

**AMENDMENT TO THE AMENDMENT IN THE NA-
TURE OF A SUBSTITUTE TO COMMITTEE
PRINT FOR SUBTITLE G RELATING TO MED-
ICAID**

OFFERED BY M__ . _____

In clause (iii) of the section 1948(a)(2)(D) added to title XIX of the Social Security Act added by section 30701, add the following subclause:

1 “(III) shall apply such process
2 with respect to individuals eligible
3 under the Federal Medicaid program
4 with respect to a State only if the
5 State had a payment error rate under
6 this title of less than 10 percent (as
7 determined by the Inspector General
8 of the Department of Health and
9 Human Services) for the most recent
10 fiscal year for which data is available
11 with respect to such State; and”.

At the end of section 30701, add the following new subsection:

1 (a) ENSURING LOW PAYMENT ERROR RATES UNDER
2 THE MEDICAID PROGRAM.—

3 (1) FUNDING.—In addition to amounts other-
4 wise available, there are appropriated to the Sec-
5 retary of Health and Human Services, out of any
6 monies in the Treasury not otherwise appro-
7 priated—

8 (A) \$200,000,000 for fiscal year 2022, to
9 remain available until expended, for purposes of
10 undertaking activities to reduce the payment
11 error rates under the Medicaid program under
12 title XIX of the Social Security Act (42 U.S.C.
13 1396 et seq.); and

14 (B) \$200,000,000 for fiscal year 2022, to
15 remain available until expended, for purposes of
16 allocating such funds among each State and
17 territory of the United States to enable each
18 such State and territory to undertake such ac-
19 tivities.

20 (2) FAILURE TO ENSURE PAYMENT ERROR
21 RATES OF LESS THAN 10 PERCENT.—Section 1905
22 of the Social Security Act (42 U.S.C. 1396d) is
23 amended—

24 (A) in subsection (b), by striking “and
25 (ii)” and inserting “(ii), and (jj)”;

1 (B) in subsection (y)(1), by inserting “sub-
2 ject to subsection (jj),” before “the Federal
3 medical assistance percentage”;

4 (C) in subsection (z)(2)(A), by inserting
5 “subject to subsection (jj),” before “the Federal
6 medical assistance percentage”; and

7 (D) by adding at the end the following new
8 subsection:

9 “(jj) FAILURE TO ENSURE PAYMENT ERROR RATES
10 OF LESS THAN 10 PERCENT.—

11 “(1) IN GENERAL.—With respect to a calendar
12 quarter beginning on or after April 1, 2025, in the
13 case of a State that had a payment error rate under
14 this title of 10 percent or greater (as determined by
15 the Inspector General of the Department of Health
16 and Human Services) for the most recent fiscal year
17 for which data is available with respect to such
18 State—

19 “(A) in the case such State, during such
20 quarter, expended amounts for medical assist-
21 ance for newly eligible (as defined in subsection
22 (y)(2)(A)) individuals under the State plan of
23 such State (or waiver of such plan), the per-
24 centage specified in subsection (y)(1) for such
25 quarter and such State shall be reduced by the

1 number of percentage points specified in para-
2 graph (2);

3 “(B) in the case such State is an expan-
4 sion State (as described in subsection (z)(3))
5 and, during such quarter, expended amounts
6 for medical assistance for individuals described
7 in subsection (z)(2)(A) under the State plan of
8 such State (or waiver of such plan), the per-
9 centage specified in subsection (z)(2)(B)(i) for
10 such quarter and such State shall be reduced by
11 the number of percentage points specified in
12 paragraph (2); and

13 “(C) in the case such State is not de-
14 scribed in subparagraph (A) or (B), the per-
15 centage calculated under subsection (b) for such
16 quarter and such State shall be reduced by the
17 number of percentage points specified in para-
18 graph (2).

19 “(2) PERCENTAGE POINTS SPECIFIED.—For
20 purposes of paragraph (1), the number of percent-
21 age points specified with respect to a calendar quar-
22 ter and a State is equal to the product of—

23 “(A) the number of percentage points by
24 which the payment error rate under this title
25 for such State for the most recent fiscal year

1 for which data is available with respect to such
2 State exceeds 10 percent, rounded to the near-
3 est whole percentage point; and

4 “(B) 0.25.”.

5 (3) INCREASE IN FMAP FOR CERTAIN SERVICES
6 FOR STATES WITH LOW PAYMENT ERROR RATES.—
7 Section 1905 of the Social Security Act (42 U.S.C.
8 1396d), as amended by subsection (b), is further
9 amended—

10 (A) in subsection (b), by striking “and
11 (jj)” and inserting “(jj), and (kk)”;

12 (B) by adding at the end the following new
13 subsection:

14 “(kk) INCREASE IN FMAP FOR CERTAIN SERVICES
15 FOR STATES WITH LOW PAYMENT ERROR RATES.—

16 “(1) IN GENERAL.—Subject to paragraph (2),
17 in the case of a State that, as of April 1, 2025, had
18 a payment error rate under this title of less than 10
19 percent (as determined by the Inspector General of
20 the Department of Health and Human Services) for
21 the most recent fiscal year for which data is avail-
22 able with respect to such State, the Federal medical
23 assistance percentage otherwise applicable to such
24 State for each quarter occurring during the 4-year
25 period beginning on such date for medical assistance

1 furnished during such quarter consisting of home
2 and community-based services provided under sub-
3 section (c), (d), or (i) of section 1915 or under a
4 waiver or demonstration project under section 1115
5 shall be increased by 1 percentage point.

6 “(2) EXCEPTION.—If, during any quarter oc-
7 ccurring during the period described in paragraph (1)
8 with respect to a State, the payment error rate
9 under this title for such State for the most recent
10 fiscal year for which data is available with respect
11 to such State is equal to or greater than 10 percent,
12 the increase described in such paragraph shall not
13 apply with respect to such quarter (or any suc-
14 ceeding quarter).”.

15 (4) ENROLLMENT ASSISTANCE.—

16 (A) IN GENERAL.—Not later than 30 days
17 after the date of the enactment of this Act, the
18 Administrator of the Centers for Medicare &
19 Medicaid Services shall issue guidance and pro-
20 vide such additional assistance as is determined
21 appropriate by the Administrator to States for
22 purposes of facilitating the enrollment of indi-
23 viduals under State plans (or waivers of such
24 plans) under title XIX of the Social Security
25 Act (42 U.S.C. 1396 et seq.).

1 (B) FUNDING.—In addition to amounts
2 otherwise available, there are appropriated to
3 the Administrator of the Centers for Medicare
4 & Medicaid Services, out of any monies in the
5 Treasury not otherwise appropriated,
6 \$100,000,000 for fiscal year 2022, to remain
7 available until expended, for purposes of car-
8 rying out subparagraph (A).

