

EMERGENCY HEALTH CARE RELIEF ACT OF 2005

FULL SUMMARY

Immediate Access to Medicaid for Displaced Individuals: Displaced victims need immediate access to medical care, and Medicaid, which exists in all 50 states, is there to provide it. To ensure the fastest possible coverage, normal documentation and eligibility requirements would be waived and other application requirements streamlined and simplified down to a one-page application. Katrina survivors with incomes below federal poverty level (and twice that level for pregnant women and children and the disabled) would be eligible for Disaster Relief Medicaid, a temporary program available for 5 months, with a possible 5 month extension by the President. To respond to the intense need for mental health and home and community based services among survivors, current state limits on these benefits would be waived and states would be able to make an extended package of mental health services available to Katrina survivors. To ensure continuity of care for vulnerable survivors, states would provide survivors with notice and assistance with Medicaid enrollment once their period of Disaster Relief Medicaid ends. In addition, coverage for pregnant women would continue until 60 days after giving birth. Care provided through Disaster Relief Medicaid will be reimbursed at 100% FMAP while it is in effect.

- **Federal Support for Affected States' Medicaid Programs:** States affected by Hurricane Katrina (Louisiana, Mississippi and Alabama) are suffering significant financial losses, affecting their ability to fund critical services for their citizens. The federal government must ensure states can continue to provide Medicaid and SCHIP benefits to low-income individuals. Disaster counties in those three states will get 100 percent federal match during this crisis to sustain Medicaid and SCHIP programs. This covers all of Louisiana and Mississippi and much of Alabama. Full federal funding would continue through December 31, 2006. Federal funding for other state Medicaid programs scheduled to drop in 2006 will be postponed for the fiscal year to ensure that states struggling to meet the new demand for services do not lose funds at this critical time.
- **Compensation to Affected Health Providers:** Health providers caring for evacuees are eligible for federal add-on payments through an emergency relief fund to alleviate the burden of uncompensated care. This fund is not only available for providers who are caring for an increased Medicaid population, but also for providers that have lost their patient base because of the Hurricane. Eligible providers include any provider or supplier that can be reimbursed through Medicaid. Additionally, certain hospitals will be able to receive full 100% reimbursement for their Medicare bad debt, which consists of unpaid beneficiary co-payments and deductibles. Finally, hospitals located in the disaster areas will not be penalized for any failure to submit quality data.

- **Private Health Insurance Coverage Assistance:** Some survivors may have private health coverage that will continue during this emergency period. Individuals with private health coverage who qualify for Disaster Relief Medicaid will be eligible for assistance in paying their health care premiums under a new Disaster Relief Fund to be administered by state insurance commissioners.

Employers in the hardest hit counties in Louisiana, Mississippi, and Alabama can receive assistance to help them maintain private health insurance coverage for their employees. Qualified employers are those that operated in the disaster area and (1) are inoperable as a result of damage sustained from Hurricane Katrina or (2) are not paying salary or benefits to employees as a result of damage sustained from Hurricane Katrina. Assistance is available to an employer only for the days on which it is inoperable or that it ceased paying salaries or benefits to employees.

- **Assistance for Medicare Beneficiaries:** Hurricane Katrina has displaced hundreds of thousands of people with Medicare who will need special help as a result. First, the Medicare Part B late enrollment penalty would be temporarily suspended so that Katrina survivors are not unfairly penalized. Second, Medicare-eligible Katrina survivors who are also eligible for Medicaid are due to transition to the new Medicare prescription drug benefit on January 1, 2006. The Secretary of HHS will be required to submit to Congress by October 7 a written plan detailing how these survivors will be informed of and transitioned to the new drug benefit program.
- **Temporary Assistance for Needy Families (TANF) Contingency Fund and other funds Accessible for Affected States:** Improves upon H.R. 3672, the TANF Emergency Response and Recovery Act of 2005, passed by the House and the Senate. The Grassley-Baucus bill increases the amount of the State Family Assistance Grants for Louisiana, Mississippi and Alabama for 14 months. The 1996 welfare law established a “Contingency Fund” available to states undergoing fiscal emergencies. Because of very strict state eligibility standards, only two states have ever been able to access these funds. The Grassley-Baucus bill recognizes that if there were ever a time for states to be able to access the “Contingency Fund,” that time is now. The Grassley-Baucus bill provides Alabama, Louisiana and Mississippi immediate access to the TANF Contingency Fund. The bill also allows “host” states providing services to evacuees to draw down from the Contingency Fund and it eliminates the cap on total spending under the Contingency Fund for one year.
- **Access to future assistance under PRWORA:** Families who have had their lives disrupted by this disaster and who are unable to find work because of compromised economic state infrastructures and a lack of support services should not have their ability to secure assistance in the future compromised. The Grassley-Baucus bill establishes a “Hurricane Katrina Emergency Benefit” which is not considered “assistance” under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA).

- **Emergency Unemployment Compensation Extension:** provides an immediate extension of unemployment benefits for 13 weeks for individuals in Alabama, Louisiana, and Mississippi and to evacuees who have exhausted their unemployment benefits. These benefits will be fully paid for by the Federal Unemployment Trust Fund.