the Social
3 Security Act (42 U.S.C. 1396d), as amended by the pre-
4 ceding sections of this subtitle, is further amended—

5 (1) in subsection (b), by striking “and (ii)” and
6 inserting “(ii), and (jj)”;

7 (2) in subsection (y)(1), by inserting “subject to
8 subsection (jj),” before “the Federal medical assist-
9 ance percentage”;

10 (3) in subsection (z)(2)(A), by inserting “sub-
11 ject to subsection (jj),” before “the Federal medical
12 assistance percentage”; and

13 (4) by adding at the end the following new sub-
14 section:

15 “(jj) FAILURE TO ENSURE PAYMENT ERROR RATES
16 OF LESS THAN 10 PERCENT.—

17 “(1) IN GENERAL.—With respect to a calendar
18 quarter beginning on or after April 1, 2025, in the
19 case of a State that had a payment error rate under
20 this title of 10 percent or greater (as determined by
21 the Inspector General of the Department of Health
22 and Human Services) for the most recent fiscal year
23 for which data is available with respect to such
24 State—

1 “(A) in the case such State, during such
2 quarter, expended amounts for medical assist-
3 ance for newly eligible (as defined in subsection
4 (y)(2)(A)) individuals under the State plan of
5 such State (or waiver of such plan), the per-
6 centage specified in subsection (y)(1) for such
7 quarter and such State shall be reduced by the
8 number of percentage points specified in para-
9 graph (2);

10 “(B) in the case such State is an expan-
11 sion State (as described in subsection (z)(3))
12 and, during such quarter, expended amounts
13 for medical assistance for individuals described
14 in subsection (z)(2)(A) under the State plan of
15 such State (or waiver of such plan), the per-
16 centage specified in subsection (z)(2)(B)(i) for
17 such quarter and such State shall be reduced by
18 the number of percentage points specified in
19 paragraph (2); and

20 “(C) in the case such State is not de-
21 scribed in subparagraph (A) or (B), the per-
22 centage calculated under subsection (b) for such
23 quarter and such State shall be reduced by the
24 number of percentage points specified in para-
25 graph (2).

1 “(2) PERCENTAGE POINTS SPECIFIED.—For
2 purposes of paragraph (1), the number of percent-
3 age points specified with respect to a calendar quar-
4 ter and a State is equal to the product of—

5 “(A) the number of percentage points by
6 which the payment error rate under this title
7 for such State for the most recent fiscal year
8 for which data is available with respect to such
9 State exceeds 10 percent, rounded to the near-
10 est whole percentage point; and

11 “(B) 0.25.”.

12 (c) INCREASE IN FMAP FOR CERTAIN SERVICES FOR
13 STATES WITH LOW PAYMENT ERROR RATES.—Section
14 1905 of the Social Security Act (42 U.S.C. 1396d), as
15 amended by subsection (b), is further amended—

16 (1) in subsection (b), by striking “and (jj)” and
17 inserting “(jj), and (kk)”;

18 (2) by adding at the end the following new sub-
19 section:

20 “(kk) INCREASE IN FMAP FOR CERTAIN SERVICES
21 FOR STATES WITH LOW PAYMENT ERROR RATES.—

22 “(1) IN GENERAL.—Subject to paragraph (2),
23 in the case of a State that, as of April 1, 2025, had
24 a payment error rate under this title of less than 10
25 percent (as determined by the Inspector General of

1 the Department of Health and Human Services) for
2 the most recent fiscal year for which data is avail-
3 able with respect to such State, the Federal medical
4 assistance percentage otherwise applicable to such
5 State for each quarter occurring during the 4-year
6 period beginning on such date for medical assistance
7 furnished during such quarter consisting of home
8 and community-based services provided under sub-
9 section (c), (d), or (i) of section 1915 or under a
10 waiver or demonstration project under section 1115
11 shall be increased by 1 percentage point.

12 “(2) EXCEPTION.—If, during any quarter oc-
13 ccurring during the period described in paragraph (1)
14 with respect to a State, the payment error rate
15 under this title for such State for the most recent
16 fiscal year for which data is available with respect
17 to such State is equal to or greater than 10 percent,
18 the increase described in such paragraph shall not
19 apply with respect to such quarter (or any suc-
20 ceeding quarter).”.

21 (d) ENROLLMENT ASSISTANCE.—

22 (1) IN GENERAL.—Not later than 30 days after
23 the date of the enactment of this Act, the Adminis-
24 trator of the Centers for Medicare & Medicaid Serv-
25 ices shall issue guidance and provide such additional

1 assistance as is determined appropriate by the Ad-
2 ministrator to States for purposes of facilitating the
3 enrollment of individuals under State plans (or waiv-
4 ers of such plans) under title XIX of the Social Se-
5 curity Act (42 U.S.C. 1396 et seq.).

6 (2) FUNDING.—In addition to amounts other-
7 wise available, there are appropriated to the Admin-
8 istrator of the Centers for Medicare & Medicaid
9 Services, out of any monies in the Treasury not oth-
10 erwise appropriated, \$100,000,000 for fiscal year
11 2021, to remain available until expended, for pur-
12 poses of carrying out paragraph (1).

Page 284, line 14, insert “(reduced by
\$500,000,000)” after the dollar amount.

