

109TH CONGRESS  
1ST SESSION

# S. 1007

To prevent a severe reduction in the Federal medical assistance percentage determined for a State for fiscal year 2006.

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IN THE SENATE OF THE UNITED STATES

MAY 11, 2005

Mr. BINGAMAN (for himself, Ms. SNOWE, Mr. ROCKEFELLER, Mrs. HUTCHISON, Mr. REID, and Mr. JEFFORDS) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To prevent a severe reduction in the Federal medical assistance percentage determined for a State for fiscal year 2006.

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 “Medicaid Formula  
5 Fairness Act of 2005”.

1 **SEC. 2. LIMITATION ON SEVERE REDUCTION IN THE MED-**  
2 **ICAID FMAP FOR FISCAL YEAR 2006.**

3 (a) **LIMITATION ON REDUCTION.**—In no case shall  
4 the FMAP for a State for fiscal year 2006 be less than  
5 the greater of the following:

6 (1) **HALF PERCENTAGE POINT DECREASE.**—  
7 The FMAP determined for the State for fiscal year  
8 2005, decreased by 0.5 percentage points.

9 (2) **COMPUTATION WITHOUT RETROACTIVE AP-**  
10 **PLICATION OF REBENCHMARKED PER CAPITA IN-**  
11 **COME.**—The FMAP that would have been deter-  
12 mined for the State for fiscal year 2006 if the per  
13 capita incomes for 2001 and 2002 that was used to  
14 determine the FMAP for the State for fiscal year  
15 2005 were used.

16 (b) **SCOPE OF APPLICATION.**—The FMAP applicable  
17 to a State for fiscal year 2006 after the application of  
18 subsection (a) shall apply only for purposes of titles XIX  
19 and XXI of the Social Security Act (including for purposes  
20 of making disproportionate share hospital payments de-  
21 scribed in section 1923 of such Act (42 U.S.C. 1396r-  
22 4) and payments under such titles that are based on the  
23 enhanced FMAP described in section 2105(b) of such Act  
24 (42 U.S.C. 1397ee(b))) and shall not apply with respect  
25 to payments under title IV of such Act (42 U.S.C. 601  
26 et seq.).

1 (c) DEFINITIONS.—In this section:

2 (1) FMAP.—The term “FMAP” means the  
3 Federal medical assistance percentage, as defined in  
4 section 1905(b) of the Social Security Act (42  
5 U.S.C. 1396d(b)).

6 (2) STATE.—The term “State” has the mean-  
7 ing given such term for purposes of title XIX of the  
8 Social Security Act (42 U.S.C. 1396 et seq.).

9 **SEC. 3. REPEAL.**

10 Effective as of October 1, 2006, section 2 is repealed  
11 and shall not apply to any fiscal year after fiscal year  
12 2006.

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