

**Summary of Issues Affecting Long Term Care in  
*the Health Care and Education Affordability Act of 2010 (H.R. 4872)*  
March 19, 2010**

Regarding next steps on health care reform, AHCA/NCAL understands that House Democratic Leadership plans to hold two votes over the weekend. The first vote will be on legislation governing the rules of debate for the reconciliation bill, which if it passes, will also “deem” the Senate health care reform bill, *the Patient Protection and Affordable Care Act* (H.R. 3590), as having passed the House. The second vote will be on the reconciliation bill itself, *the Health Care and Education Affordability Act of 2010* (H.R. 4872).

On March 18, the House Rules Committee released the text of a substitute amendment, which will replace the entire contents of the reconciliation bill passed earlier in the week by the House Budget Committee, whose action was required to start the reconciliation process by current law.

This document summarizes the changes made to the Senate bill by the reconciliation bill, as contained in the substitute amendment, expected specifically to affect skilled nursing facilities (SNFs) and assisted living residences (AL).

**Medicare**

**Medicare Prepayment Medical Review Limitations (Section 1302)**

In order to streamline procedures for conducting Medicare prepayment reviews to facilitate additional fraud and abuse reviews, Section 1847A of the Social Security Act is repealed. That section permits the Secretary of Health and Human Services (HHS) to enter into contracts with any eligible entity to serve as a Medicare Administrative Contractor (MAC) and process Medicare Part A and B Fee for Service (FSS) claims.

**CMS-IRS Data Match to Identify Fraudulent Providers (Section 1303)**

Allows the Secretary of Treasury to share Internal Revenue Service (IRS) data with the Secretary of Health and Human Services (HHS) and HHS employees on taxpayers who have applied to enroll, or reenroll, as a provider of services or supplier under the Medicare program. The information includes the taxpayer identity information; the amount of the seriously delinquent tax debt owed by that taxpayer; and the taxable year to which the seriously delinquent tax debt pertains. The HHS Secretary may use this data to help screen and identify fraudulent providers or providers with tax debts, and can use this information either to deny applications to enroll or reenroll in Medicare or to apply enhanced oversight to providers of services with serious delinquent tax debt.

**Funding to Fight Fraud, Waste and Abuse (Section 1304)**

Increases funding for the Health Care Fraud and Abuse Control Fund by \$250 million through FY 2016. Indexes funds to fight Medicaid fraud based on the increase in the Consumer Price Index.

## **Medicaid**

### **FMAP (Section 1201)**

Eliminates the provision of the Senate bill providing for a 100% federal matching rate just for Nebraska to cover the costs of newly eligible individuals to the Medicaid program. Substitutes in its place, federal Medicaid matching payments to all states, except expansion ones, for the costs of services to newly eligible individuals at the following rates: 100% in 2014, 2015, and 2016; 95% in 2017; 94% in 2018; 93% in 2019; and 90% thereafter. For expansion states, the state share of the costs of covering nonpregnant childless adults is reduced by 50% in 2014, 60% in 2015, 70% in 2016, 80% in 2017, 90% in 2018. Beginning in 2019 and thereafter, expansion states would revert to the same state share for newly eligible individuals as non-expansion states.

## **Other Issues**

### **Employer Mandate (Section 1003)**

Changes the fee that an employer with more than 50 employees must pay per employee if health insurance is not offered to all for full time equivalents (FTEs) from \$750 to \$2000. However, for employers with 50 or more FTEs that do not choose to offer insurance, they are allowed to subtract the first 30 full time employees from the payment calculation (e.g., a firm with 51 workers that does not offer coverage will pay an amount equal to 51 minus 30, or 21 times the applicable per employee payment amount). The assessment for workers in a waiting period is eliminated, although the 90-day limit on the length of any waiting period is retained beginning in 2014.