

AMENDMENT TO H.R. 5797, AS REPORTED
OFFERED BY MRS. MIMI WALTERS OF
CALIFORNIA

Add at the end the following:

1 **SEC. 3. PROMOTING VALUE IN MEDICAID MANAGED CARE.**

2 Section 1903(m) of the Social Security Act (42
3 U.S.C. 1396b(m)) is amended by adding at the end the
4 following new paragraph:

5 “(7)(A) With respect to expenditures described in
6 subparagraph (B) that are incurred by a State for any
7 fiscal year after fiscal year 2020 (and before fiscal year
8 2025), in determining the pro rata share to which the
9 United States is equitably entitled under subsection
10 (d)(3), the Secretary shall substitute the Federal medical
11 assistance percentage that applies for such fiscal year to
12 the State under section 1905(b) (without regard to any
13 adjustments to such percentage applicable under such sec-
14 tion or any other provision of law) for the percentage that
15 applies to such expenditures under section 1905(y).

16 “(B) Expenditures described in this subparagraph,
17 with respect to a fiscal year to which subparagraph (A)
18 applies, are expenditures incurred by a State for payment
19 for medical assistance provided to individuals described in

1 subclause (VIII) of section 1902(a)(10)(A)(i) by a man-
2 aged care entity, or other specified entity (as defined in
3 subparagraph (D)(iii)), that are treated as remittances be-
4 cause the State—

5 “(i) has satisfied the requirement of section
6 438.8 of title 42, Code of Federal Regulations (or
7 any successor regulation), by electing—

8 “(I) in the case of a State described in
9 subparagraph (C), to apply a minimum medical
10 loss ratio (as defined in subparagraph (D)(ii))
11 that is at least 85 percent but not greater than
12 the minimum medical loss ratio (as so defined)
13 that such State applied as of May 31, 2018; or

14 “(II) in the case of a State not described
15 in subparagraph (C), to apply a minimum med-
16 ical loss ratio that is equal to 85 percent; and

17 “(ii) recovered all or a portion of the expendi-
18 tures as a result of the entity’s failure to meet such
19 ratio.

20 “(C) For purposes of subparagraph (B), a State de-
21 scribed in this subparagraph is a State that as of May
22 31, 2018, applied a minimum medical loss ratio (as cal-
23 culated under subsection (d) of section 438.8 of title 42,
24 Code of Federal Regulations (as in effect on June 1,
25 2018)) for payment for services provided by entities de-

1 scribed in such subparagraph under the State plan under
2 this title (or a waiver of the plan) that is equal to or great-
3 er than 85 percent.

4 “(D) For purposes of this paragraph:

5 “(i) The term ‘managed care entity’ means a
6 medicaid managed care organization described in
7 section 1932(a)(1)(B)(i).

8 “(ii) The term ‘minimum medical loss ratio’
9 means, with respect to a State, a minimum medical
10 loss ratio (as calculated under subsection (d) of sec-
11 tion 438.8 of title 42, Code of Federal Regulations
12 (as in effect on June 1, 2018)) for payment for serv-
13 ices provided by entities described in subparagraph
14 (B) under the State plan under this title (or a waiv-
15 er of the plan).

16 “(iii) The term ‘other specified entity’ means—

17 “(I) a prepaid inpatient health plan, as de-
18 fined in section 438.2 of title 42, Code of Fed-
19 eral Regulations (or any successor regulation);
20 and

21 “(II) a prepaid ambulatory health plan, as
22 defined in such section (or any successor regu-
23 lation).”.

