109TH CONGRESS 1ST SESSION H.R.3917

To provide for payment by large employers for employees, and spouses and dependents of employees, who are covered under the Medicaid Program or SCHIP.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 27, 2005

Mr. PALLONE introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

- To provide for payment by large employers for employees, and spouses and dependents of employees, who are covered under the Medicaid Program or SCHIP.
 - 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 "Large Employer Med-
- 5 icaid and SCHIP Responsibility Act of 2005".

SEC. 2. LARGE EMPLOYER RESPONSIBILITY FOR MEDICAID AND SCHIP COVERAGE OF EMPLOYEES AND THEIR DEPENDENTS.

4 (a) IN GENERAL.—Notwithstanding any other provi-5 sion of law, any large employer that employs one or more employees who are enrolled (or any of whose spouses or 6 7 dependent children are enrolled) under medicaid or 8 SCHIP for a month in a year is liable to the Secretary 9 of Health and Human Services for payment of the penalty computed under subsection (b)(4) with respect to each 10 11 such employee, spouse, or dependent. Such payment shall 12 be made on a quarterly basis for months in each quarter 13 in a form and manner specified by the Secretary and shall 14 be payable to States in accordance with subsection (d).

15 (b) Amount of Per Capita Penalty.—

16 (1) COMPUTATION OF MONTHLY AVERAGE
17 COSTS FOR ADULTS AND CHILDREN.—The Secretary
18 shall compute for months in each year for each
19 State a monthly average cost of providing acute care
20 under medicaid and SCHIP for a month in the year
21 for—

22 (A) an adult who is not disabled and is23 under 65 years of age; and

24 (B) a child.

25 (2) ADMINISTRATIVE FACTOR FOR COSTS OF
26 PROGRAM.—The Secretary shall compute an esti•HR 3917 IH

1	mate of the average monthly per capita cost of ad-
2	ministering this section in a year, including costs re-
3	lating to collection of the penalty under this section
4	and enforcement of such penalty.
5	(3) ADJUSTED MONTHLY AVERAGE COST PER
6	COVERED EMPLOYEE OR SPOUSE OR CHILD.—The
7	Secretary shall compute an adjusted monthly aver-
8	age cost for a month in a year for an employee, or
9	spouse of an employee, and for a dependent child in
10	each State equal to the sum of—
11	(A) 80 percent of the amount computed
12	under subparagraph (1) for an adult or child,
13	respectively; and
14	(B) the monthly per capita cost computed
15	under paragraph (2).
16	(4) PENALTY AMOUNT.—The amount of the per
17	capita penalty under this paragraph for an employer
18	for a month in a year for an employee (or spouse
19	of an employee) or a dependent child is equal to the
20	adjusted monthly average cost for such employee,
21	spouse, or dependent child computed under para-
22	graph (3).
23	(c) ENFORCEMENT.—Penalties imposed under this

23 (c) ENFORCEMENT.—Penalties imposed under this24 section may be collected in the same manner as civil

money penalties may be collected under section 1128A of
 the Social Security Act.

3 (d) PAYMENT TO STATE PROVIDING MEDICAID OR
4 SCHIP ASSISTANCE.—The Secretary shall provide for the
5 distribution of penalties paid under this section with re6 spect to an employee, spouse, or child covered under med7 icaid or SCHIP in a State to such State.

8 (e) DEFINITIONS.—For purposes of this section:

9 (1) EMPLOYEE.—The term "employee" means, 10 with respect to an employer, an individual who is 11 employed by the employer for an average of at least 12 40 hours a week and has been so employed by that 13 employer for at least 3 months.

14 (2) LARGE EMPLOYER.—The term "large em15 ployer" means an employer that has 50 or more em16 ployees.

17 (3) MEDICAID.—The term "medicaid" means a
18 State plan under title XIX of the Social Security
19 Act.

20 (4) SCHIP.—The term "SCHIP" means a
21 State child health insurance program under title
22 XXI of the Social Security Act.

23 (5) SECRETARY.—The term "Secretary" means
24 Secretary of Health and Human Services.

(6) STATE.—The term "State" has the mean ing given such term for purposes of title XIX of the
 Social Security Act.

4 (f) EFFECTIVE DATE.—This section shall apply to5 employers for months beginning with January 2006.

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