OFFICE OF THE FIRST LADY

DOMESTIC POLICY COUNCIL
FILE INVENTORY

File Type: **Manila Folders**

File Size: **Letter**

File Contents: **Health Reform Legislation 1996** + J. Klein notes & phone logs

8 of 8

- **HEALTH REFORM LEGISLATION 1996**
  104TH Congress; 2nd Session
  - H.R. 3160
  - H. R. 3070
  - H. R. 3063
  - Title II: Restructuring Medicaid

- **PRESIDENT CLINTON'S REASONS FOR VETOING BUDGET**

- **IMPACT OF REPUBLICAN BUDGET ON CHILDREN & AGED**

- **HEALTH REFORM REPORTS**
  -Cooper
  -Urban Institute
  -GAO: Canadian Health Insurance

- **MEETING THE NEEDS OF LOW INCOME POPULATION IN HEALTH REFORM**

ENCLOSURES FILED OVERSIZE ATTACHMENTS 12511

NARA 9880

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

ROUTE SLIP

TO Jennifer Klein	Take necessary action	☐
	Approval or signature	☐
	Comment	☐
	Prepare reply	☐
	Discuss with me	☐
	For your information	☒
	See remarks below	☐
FROM Lisa Kountoupes	DATE 6/14/96	

REMARKS

*U.S. Government Printing Office: 1991 — 298-539

OMB FORM 4
Rev. Jul 91

MEDICAID #1 6-13-96 AGREED, amended VV

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MR. DEAL

Page 8, amend lines 11 through 25 to read as follows:

"(D) MEDICAL ASSISTANCE REQUIRED TO BE PROVIDED FOR 1 YEAR FOR FAMILIES BECOMING INELIGIBLE FOR FAMILY ASSISTANCE DUE TO INCREASED EARNINGS FROM EMPLOYMENT OR COLLECTION OF CHILD SUPPORT.—A State plan shall provide that if any family becomes ineligible to receive assistance under the State program funded under part A of title IV as a result of increased earnings from employment or as a result of the collection or increased collection of child or spousal support, or a combination thereof, having received such assistance in at least 3 of the 6 months immediately preceding the month in which such ineligibility begins, the family shall be eligible for medical assistance under the State plan during the immediately succeeding 12-month period for so long as family income is less than the poverty line, and that the family will be appropriately notified of such eligibility. The previous

sentence shall apply to individuals who lose eligibility before the date specified in section 1925(f) (as in effect before the date of the enactment of this title).

AMENDMENT TO THE AMENDMENT BY MR. DEAL

OFFERED BY MR. WAXMAN

MEDICAID
#1A
6-13-96
4-11:20-19

Strike the last sentence.

MEDICAID #2 6-13-96 (See #2A)

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MR. DINGELL

Page 77, after line 13, insert the following new subsection:

"(i) APPLICATION OF PROVIDER TAX AND DONATION RESTRICTIONS.—The provisions of section 1903(w) (as in effect before the date of the enactment of this title) shall apply under this title in the same manner as they applied under title XIX (as in effect before such date).

Page 166, after line 2, insert the following new subsection:

"(d) APPLICATION OF CONFLICT OF INTEREST PROVISIONS.—The provisions of section 1902(a)(4)(C) (as in effect as of June 1, 1996) shall apply under this title in the same manner as they applied under title XIX. Nothing in this title shall be construed to exempt State officials responsible for administration of this title from conflict of interest laws that may be applied at the State level.

MEDICAID
2A
6-13-96
AGREED
4-N: 23-20

SUBSTITUTE AMENDMENT OFFERED BY
MR BLILEY
FOR THE AMENDMENT OF
MR. DINGELL

Page 82, after line 27, insert the following:

"(j) STUDY AND REPORT ON STATE FUNDING.—

"(1) STUDY.—The Comptroller General shall provide for a study of the methods by which States provide for financing their share of expenditures under this title. Such study shall include an examination of the use of provider taxes and donations, as well as intergovernmental transfers.

"(2) REPORT.—Not later than 2 years after the date of the enactment of this title, the Comptroller General shall submit to Congress a report on such study. The report shall include such recommendations as the Comptroller General deems appropriate.

MEDICAID #3 L-13-96 AGREED VV

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MR. WHITFIELD

Page 3, line 31, strike "12" and insert "19".

Page 3, line 31, insert "born after September 30, 1983, who are" after "Children".

Page 3, line 32, strike "13" and insert "19".

Page 12, strike lines 3 through 6 and redesignate the succeeding paragraphs (and cross-references thereto) accordingly.

Page 12, line 20, strike "Family income under paragraph (1) and eligibility under paragraphs (2) and (3)" and insert "Eligibility under paragraphs (1) and (2)".

Page 59, line 13, insert "or" after the comma.

Page 59, line 16, strike ", or" and insert a period.

Page 59, strike lines 17 and 18.

MEDICAID
A-4
6-13-96
NOT
4-11: 19-23

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MS. ESHOO

Page 5, at the end of line 19, add the following: "Notwithstanding the previous sentence, the amount, duration, and scope of such benefits provided for children described in subparagraph (B) or (C) of paragraph (1) shall not be less than the amount, duration, and scope of such benefits under the State's plan under title XIX for such children (as in effect as of June 1, 1996)."

Page 36, line 22, insert "(other than subparagraph (B) or (C) of section 1501(a))" after "any requirement of this title".

Page 170, line 16, strike "means the following" and all that follows through page 172, line 8, and insert the following: "has the meaning given the term early and periodic screening, diagnostic, and treatment services under section 1905(r) (as in the effect On June 1, 1996).".

Page 197, line 33, insert "(other than subparagraph (B) or (C) of section 1501(a)(1))" after "of such Act".

MEDICAID #5 6-13-96 AGREED VV

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MR. UPTON

Page 17, line 21, insert "or is described in paragraph (4) and meets other solvency standards established by the State" after "organizations".

Page 17, after line 36, insert the following:

"(4) ORGANIZATION DESCRIBED.—An organization described in this paragraph is a capitated health organization which is (or is controlled by) one or more Federally-qualified health centers or rural health clinics. For purposes of this paragraph, the term 'control' means the possession, whether direct or indirect, of the power to direct or cause the direction of the management and policies of a capitated health organization through membership, board representation, or an ownership interest equal to or greater than 50.1 percent.

"(g) FOR SERVICES PROVIDED AT FEDERALLY-QUALIFIED HEALTH CENTERS AND RURAL HEALTH CLINICS.—

"(1) IN GENERAL.—Subject to paragraph (2), a State plan shall provide that the amount of funds expended under the plan for medical assistance for services provided at rural health clinics (as defined

in section 1861(aa)(2)) and Federally-qualified health centers (as defined in section 1861(aa)(4)), for eligible low-income individuals for a fiscal year is not less than 85 percent of the average annual expenditures under title XIX for medical assistance in the State during Federal fiscal year 1995 which were attributable to expenditures for medical assistance for rural health clinic services and Federally-qualified health center services (as defined in section 1905(l)).

"(2) ALTERNATIVE MINIMUM SET-ASIDES.—

"(A) IN GENERAL.—Beginning with fiscal year 2001, a State may provide in its State plan (through an amendment to the plan) for a lower percentage of expenditures than the minimum percentages specified in paragraph (1) if the State determines to the satisfaction of the Secretary that—

"(i) the health care needs of the low-income populations described in such paragraph who are eligible for medical assistance under the plan during the previous fiscal year can be reasonably met without the expenditure of the percentage otherwise required to be expended;

"(ii) the performance goals established under section 1521 relating to such population can reasonably be met with the expenditure of such lower percentage of funds; and

"(iii) the health care needs of eligible low-income individuals residing in medically underserved rural areas can reasonably be met without the level of expenditure for such services otherwise required and the performance goals established under section 1521 relating to such individuals can reasonably be met with such lower level of expenditures.

"(B) PERIOD OF APPLICATION.—The determination under subparagraph (A) shall be made for such period as a State may request, but may not be made for a period of more than 3 consecutive Federal fiscal years (beginning with the first fiscal year for which the lower percentage is sought). A new determination must be made under such subparagraph for any subsequent period.

Page 168, after line 18, insert the following (and redesignate the succeeding paragraph accordingly):

"(32) Federally-qualified health center services (as defined in subsection (f)(2)(A)).

"(33) Rural health clinic services (as defined in subsection (f)(1)).

Page 172, line 25, insert "and any other ambulatory care services which are otherwise included in the State plan" after "1861(aa)(1)".

MEDICAID
#5A
6-13-96
4-H: 19-21

AMENDMENT TO THE AMENDMENT OFFERED BY MR. UPTON

OFFERED BY MR. STUPAK AND MR. RICHARDSON

Page 2, line 4, delete "85" and insert "100"; line 10, before the period, add "respectively".

MEDICAID #6 6-13-96 NOT 4-N:19-24

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MR. MARKEY AND MR. PALLONE

Page 11, after line 28, insert the following new subsection:

"(c) CONTINUING CURRENT ENTITLEMENT FOR ELDERLY INDIVIDUALS REQUIRING NURSING FACILITY SERVICES.—Notwithstanding any other provision of this title, a State plan shall provide an entitlement for medical assistance for the guaranteed benefit package (and in an amount, duration, and scope not less than that provided under the State plan under title XIX, as in effect as of June 1, 1996) in the case of each elderly individual who meets the eligibility standards (using the methodology in effect under such title as of such date) for medical assistance under such plan and who requires nursing facility services. An individual may enforce the previous sentence through an action in Federal court, notwithstanding section 1508.

Page 197, line 33, insert "(other than section 1501(c))" after "of such Act".

MEDICAID
#7
6-13-96
AGREED
VV

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MR. BURR

Page 145, line 6, insert "subject to subparagraph (C)," after "(iii)".

Page 146, after line 3, insert the following:

"(C) WAIVER AUTHORIZED.—Clause (iii) of subparagraph (B) shall not apply to a program offered in (but not by) a nursing facility in a State if the State—

"(i) determines that there is no other such program offered within a reasonable distance of the facility,

"(ii) assures, through an oversight effort, that an adequate environment exists for operating the program in the facility, and

"(iii) provides notice of such determination and assurances to the State long-term care ombudsman.

MEDICAID
#8
6-13-96
NOT
4-n: 16-20

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MR. DEUTSCH

Page 11, after line 28, insert the following new subsection:

"(c) CONTINUING CURRENT ENTITLEMENT FOR ELDERLY INDIVIDUALS WHO SUFFER FROM ALZHEIMER'S DISEASE AND REQUIRE NURSING FACILITY SERVICES.—Notwithstanding any other provision of this title, a State plan shall provide an entitlement for medical assistance for the guaranteed benefit package (and in an amount, duration, and scope not less than that provided under the State plan under title XIX, as in effect as of June 1, 1996) in the case of each elderly individual who meets the eligibility standards (using the methodology in effect under such title as of such date) for medical assistance under such plan, who has Alzheimer's disease, and who requires nursing facility services. An individual may enforce the previous sentence through an action in Federal court, notwithstanding section 1508.

Page 197, line 33, insert "(other than section 1501(c))" after "of such Act".

MEDICAID
#9
6-13-96
AGREED
U.C.

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MR. BILIRAKIS

Page 10, line 3, insert "the" after "(II)".

Page 12, line 4, strike "under" and insert "over".

Page 99, lines 5 and 12, strike "1507" and insert "1508".

Page 174, line 13, strike "is located" and insert "is located or in which a facility of an Indian health program described in section 1512(f)(3) is located".

Page 191, line 17, strike "and" and insert "or".

MEDICAID
#10
6-13-96
NOT
4-n: 17-22

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MR. GORDON

Page 11, after line 28, insert the following new subsection:

"(c) CONTINUING CURRENT ENTITLEMENT FOR ELDERLY INDIVIDUALS WHO ARE VETERANS AND REQUIRE NURSING FACILITY SERVICES.—Notwithstanding any other provision of this title, a State plan shall provide an entitlement for medical assistance for the guaranteed benefit package (and in an amount, duration, and scope not less than that provided under the State plan under title XIX, as in effect as of June 1, 1996) in the case of each elderly individual who meets the eligibility standards (using the methodology in effect under such title as of such date) for medical assistance under such plan, who is a veteran (within the meaning of section 101(2) of title 38, United States Code) , and who requires nursing facility services. An individual may enforce the previous sentence through an action in Federal court, notwithstanding section 1508.

Page 197, line 33, insert "(other than section 1501(c))" after "of such Act".

MEDICAID
#11
6-13-96
AGREED
W

AMENDMENT TO COMMITTEE PRINT

Offered by Mr. Ganske

Page 77, after line 13, insert the following new subsection:

"(i) Application of Provider Tax and Donation Restrictions.--

"(1) In general.--Subject to paragraph (2), the provisions of section 1903(w) (as in effect on June 1, 1996) shall apply under this title in the same manner as they applied under title XIX (as of such date).

"(2) Waiver authority.--Beginning 2 years after the date of the enactment of this title, the Secretary, taking into account the report submitted under section 1513(j)(2), may waive, upon the application of a State, ~~the provisions of~~ paragraph (1) as it applies in that State if the Secretary determines that the waiver would not financially undermine the program under this title and would not otherwise be abusive.

AMENDMENT TO THE AMENDMENT OFFERED BY MR. GANSKE

OFFERED BY MR. DINGELL

MEDICAID
11A
6-13-96
1100T
4-n:17-25

Strike "'(1) In general.--" and all that follows through "abusive.".

Dingell u.c. to [redacted] all words "Subject to paragraph (2)," after --

MEDICAID #12 6-13-96 NOT 4-n: 16-23

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MR. KLINK

Page 11, after line 28, insert the following new subsection:

"(c) CONTINUED ENTITLEMENT OF CURRENT ELDERLY MEDICAID BENEFICIARIES REQUIRING NURSING FACILITY SERVICES.—Notwithstanding any other provision of this title, a State plan shall provide an entitlement for medical assistance for the guaranteed benefit package (and in an amount, duration, and scope not less than that provided under the State plan under title XIX, as in effect as of June 1, 1996) in the case of each elderly individual who meets the eligibility standards (using the methodology in effect under such title as of such date) for medical assistance under such plan and who is a resident of a nursing facility (and determined to be eligible for such assistance) as of June 1, 1996. An individual may enforce the previous sentence through an action in Federal court, notwithstanding section 1508.

Page 197, line 33, insert "(other than section 1501(c))" after "of such Act".

MEDICAID
#13
6-13-96
NOT
4-N: 18-22

Ganske #1A Child Treatment Services

AMENDMENT TO COMMITTEE PRINT OF JUNE 11
(OFFERED BY MR. GANSKE)

Page 5, at the end of line 19, add the following:

"Notwithstanding the previous sentence, the amount, duration, and scope of such benefits for EPSDT services provided for children described in subparagraph (B) or (C) of paragraph (1) shall not be less than the amount, duration, and scope of such benefits for such services under the State's plan under title XIX for such children (as in effect as of June 1, 1996)."

Page 170, line 16, strike "means the following" and all that follows through page 172, line 8, and insert the following: "has the meaning given the term early and periodic screening, diagnostic, and treatment services under section 1905(r) (as in effect on June 1, 1996)."

MEDICAID
#14
6-13-96
NOT
4-0: 18-22

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MR. RICHARDSON

Page 11, after line 25, insert the following new subsection:

"(c) CONTINUING CURRENT ENTITLEMENT FOR INDIANS.—Notwithstanding any other provision of this title, a State plan shall provide an entitlement for medical assistance for the guaranteed benefit package (and in an amount, duration, and scope not less than that provided under the State plan under title XIX, as in effect as of June 1, 1996) in the case of each Indian who meets the eligibility standards (using the methodology in effect under such title as of such date) for medical assistance under such plan. An individual may enforce the previous sentence through an action in Federal court, notwithstanding section 1503.

Page 17, after line 36, insert the following new subsection:

"(g) ACCESS TO INDIAN HEALTH CARE PROVIDERS.—Notwithstanding any other provision of this title, a State plan shall provide for benefits under this title to be made available through a facility described or program described in section 1512(f)(3) in the same manner as such facilities are eligible for reimbursement under section

1911 or 1902(a)(13)(E) (as in effect as of June 1, 1996). Such a facility may enforce the previous sentence through an action in Federal court, notwithstanding section 1508.

Page 197, line 33, insert "(other than section 1501(c))" after "of such Act".

MEDICAID
#15
6-13-96
NOT
4-N:15-24

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MR. BROWN OF OHIO AND MR. ENGEL

Page 17, after line 36, insert the following new subsection:

"(g) NURSING HOME CHOICE.—Notwithstanding any other provision of this title, a State plan shall provide that in the case of each individual eligible for benefits under this title for nursing facility services, the plan shall permit the individual to obtain such services from any nursing facility in the State which elects to participate in the plan. An individual may enforce this subsection through an action in Federal court, notwithstanding section 1508.

MEDICAID
#6
6-13-96
NOT
4-n:14-25

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MS. FURSE

Page 5, at the end of line 19, add the following: "Notwithstanding the previous sentence, the amount, duration, and scope of such benefits provided for each pregnant woman described in paragraph (1)(A) and each child under 1 year of age described in paragraph (1)(B) shall not be less than the amount, duration, and scope of such benefits under the State's plan under title XIX for such individuals (as in effect as of June 1, 1996)."

Page 11, after line 28, insert the following new subsection:

"(e) ENFORCEMENT.—An individual described in subsection (a)(1)(A) or person on behalf of an individual under 1 year of age and described in subsection (a)(1)(B) may enforce the guarantees established under this section with respect to the individual through an action in Federal court, notwithstanding section 1508.

Page 197, line 33, insert "(other than section 1501(a)(1)(A) or, for children under 1 year of age, section 1501(a)(1)(B))" after "of such Act".

MEDICAID #17
6-13-96
NOT
4-n: 17-23

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MR. BROWN OF OHIO

Page 5, at the end of line 19, add the following: "Notwithstanding the previous sentence, the guaranteed coverage shall provide for coverage of screening, diagnosis, and treatment of breast and cervical cancer for all eligible women in an amount, duration, and scope that is not less than the amount, duration, and scope of medical assistance with respect to to such screening, diagnosis, and treatment as was in effect under the State plan under title XIX as of June 1, 1996.".

Page 11, after line 28, insert the following new subsection:

"(c) ENFORCEMENT.—An eligible woman may enforce the entitlement and guarantees for coverage described in the last sentence of subsection (a)(2) through an action in Federal court, notwithstanding section 1508.

Page 197, line 33, insert "(other than section 1501(c))" after "of such Act".

MEDICAID
#18
6-13-96
NOT
4-pp. 14-24

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MR. STUPAK

Page 11, after line 25, insert the following new subsection:

"(c) EQUITABLE TREATMENT FOR INDIVIDUALS IN ALL AREAS IN STATE.—Notwithstanding any other provision of this title, in no case shall the amount, duration, and scope of benefits made available under a State plan to eligible individuals residing in one area of the State be less than the amount, duration, and scope of benefits made available under the plan to eligible individuals living in other areas of the State.

MEDICAID
#19
6-13-96
AGREED
VV

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MR. TOWNS

Page 5, line 12, strike "Pediatric" and insert "Physician assistant services, pediatric".

Page 168, after line 18, insert the following (and redesignate the succeeding paragraph accordingly):

"(32) Physician assistant services.

MEDICAID
#20
6-13-96
NDT
4-n: 14-25

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MS. FURSE

Page 196, line 30, strike "Title" and insert "Subject to paragraph (4), title".

Page 197, line 2, insert ", but subject to paragraph (4)" before the dash.

Page 198, after line 12, insert the following:

"(4)(A) Notwithstanding the previous provisions of this subsection, in the case of a State described in subparagraph (C), the State has the option to continue to operate its plan under title XIX of the Social Security Act (and have payments made pursuant to such plan and waiver and any funding limits provided under the waiver) for the duration of the waiver. In applying the previous sentence, such waiver shall not be modified in a manner (including an expansion of the scope of the waiver or an extension of the period of the waiver) that results in any increase in Federal financial participation under this title or title XV.

"(B) In the case of a State described in subparagraph (C), paragraph (2) shall not apply.

"(C) A State described in this subparagraph is a State which is operating its plan under this title pursuant to a Statewide demonstration waiver approved under sec-

tion 1115 on or before 60 days after the date of the enactment of the Medicaid Restructing Act of 1996, but only for the duration of such waiver (as determined as of such date).".

Page 43, after line 35, insert the following paragraph:

"(6) SPECIAL RULE FOR WAIVERED STATES.—In applying this section in the case of a State described in section 2004(a)(4) of the Medicaid Restructuring Act of 1996—

"(A) the limitations under this section shall not apply until the fiscal year after the last fiscal year in which the waiver was in effect, and

"(B) beginning with the application in such fiscal year, the amount of the allotment for the State for the last fiscal year in which the waiver was in effect shall be deemed to be equal to the amount of the actual or allowable Federal expenditures (whichever is lower) under title XIX pursuant to such waiver in that last fiscal year.

This paragraph shall not result in any decrease in the allotment to any other State. The adjustment

factor described in paragraph (2)(C) shall not be adjusted to take this paragraph into account.

H.L.C.

MEDICAID
#21
6-13-96
W -24
defeated

AMENDMENT TO COMMITTEE PRINT OF JUNE 11, 1996

OFFERED BY MR. PALLONE

Page 13, amend lines 17 and 18 to read as follows:

"(ii) how the State complies with the public process requirements of subsection (g).

Page 17, after line 36, insert the following new subsection:

"(g) REQUIREMENTS FOR PROVIDER RATES.—

"(1) IN GENERAL.—No reimbursement rate for providers furnishing medical assistance on a fee-for-service basis under a State plan may become effective unless—

"(A) the rate is—

"(i) established or modified in accordance with the public process requirements of paragraph (2), and

"(ii) certified by a nationally recognized private actuarial firm or other person with accounting or economic expertise as meeting the standards specified in paragraph (3); and

"(B) the State finds, determines, and makes assurances satisfactory to the Secretary that the rate meets such standards.

"(2) PUBLIC PROCESS.—

"(A) PUBLIC NOTICE.—A State meets the public process requirements of this paragraph with respect to a payment rate if—

"(i) the State publishes a notice that—

"(I) specifies the proposed rate and the items and service to which it applies.

"(II) describes the methodology by which the rate was computed and the data upon which the computation was based.

"(III) estimates the aggregate annual increase or decrease in payments to entities under the proposed rate.

"(IV) specifies a period of at least 30 days during which comments from the public on the proposed rate will be received by the State (and the

procedures for submitting comments), and

"(V) specifies the date, time, and location for a public hearing on the proposed rate; and

"(ii) the State publishes a notice that—

"(I) specifies the final rate and the items and services to which it applies,

"(II) updates the items described in subclauses (II) and (III) of clause (i) for such rate,

"(III) responds to the comments received during the public comment period and at the public hearing required by subclauses (IV) and (V) of clause (i), and

"(IV) provides that the final rate will become effective no earlier than 30 days after the notice is published.

"(B) MANNER OF NOTICE.—The notices required by clauses (i) and (ii) of subparagraph (A) shall be published in—

"(i) a publication comparable to the Federal Register.

"(ii) the newspaper of widest circulation in each city with a population of 50,000 or more, or

"(iii) if there is no city of 50,000 or more, the newspaper of widest circulation in the State.

"(3) CERTIFICATION.—Any notice of a rate published pursuant to paragraph (2) shall be accompanied by certification by an organization described in paragraph (1)(A)(ii) that the rate is reasonable and adequate to meet the reasonable and necessary costs incurred by a provider in the same category of providers to provide care and reasonable access to services to the population enrolled in the program in compliance with applicable Federal and State laws, regulations, and quality standards.

Page 20, amend lines 7 through 15 to read as follows:

"(1) COMPLIANCE WITH PUBLIC PROCESS REQUIREMENTS.—How the State complies with the public process requirements of subsection (b).

Page 20, strike line 29 and all that follows through page 21, line 10, and insert the following:

"(b) PUBLIC PROCESS REQUIREMENTS WITH RESPECT TO THE ESTABLISHMENT OF CAPITATION PAYMENT RATES TO CAPITATED HEALTH CARE ORGANIZATIONS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the provisions of section 1502(a) shall apply to capitated payment rates paid to capitated health care organizations under a State plan under this title in the same manner as they apply to provider reimbursement rates under such section.

"(2) CERTIFICATION.—In lieu of the certification required by paragraph (2) of section 1502(a), any notice of a capitated payment rate shall be accompanied by a certification by an entity specified in paragraph (1)(A)(ii) of such section that—

"(A) the methodology used to compute the rate is based on sound principles of actuarial practice.

"(B) the assumptions used in computing the rate are reasonable.

"(C) the rate is reasonable and adequate to assure access to services meeting professionally recognized quality standards, taking into account—

"(i) the items and services to which the rate applies,

"(ii) the eligible population,

"(iii) the rate the State pays providers for such items and services, and

"(iv) the aggregate funding available for such services under the program; and

"(D) the methodology used to adjust the rate adequately reflects the varying risks associated with individuals actually enrolling in each capitated health care plan.

Page 36, line 14, insert "except as provided in section 1502(g) and section 1504(b)," before "to restrict".

Page 37, strike lines 9 through 12.

Page 37, strike lines 24 through 27.

Page 37, after line 27, insert the following new subsection:

"(d) ENFORCEMENT OF PAYMENT SAFEGUARDS.—Any provider or capitated health care organization that is adversely affected by a rate established or modified by a State under this title may bring an action for relief in an appropriate State or Federal court on the grounds that the rate (or the manner in which the rate was established or modified) does not meet the requirements of section 1502(a) or 1504(b) (as the case may be).

Page 86, after line 23, insert the following new paragraph:

"(7) PROVIDER PAYMENT RATE OF CAPITATED HEALTH CARE ORGANIZATIONS.—The following information about each capitated health care organization with which the State has a contract under this title:

"(A) A listing of the reimbursement rates the organization pays different categories of providers for medical assistance furnished to individuals eligible for such assistance under the State plan.

"(B) The organization's explanation of the methodologies used to compute such rates.

"(C) The organization's explanation of why the rates are reasonable and adequate to meet the reasonable and necessary costs incurred by a provider of the same category to provide care and reasonable access to services to the population enrolled in the plan in compliance with applicable Federal and State laws, regulations, and quality standards.

Page 198, strike line 32 and all that follows through page 199, line 10, and redesignate the succeeding paragraph accordingly.