

EMERGENCY HEALTH CARE RELIEF ACT OF 2005

Title I: Emergency Health Care Relief

Medicaid Benefits:

- Provides Louisiana, Mississippi, and counties in Alabama under a disaster declaration with a 100% FMAP until the end of 2006.
- Provides targeted, temporary Disaster Relief Medicaid (DRM) coverage to those people in or evacuees from the hardest hit counties in Louisiana, Mississippi, and Alabama (those eligible for individual assistance). Coverage is for all people up to 100% of FPL or up to 200% for pregnant women, children and the disabled. States are reimbursed at 100% FMAP for care provided through DRM.

Private Coverage Benefits:

- Provides assistance to help individuals who qualify for DRM, but who have private health insurance, pay their premiums so they can maintain their private health insurance coverage, rather than receive Medicaid benefits.
- Provides assistance to qualified employers in the hardest hit counties in Louisiana, Mississippi, and Alabama 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 a business only for the days on which it is inoperable or that it ceased paying salaries or benefits to employees.

Duration of Benefits:

- DRM is in effect for 5 months from the date of enactment (retroactive to the day before the Hurricane made landfall). The president may extend the DRM coverage for up to 5 months.
- No DRM shall be provided after the end of the DRM coverage period (except in the case of a pregnant woman—benefits extend through a 60-day post partum period).
- Assistance to employers available only for the days on which it has

Medicare Benefits:

- The bill waives the Part B late enrollment penalty for Medicare beneficiaries and directs the Secretary to submit a plan to ensuring the smooth transition of dual-eligibles to the Part D prescription drug benefit.
- Certain hospitals will receive full reimbursement for their Medicare bad debt, and hospitals located in the disaster areas will not be penalized for any failure to submit quality data.

Emergency Relief for Providers:

- Creates a disaster relief fund to provide payments to those Medicaid providers who experienced a significant increase or decrease in patient volume due to Hurricane Katrina.
- Provides for direct payments to providers to offset costs incurred as a result of Hurricane Katrina and to enable them to continue their operations.
- Eligible providers include those (1) eligible for Medicaid payment that have experienced a significant increase in the percentage of patients eligible for medical assistance or provided with uncompensated care or (2) that experience a significant decline in patient caseload.
- Significant increase and significant decline to be determined by the Secretary.
- Other providers eligible for assistance as determined by the Secretary.

Title II: TANF Relief

Improves upon HR 3672, the “TANF Emergency Response and Recovery Act of 2005” passed by the House and the Senate.

Resources to States:

- 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 for a mechanism to increase the amount available to the contingency fund during the duration of the disaster period (currently capped at \$2 billion);
- Extends the contingency fund to directly affected states (Louisiana, Mississippi and Alabama);
- Increases the amount available to states provides services to evacuees such as Texas, Arkansas and Utah.
- Increases the State Family Assistance Grant to directly affected states.

Additional Flexibility for Families:

- Establishes that from August 29, 2005 until September 30, 2006, needy families and evacuees from Alabama, Mississippi and Louisiana are eligible for *Katrina Emergency TANF Benefits* which are not considered to be assistance under the Personal Responsibility and Work Opportunity Reconciliation Act.

Title III: Temporary Extended Unemployment Compensation

Eligible Workers in Alabama, Louisiana, and Mississippi and evacuees from these areas:

- Who apply for regular unemployment compensation after August 28, 2005 would be eligible for up to 13 weeks of additional benefits.
- Who were receiving regular unemployment as of August 28, 2005, and subsequently exhaust their benefits, would be eligible for up to 13 weeks of additional benefits.
- Effective through August 26, 2006