

## MEMORANDUM

TO: Reporters and Editors  
RE: Grassley health-care related amendments  
DA: Friday, March 22, 2013

Senator Chuck Grassley filed two health care related amendments to the Senate budget resolution on the floor. It's uncertain if the amendments will receive a vote. Text of the amendments is [here](http://www.grassley.senate.gov/about/upload/amendments-242-and-243.pdf) (<http://www.grassley.senate.gov/about/upload/amendments-242-and-243.pdf>).

- **Amendment #242** would create a deficit-neutral reserve fund for an FMAP bonus for any state that enacts medical liability reform.

“The President’s health care law failed to drive down health care costs. Abusive lawsuits and runaway jury awards drive up health care costs, and state medical liability reform laws have proven that these kinds of reforms improve patient access to care and stabilize medical liability insurance premiums, translating into savings for taxpayers. In the absence of medical liability reform at the national level, which the Congressional Budget Office estimates could save as much as \$57 billion, we at least ought to encourage states that are willing to take the lead in working to lower health care costs, and an FMAP bonus is an incentive,” **Grassley said.**

- **Amendment #243** would create a deficit-neutral reserve fund for rescinding reductions in Medicaid disproportionate share hospital allotments of states that choose not to expand Medicaid under the Affordable Care Act.

“Likewise, the low-income people served by disproportionate share hospitals should not be punished for states that make a legitimate decision that it’s fiscally irresponsible to count on the federal Treasury for a major Medicaid expansion, along with a spending commitment that may be unsustainable at the state level. The Supreme Court said the federal government could not coerce states into expanding Medicaid, so it’s wrong for the budget resolution to withhold DSH dollars from states that do not expand Medicaid under Obamacare,” **Grassley said.**

Deficit-neutral reserve funds allow the Budget Committee Chair to revise allocations within the budget resolution.

FMAP – or Federal Medical Assistance Percentages – are used in determining the amount of federal matching funds to states for medical program expenditures.

Disproportionate Share Hospital payments provide federal dollars to help hospitals that serve a significantly disproportionate number of low-income patients. States receive an annual allotment to cover the costs of these hospitals that provide care to low-income patients not paid by other payers such as Medicare, Medicaid, the Children’s Health Insurance Program, or other health insurance.

