



**H.R. 3590, "Patient Protection and Affordable Care Act"**  
**Passed U.S. Senate December 24, 2009 – 60 to 39**

**State Government Officials / State Legislators - Medicaid**

- Strikes the House's federal government-run public option and replaces it with state-run exchanges (Section 1311 and Section 1334)
  - Office of Personnel Management shall enter into contracts with health insurers to offer at least two multistate qualified health plans through the exchange in each state, at least one of which must be non-profit
  - The plans must be licensed in each state and meet federal and state requirements
  - At least one plan must not offer coverage for elective abortion services
  - Enrollees in the multistate plan will be treated as a separate risk pool from enrollees in the Federal Employee Health Benefits Program
  - State exchange system will add millions of people and additional costs to overburdened state governments
  
- Establishes a Consumer Operated and Oriented Plan (CO-OP) program to provide grants or loans for the creation of non-profit insurance cooperatives that will be offered through the exchange (Section 1322)
  - Does not require states to establish these CO-OPs
  
- Expands Medicaid to all individuals with incomes under 133 percent of the Federal Poverty Level paid for by federal funding through 2016 (Section 2001)
  - Will burden states by as much as \$25 billion after federal funding lapses in 2016<sup>1</sup>
  
- Includes many state-specific earmarks that benefit individual states, most notably Nebraska, which gets a 100 percent FMAP for newly-eligible Medicaid patients forever (Section 10201)
  
- Does not include an increase in Medicaid primary care payment rates
  
- Cuts Medicaid disproportionate share hospital (DSH) payments by \$18.5 billion<sup>2</sup>
  
- Extends the Children's Health Insurance Program (CHIP) block grant with additional funding through 2015 (Section 10203)

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<sup>1</sup> Congressional Budget Office. *An Analysis of Health Insurance Premiums Under the Patient Protection and Affordable Care Act*, available at <http://cbo.gov/ftpdocs/107xx/doc10781/11-30-Premiums.pdf>. 30 November 2009.

<sup>2</sup> Joint Committee on Taxation. *Estimated Revenue Effects of the Manager's Amendment to the Revenue Provisions Contained in the "Patient Protection and Affordable Care Act,"* available at <http://www.jct.gov/publications.html?func=startdown&id=3641>. 19 December 2009.