



H.R. 3962, "Affordable Health Care for America Act"
Passed November 7, 2009 – 220 to 215

State Government Officials / State Legislators - Medicaid

- Requires states to expand their Medicaid programs to cover non-Medicare eligible individuals with incomes up to 150 percent of the Federal Poverty Level, which is determined using methodologies and procedures specified by the Secretary of Health and Human Services (Section 1701)
 - 18 million Americans will be added to Medicaid rolls¹
- Beginning in 2015, requires states to pay nearly 10 percent of the proposed Medicaid expansion (Section 1701)
 - According to the CBO, this would force states to spend an additional \$34 billion over the next 10 years²
 - Could lead to states' rationing of care if funding does not exist in the state budget for the expanded federal mandate
- Prohibits states from reducing their CHIP Medicaid eligibility standards or procedures at any point in the future (Section 1703)
 - The Secretary of Health and Human Services shall issue a waiver for the period required for a state to come into compliance with this requirement
- Expands the federal Medicaid entitlement to all individuals covered by a particular state's Medicaid waiver (Section 1781)
- Requires states to sign a memorandum of understanding stating that the federal Commissioner has the authority to force states to accept anyone the Health Choices Commissioner deems eligible into their Medicaid programs (Section 1702)
- Requires states to cover incarcerated juveniles who were previously enrolled in Medicaid after their release, unless there is a determination that the individual is no longer eligible for the program (Section 1729)

- Prohibits states from enrolling certain individuals in a managed care entity unless the state demonstrates to the satisfaction of the Secretary of Health and Human Services that the entity has the capacity to meet the health, mental health, and substance abuse needs of the individual (Section 1701)
- Gives states the option to create state-based health exchanges as an alternative to the national exchange established in the legislation, but the newly created Health Choices Commissioner will have the sole discretion and authority to terminate the state exchange at any time (Section 308)
 - The Commissioner would temporarily assume all of the state exchange's functions in this situation
- Provides financial incentives for states to enact new and more reliable medical liability laws so long as there is no preemption of other state laws and the law does not limit attorney's fees or impose caps on damages (Section 1432)

¹ Centers for Medicare and Medicaid Services. *Estimated Financial Effects of the "America's Affordable Health Choices Act of 2009" (H.R. 3962) As Passed by the House on November 7, 2009*, available at http://republicans.waysandmeans.house.gov/UploadedFiles/OACT_Memorandum_on_Financial_Impact_of_H_R_3962_11-13-09_.pdf. 13 November 2009.

² Congressional Budget Office and Joint Committee on Taxation. *Letter to Congressman Charles Rangel*, available at <http://www.cbo.gov/ftpdocs/106xx/doc10688/hr3962Rangel.pdf>. 29 October 2009.