

Title IX AGGREGATE GOVERNMENT PAYMENTS
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Subtitle A Aggregate State Payments

Part 1 STATE MAINTENANCE OF EFFORT PAYMENT

Section 9001 STATE MAINTENANCE-OF-EFFORT PAYMENT RELATING TO NON-CASH ASSISTANCE RECIPIENTS.

(a) Payment. Each participating State shall provide for each year (beginning with State's first year) for payment to regional alliances in the State in the amounts specified in subsection (b).

(b) Amount. Subject to sections 6005, 9023, and 9201(c)(2), the total amount of such payment for a year shall be equal to the following:

(1) First year. In the case of the first year for a State, the sum of

(A) the State non-cash, non-DSH baseline amount for the State, determined under section 9002(a)(1) and updated under section 9003(a)(1), and

(B) the State non-cash, DSH baseline amount for the State, determined under section 9002(a)(2) and updated under section 9003(a)(2).

(2) Subsequent year. In the case of any succeeding year, the sum computed under paragraph (1) for the first year updated to the year involved under section 9003(b).

(c) Division Among Regional Alliances. In the case of a State with more than one regional alliance, the payment required to be made under this section shall be distributed among the regional alliances in an equitable manner (determined by the State) that takes into account, for each regional alliance, the proportion of the non-cash baseline amount (described in section 9002) that is attributable to individuals who resided in the alliance area of the regional alliance.

Title IX, Subtitle A

Section 9002 NON-CASH BASELINE AMOUNTS.

(a) Baseline Amounts.

(1) Non-dsh amount. The Secretary shall determine for each State a non-cash, non-DSH baseline amount which is equal to the sum of the following:

(A) Expenditures for comprehensive benefit package for non-cash assistance children. The aggregate State medicaid expenditures in fiscal year 1993 (as defined in subsection (b)(1)) for the comprehensive benefit package for non-cash assistance children (as defined in section 9004(a)).

(B) Expenditures for comprehensive benefit package for non-cash assistance adults. The aggregate State medicaid expenditures in fiscal year 1993 for the comprehensive benefit package for non-cash assistance adults (as defined in section 9004(b)).

(C) Expenditures for additional benefits for certain children receiving afdc or ssi. The aggregate medicaid expenditures in fiscal year 1993 for all medically necessary items and services described in section 1905(a) of the Social Security Act (including items and services described in section 1905(r) of such Act but excluding long-term care services described in section 1933(c) of such Act) for qualified children described in section 1934(b)(1) of such Act who are AFDC or SSI recipients.

(2) DSH amount. The Secretary shall determine for each State a non-cash, DSH baseline amount which is equal to the DSH expenditures in fiscal year 1993 (as defined in subsection (b)(2)).

(b) State Medicaid Expenditures and DSH Expenditures Defined.

(1) Aggregate state medicaid expenditures.

(A) In general. In this section, the term "aggregate State medicaid expenditures" means, with respect to specified individuals and a State in fiscal year 1993, the amount of payments under the State medicaid plan with respect to medical assistance furnished for such individuals for calendar quarters in fiscal year 1993, less the amount of Federal financial participation paid to the State with respect to such assistance, and not including any DSH expenditures.

(B) Limited to payments for services. In applying subparagraph (A), payments under the State medicaid plan shall not be included unless Federal financial participation is

provided with respect to such payments under section 1903(a)(1) of the Social Security Act and such payments shall not include payments for medicare cost-sharing (as defined in section 1905(p)(3) of the Social Security Act).

(2) DSH expenditures. In this section, the term "DSH expenditures" means, with respect to fiscal year 1993, payments made under section 1923 of the Social Security Act in fiscal year 1993 multiplied by proportion of payments for medical assistance for hospital services (including psychiatric hospital services) under the State medicaid plan in fiscal year 1993 that is attributable to non-cash assistance adults and non-cash assistance children.

(3) Adjustment authorized to take into account cash flow variations. If the Secretary finds that a State took an action that had the effect of shifting the timing of medical assistance payments under the State medicaid plan between quarters or fiscal years in a manner so that the payments made in fiscal year 1993 do not accurately reflect the value of the medical assistance provided with respect to items and services furnished in that fiscal year, the Secretary may provide for such adjustment in the amounts computed under this subsection as may be necessary so that the non-cash baseline amounts determined under this section accurately reflects such value.

(4) Treatment of disallowances. The amounts determined under this subsection shall take into account amounts (or an estimate of amounts) disallowed.

(c) Application to Particular Items and Services in Comprehensive Benefit Package. For purposes of subsection (a)(1), in determining the aggregate State medicaid expenditures for a category of items and services (within the comprehensive benefit package) furnished in a State, there shall be counted only that proportion of such expenditures that were attributable to items and services included in the comprehensive benefit package (taking into account any limitation on amount, duration, or scope of items and services included in such package).

Section 9003 UPDATING OF BASELINE AMOUNTS.

(a) Initial Update Through the First Year.

(1) Non-cash, non-dsh baseline amount. The Secretary shall update the non-cash, non-DSH baseline amount determined under section 9002(a)(1) for each State from fiscal year 1993 through the first year, by the following percentage:

(A) If such first year is 1996, the applicable percentage is 56.6 percent.

(B) If such first year is 1997, the applicable percentage is 78.1 percent.

(C) If such first year is 1998, the applicable percentage is 102.2 percent.

(2) Non-cash, dsh baseline amount. The Secretary shall update the non-cash, DSH baseline amount determined under section 9002(a)(2) for each State from fiscal year 1993 through the first year, by the following percentage:

(A) If such first year is 1996, the applicable percentage is 45.9 percent.

(B) If such first year is 1997, the applicable percentage is 61.8 percent.

(C) If such first year is 1998, the applicable percentage is 79.0 percent.

(3) Adjustment authorized to take into account cash flow variations. In determining the updates under paragraphs (1) and (2), the Secretary may provide for an adjustment in a manner similar to the adjustment permitted under section 9002(b)(3).

(b) Update For Subsequent Years. For each State for each year after the first year, the Board shall update the non-cash baseline amount (as previously updated under this subsection) by the product of

(1) 1 plus the general health care inflation factor (as defined in section 6001(a)(3)) for the year, and

(2) 1 plus the annual percentage increase in the population of the United States of individuals who are under 65 years of age (as estimated by the Board based on projections made by the Bureau of Labor Statistics of the Department of Labor) for the year.

Section 9004 NON-CASH ASSISTANCE CHILD AND ADULT DEFINED.

(a) Non-Cash Assistance Child. In this part, the term "non-cash assistance child" means a child described in section 1934(b)(1) of the Social Security Act (as inserted by section 4222(a)) who is not a medicare-eligible individual.

(b) Non-Cash Assistance Adult. In this part, the term "non-cash assistance adult" means an individual who is

(1) over 21 years,

(2) is a citizen or national of the United States or an alien who is lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law, and

(3) is not an AFDC or SSI recipient or a medicare-eligible individual.

Part 2 STATE PREMIUM PAYMENTS

Section 9011 STATE PREMIUM PAYMENT RELATING TO CASH ASSISTANCE RECIPIENTS.

(a) In General. Subject to subsection (c), each participating State shall provide in each year (beginning with the State's first year) for payment to each regional alliance in the State of an amount equal to the State medical assistance percentage (as defined in subsection (b)) of 95 percent of the sum of the following products:

(1) AFDC portion. The product of

(A) the AFDC per capita premium amount for the regional alliance for the year (determined under section 9012(a)), and

(B) the number of AFDC recipients residing in the alliance area in the year (as determined under section 9014(b)(1)).

(2) SSI portion. The product of

(A) the SSI per capita premium amount for the regional alliance for the year (determined under section 9013), and

(B) the number of SSI recipients residing in the alliance area in the year (as determined under section 9014(b)(1)).

(b) State Medical Assistance Percentage Defined. In subsection (a), the term "State medical assistance percentage" means, for a State for a quarter in a fiscal year, 100 percent

minus the Federal medical assistance percentage (as defined in section 1905(b) of the Social Security Act) for the State for the fiscal year.

(c) Additional Amount. The amount of payment under subsection (a) for a State for a year shall be increased by the State medical assistance percentage multiplied by the sum of the following:

(1) Amount of special increase in premium discount. The aggregate increase in the premium discounts under section 6104 for AFDC and SSI families enrolled in regional alliance health plans in the State that is attributable to subsection (b)(2) of such section, and

(2) Amount of basic cost sharing reduction. The amount of any cost sharing reduction under section 1371(c)(1) for such families.

Section 9012 DETERMINATION OF AFDC PER CAPITA PREMIUM AMOUNT FOR REGIONAL ALLIANCES.

(a) In General. For each regional alliance in a State for each year, the Secretary shall determine an AFDC per capita premium amount in accordance with this section. Such amount is equal to (1) the per capita State medicaid expenditures for the comprehensive benefit package for AFDC recipients for the State for the year (as determined under subsection (b)), multiplied by

(2) the regional alliance adjustment factor (determined under section 9015) for the year for the regional alliance.

(b) Per Capita State Medicaid Expenditures Defined. The "per capita State medicaid expenditures for the comprehensive benefit package for AFDC recipients" for a State for a year is equal to the base per capita expenditures (described in subsection (c)), updated to the year involved under subsection (d).

(c) Base Per Capita Expenditures. The "base per capita expenditures" described in this subsection, for a State for a year, is

(1) the baseline medicaid expenditures (as defined in subsection (e)) for the State, divided by

(2) the number of AFDC recipients enrolled in the State medicaid plan in fiscal year 1993, as determined under section 9014(a).

(d) Updating.

(1) Initial update through year before first year.

(A) In general. The Secretary shall update the base per capita expenditures described in subsection (c) for each State from fiscal year 1993 through the year before first year, by the applicable percentage specified in subparagraph (B), or, if less, the increase percentage specified in subparagraph (C).

(B) Applicable percentage. For purposes of subparagraph (A), the applicable percentage specified in this subparagraph, in the case of a State in which the first year is

(i) 1996 is 32.2 percent,

(ii) 1997 is 46.6 percent, or

(iii) 1998 is 62.1 percent.

(C) Increase percentage.

(i) In general. The increase percentage for a State specified in this subparagraph is the Secretary's estimate of the percentage increase in the per capita expenditures specified in clause (ii) from fiscal year 1993 through the year before the first year, adjusted so as to eliminate any change in medicaid expenditures that is attributable to a reduction in the scope of services, an arbitrary reduction in payment rates, or a reduction in access to high quality services under the State medicaid plan.

(ii) Per capita expenditures. The per capita expenditures specified in this clause for a year is the quotient of the baseline medicaid expenditures for the State for the year, divided by the number of AFDC recipients enrolled in the State medicaid plan for the year.

(D) Adjustment authorized to take into account cash flow variations. In determining the update under paragraph (1), the Secretary may provide for an adjustment in a manner similar to the adjustment permitted under section 9002(b)(3).

(2) Update for subsequent years. For each State for the first year and for each year after the first year, the Board shall update the base per capita expenditures described in subsection (c) (as previously updated under this subsection) by a factor equal to 1 plus the general health care inflation factor (as defined in section 6001(a)(3)) for the year.

(e) Determination of Baseline Medicaid Expenditures.

(1) In general. For purposes of subsection (c)(1), the "baseline medicaid expenditures" for a State is the gross amount of payments under the State medicaid plan with respect to medical assistance furnished, for items and services included in the comprehensive benefit package, for AFDC recipients for calendar quarters in fiscal year 1993, but does not include such expenditures for which no Federal financial participation is provided under such plan.

(2) Disproportionate share payments not included. In applying paragraph (1), payments made under section 1923 of the Social Security Act shall not be counted in the gross amount of payments.

(3) Treatment of disallowances. The amount determined under this subsection shall take into account amounts (or an estimate of amounts) disallowed.

(f) Application to Particular Items and Services in Comprehensive Benefit Package. For purposes of this section, in determining the per capita State medicaid expenditures for a category of items and services (within the comprehensive benefit package) furnished in a State, there shall be counted only that proportion of such expenditures (determined only with respect to medical assistance furnished to AFDC recipients) that were attributable to items and services included in the comprehensive benefit package (taking into account any limitation on amount, duration, or scope of items and services included in such package).

Section 9013 DETERMINATION OF SSI PER CAPITA PREMIUM AMOUNT FOR REGIONAL ALLIANCES.

For each regional alliance in a State for each year, the Secretary shall determine an SSI per capita premium amount in accordance with this section. Such amount shall be determined in the same manner as the AFDC per capita premium amount for the regional alliance is determined under section 9012 except that, for purposes of this section

(1) any reference in such section (or in sections referred to in such section) to an "AFDC recipient" is deemed a reference to an SSI recipient", and

(2) the following percents shall be substituted for the percents specified in section 9012(d)(1)(B):

(A) For 1996, 29.4 percent.

(B) For 1997, 43.7 percent.

(C) For 1998, 58.8 percent.

Section 9014 DETERMINATION OF NUMBER OF AFDC AND SSI RECIPIENTS.

(a) Baseline. For purposes of section 9012 and section 9013, the number of AFDC recipients and SSI recipients for a State for fiscal year 1993 shall be determined based on actual reports submitted by the State to the Secretary. In the case of individuals who were not recipients for the entire fiscal year, the number shall take into account only the portion of the year in which they were such recipients. The Secretary may audit such reports.

(b) Subsequent Years.

(1) Payments. For purposes of section 9011(a), the number of AFDC and SSI recipients enrolled in regional alliance health plans for a regional alliance shall be determined on a monthly basis based on actual enrollment.

(2) Computation of regional adjustment factors and blended plan payment rates. For purposes of computing regional alliance adjustment factors under section 9015 and the AFDC and SSI proportions under section 6202, the number of AFDC and SSI recipients for a regional alliance in a State for a year (beginning with 1997) shall be determined by the State before the date the State is required to compute AFDC and SSI proportions under section 6202 based on the best available estimate of such proportion in the previous year.

Section 9015 REGIONAL ALLIANCE ADJUSTMENT FACTORS.

(a) In General. If a State

(1) has more than one regional alliance operating in the State for a year, the State shall compute under this section a regional alliance adjustment factor for each such regional alliance for the year in accordance with subsection (b), or

(2) has only one regional alliance for a year, the regional alliance adjustment factor under this section is 1.

(b) Rules. The adjustment factors under subsection (a)(1) for a year shall be computed in a manner so that

(1) such factors for the different regional alliances reflect

(A) the variation in regional alliance per capita premium targets (determined under section 6003), and

(B) the variation in base per capita expenditures for medicaid across regional alliances; and

(2) the weighted average of such factors is 1.

(c) Use of Same Data. The weighted average under subsection (b)(2) shall be determined based on the number of AFDC recipients or SSI recipients (as the case may be) enrolled in each regional alliance in a State (as determined for each regional alliance under section 9014(b)(2)).

(d) Clarification of Separate Computations. Determinations of adjustment factors under this section shall be made separately for AFDC recipients and for SSI recipients.

Part 3 GENERAL AND MISCELLANEOUS PROVISIONS

Section 9021 TIMING AND MANNER OF PAYMENTS.

The provisions of paragraphs (1) and (2) of section 9101(b) apply to payments by a State under this subtitle in the same manner as they apply to payments by the Secretary under section 9101, and any reference in such provisions to the Secretary is deemed a reference to the State.

Section 9022 REVIEW OF PAYMENT LEVEL.

(a) In General. The National Health Board shall review from time to time the appropriateness of the levels of payments required of States under this subtitle.

(b) Report. The Board may report to the Congress on such adjustments as should be made to assure an equitable distribution of State payments under this Act, taking into account the revenue base in each of the States.

(c) Limit on Authority. Nothing in this subtitle shall be construed as permitting the Board to change the amount of the payments required by States under the previous sections in this subtitle.

Section 9023 SPECIAL RULES FOR PUERTO RICO AND
OTHER TERRITORIES.

(a) Waiver Authority. Notwithstanding any other requirement of this title or title VI, the Secretary may waive or modify any requirement of this title or title VI (other than financial contribution and subsidy requirements) with respect to Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands, consistent with this section, to accommodate their unique geographic and social conditions and features of their health care systems.

(b) Territorial Maintenance of Effort and Division of Financial Responsibility.

(1) In general. In the case of such a Commonwealth or territory, the Secretary shall determine the State payments under part 1 taking into account

(A) payments that qualify for Federal financial participation under the medicaid program,

(B) payments that would qualify for such participation in the absence of section 1108(c) of the Social Security Act, and

(C) other factors that the Secretary may consider.

(2) Cash assistance recipients. With respect to such Commonwealths and territories not covered under the supplementary security income program, in this Act, the term "SSI recipient" includes an individual receiving aid under a territorial program for the aged, blind, or disabled under the Social Security Act. Title IX, Subtitle B

Subtitle B Aggregate Federal Alliance Payments

Section 9101 FEDERAL PREMIUM PAYMENTS FOR CASH
ASSISTANCE RECIPIENTS.

(a) Amount.

(1) In general. The Secretary shall provide each year (beginning with a State's first year) for payment to each regional alliance of an amount equal to the Federal medical assistance percentage (as defined in section 1905(b) of the Social Security Act) of (A) 95 percent of the sum of the products described in section 9011(a) for that State for that fiscal year, plus (B) the sum described in section 9011(c).

(2) Special rules for single-payer States. In determining the products referred to in paragraph (1) in the case of a single-payer State, the State is deemed to be a single regional alliance and the regional alliance adjustment factor (under section 9015) is deemed to be 1.

(b) Timing and Manner of Payment.

(1) In general. Amounts required to be paid under this section shall be paid on a periodic basis that reflects the cash flow requirements of regional alliances for payments under this section in order to meet obligations established under this Act and, in consultation with the Secretary of the Treasury, the cash management interests of the Federal Government.

(2) Periodic provision of information. Each regional alliance shall periodically transmit to the Secretary such information as the Secretary may require to make such payments.

(3) Reconciliation.

(A) Preliminary. At such time after the end of each year as the Secretary shall specify, the State shall submit to the Secretary such information as the Secretary may require to do a preliminary reconciliation of the amounts paid under this section and the amounts due.

(B) Final. No later than June 30 of each year, the Secretary shall provide for a final reconciliation for such payments for quarters in the previous year. Amounts subsequently payable are subject to adjustment to reflect the results of such reconciliation.

(C) Audit. Payments under this section are subject to audits by the Secretary in accordance with rules established by the Secretary.

Section 9102 CAPPED FEDERAL ALLIANCE PAYMENTS.

(a) Capped Entitlement.

(1) Payment. The Secretary shall provide for each calendar quarter (beginning on or after January 1, 1996) for payment to each regional alliance of an amount equal to the capped Federal alliance payment amount (as defined in subsection (b)(1)) for the regional alliance for the quarter.

(2) Entitlement. This section constitutes budget

authority in advance of appropriations Acts, and represents the obligation of the Federal Government to provide for the payment to regional alliances of the capped Federal alliance payment amount under this section.

(b) Capped Federal Alliance Payment Amount.

(1) In general. In this section, the term "capped Federal alliance payment amount" means, for a regional alliance for a calendar quarter in a year and subject to subsection (e), the amount by which

(A) $\frac{1}{4}$ of the total payment obligation (described in paragraph (2)) for the alliance for the year, exceeds

(B) $\frac{1}{4}$ of the total amounts receivable (described in paragraph (3)) by the alliance for the year.

(2) Total payment obligation. The total payment obligation described in this paragraph for an alliance for a year is the total amount payable by the alliance for the following:

(A) Plan payments (and certain cost sharing reductions). Payments to regional alliance health plans under section 1351 (including amounts attributable to cost sharing reductions under section 1371, not including a reduction under subsection (c) (2)).

(B) Alliance administrative expenses. Payments retained by the regional alliance for administration (in accordance with section 1352).

(3) Total amounts receivable. The total amounts receivable by a regional alliance for a year is the sum of the following:

(A) Premiums. The amount payable to the regional alliance for the family share of premiums, employer premiums, and liabilities owed the alliance under subtitle B of title VI, not taking into account any failure to make or collect such payments.

(B) Other government payments. The amounts payable to the regional alliance under sections 9001, 9011, and 9101, and payable under section 1894 of the Social Security Act (as added by section 4003) during the year.

(4) No payment for certain amounts.

(A) Uncollected alliance premiums. Each regional

alliance is responsible, under section 1345(a), for the collection of all amounts owed the alliance (whether by individuals, employers, or others and whether on the basis of premiums owed, incorrect amounts of discounts or premium, cost sharing, or other reductions made, or otherwise), and no amounts are payable by the Federal Government under this section with respect to the failure to collect any such amounts.

(B) Administrative errors.

(i) In general. Each participating State is responsible, under section 1202(g), for the payment to regional alliances in the State of amounts attributable to administrative errors (described in clause (ii)).

(ii) Administrative errors described. The administrative errors described in this clause include the following:

(I) An eligibility error rate for premium discounts, liability reductions, and cost sharing reductions under sections 6104 and 6123, section 6113, and section 1371, respectively, to the extent the applicable error rate exceeds the maximum permissible error rate, specified by the applicable Secretary under section 1361(b)(1)(C), with respect to the section involved.

(II) Misappropriations or other regional alliance expenditures that the Secretary finds are attributable to malfeasance or misfeasance by the regional alliance or the State.

(5) Special rules for single-payer states. In applying this subsection in the case of a single-payer State, the Secretary shall develop and apply a methodology for computing an amount of payment (with respect to each calendar quarter) that is equivalent to the amount of payment that would have been made to all regional alliances in the State for the quarter if the State were not a single-payer State.

(c) Determination of Capped Federal Alliance Payment Amounts.

(1) Reports. At such time as the Secretary may require before the beginning of each fiscal year, each regional alliance shall submit to the Secretary such information as the Secretary may require to estimate the capped Federal alliance payment amount under this section for the succeeding calendar year (and the portion of such year that falls in such fiscal year).

(2) Estimation. Before the beginning of each year, the

Secretary shall estimate for each regional alliance the capped Federal alliance payment amount for calendar quarters in such year. Such estimate shall be based on factors including prior financial experience in the alliance, future estimates of income, wages, and employment, and other characteristics of the area found relevant by the Secretary. The Secretary shall transmit to Congress, on a timely basis consistent with the timely appropriation of funds under this section, a report that specifies an estimate of the total capped Federal alliance payment amounts owed to regional alliances under this section for the fiscal and calendar year involved.

(d) Payments to Regional Alliances. Subject to subsection (e), the provisions of section 9101(b) apply to payments under this section in the same manner as they apply to payments under section 9101.

(e) Cap on Payments.

(1) In general. The total amount of the capped Federal alliance payments made under this section for quarters in a fiscal year may not exceed the cap specified under paragraph (2) for the fiscal year.

(2) Cap. Subject to paragraphs (3) and (6)

(A) Fiscal years 1996 through 2000. The cap under this paragraph

(i) for fiscal year 1996, is \$10.3 billion,

(ii) for fiscal year 1997, is \$28.3 billion,

(iii) for fiscal year 1998, is \$75.6 billion,

(iv) for fiscal year 1999, is \$78.9 billion, and

(v) for fiscal year 2000, is \$81.0 billion.

(B) Subsequent fiscal year. The cap under this paragraph for a fiscal year after fiscal year 2000 is the cap under this paragraph for the previous fiscal year (not taking into account paragraph (3)) multiplied by the product of the factors described in subparagraph (C) for that fiscal year and for each previous year after fiscal year 2000.

(C) Factor. The factor described in this subparagraph for a fiscal year is 1 plus the following:

(i) CPI. The percentage change in the CPI for the fiscal year, determined based upon the percentage change in the average of the CPI for the 12-month period ending with May 31 of the previous fiscal year over such average for the preceding 12-month period.

(ii) Population. The average annual percentage change in the population of the United States during the 3-year period ending in the preceding calendar year, determined by the Board based on data supplied by the Bureau of the Census.

(iii) Real gdp per capita. The average annual percentage change in the real, per capita gross domestic product of the United States during the 3-year period ending in the preceding calendar year, determined by the Board based on data supplied by the Department of Commerce.

(3) Carryforward. If the total of the capped Federal alliance payment amounts for all regional alliances for all calendar quarters in a fiscal year is less than the cap specified in paragraph (2) for the fiscal year, then the amount of such surplus shall be accumulated and will be available in the case of a year in which the cap would otherwise be breached.

(4) Notification.

(A) In general. If the Secretary anticipates that the amount of the cap, plus any carryforward from a previous year accumulated under paragraph (3), will not be sufficient for a fiscal year, the Secretary shall notify the President, the Congress, and each regional alliance. Such notification shall include information about the anticipated amount of the shortfall and the anticipated time when the shortfall will first occur.

(B) Required action. Within 30 days after receiving such a notice, the President shall submit to Congress a report containing specific legislative recommendations for actions which would eliminate the shortfall.

(5) Congressional consideration.

(A) Expedited consideration. If a joint resolution the substance of which approves the specific recommendations submitted under paragraph (4)(B) is introduced, subject to subparagraph (B), the provisions of section 2908 (other than subsection (a)) of the Defense Base Closure and Realignment Act of 1990 shall apply to the consideration of the joint resolution in the same manner as such provisions apply to a joint resolution described in section 2908(a) of such Act.

(B) Special rules. For purposes of applying subparagraph (A) with respect to such provisions, any reference to the Committee on Armed Services of the House of Representatives shall be deemed a reference to an appropriate Committee of the House of Representatives (specified by the Speaker of the House of Representatives at the time of submission of recommendations under paragraph (4)) and any reference to the Committee on Armed Services of the Senate shall be deemed a reference to an appropriate Committee of the Senate (specified by the Majority Leader of the Senate at the time of submission of such recommendations).

/* Under the base closing act no amendments are permitted. The houses of congress are deemed to have approved the proposal unless the houses vote to reject within 90 days. A very fast way to get an answer. */

(6) Method for adjusting the cap for changes in inflation. If the inflation rate, as measured by the percentage increase in the CPI, is projected to be significantly different from the inflation rate projected by the Council of Economic Advisors to the President as of October 1993, the Secretary may adjust the caps under paragraph (2) so as to reflect such deviation from the projection.

Title IX, Subtitle C

Subtitle C Borrowing Authority to Cover Cash-flow Shortfalls

Section 9201 BORROWING AUTHORITY TO COVER CASH-FLOW SHORTFALLS.

(a) In General. The Secretary shall make available loans to regional alliances in order to cover any period of temporary cash-flow shortfall attributable to any of the following:

(1) Any estimation discrepancy (including those described in subsection (e)(1)).

(2) A period of temporary cash-flow shortfall attributable to an administrative error (described in subsection (e)(2)).

(3) A period of temporary cash-flow shortfall relating to the relative timing during the year in which amounts are received and payments are required to be made.

(b) Terms and Conditions.

(1) In general. Loans shall be made under this section under terms and conditions, consistent with this subsection, specified by the Secretary, in consultation with the Secretary of the Treasury and taking into account Treasury cash management rules.

(2) Period. Loans under this section shall be repayable with interest over a period of not to exceed 2 years.

(3) Interest rate. The rate of interest on such loans shall be at a rate determined by the Secretary of the Treasury taking into consideration the current average rate on outstanding marketable obligations of the United States.

(4) Appropriate payment adjustments. As a condition of providing a loan under subsection (a)(1), the Secretary shall require the regional alliance to make such adjustments under the appropriate estimation adjustment provision (described in subsection (f)) in order to assure the repayment of the amount so borrowed.

(5) Limitation on loan balance outstanding to a regional alliance. The total balance of loans outstanding at any time to a regional alliance shall not exceed

(A) for the first year, 25 percent of the estimated total premiums for the alliance for such year, or

(B) for a subsequent year, 25 percent of the actual total premiums for the alliance for the previous year.

(c) Repayment.

(1) Estimation discrepancies and timing. Loans made under paragraphs (1) and (3) of subsection (a) shall be repaid through a reduction in the payment amounts otherwise required to be made under section 9102 to the regional alliance.

(2) Administrative error. Loans made under subsection (a)(2) shall be repaid through a temporary increase in the amount of the State maintenance-of-effort payment required under section 9001.

(d) Reports. The Secretary shall annually report to Congress on the loans made (and loan amounts repaid) under this section.

(e) Sources of Discrepancy Described.

(1) Estimation discrepancies. The estimation discrepancies described in this paragraph are discrepancies in estimating the following:

(A) The average premium payments per family under section 6122(b).

(B) The AFDC and SSI proportions under section 6202.

(C) The distribution of enrolled families in different risk categories for purposes of section 1351(c).

(D) The distribution of enrollment in excess premium plans (for purposes of calculating and applying the reduced weighted average accepted bid under section 6105(c)(1)).

(E) The collection shortfalls (used in computing the family collection shortfall add-on under section 6107).

(2) Administrative errors. The administrative errors described in this paragraph are errors described in section 9201(b)(4)(B)(ii).

(f) Estimation Adjustment Provisions Described. The estimation adjustment provisions, referred to in subsection (b)(4)) are the following adjustments (corresponding to the respective estimation discrepancies specified in subsection (d)(1)):

(1) Adjustments for average premium payments per family under section 6122(b)(4).

(2) Adjustments in the AFDC and SSI proportions under section 6202(d).

(3) Adjustments pursuant to the methodology described in section 1541(b)(8).

(4) Adjustments in excess premium credit pursuant to section 6105(b)(2).

(5) Adjustment in the collection shortfall add-on under section 6107(b)(2)(C).

(g) Advances; Limitations on Advances.

(1) In general. Subject to paragraph (2), the Secretary of the Treasury is authorized to advance to the Secretary, under terms and conditions determined by the Secretary of the Treasury,

amounts sufficient to cover the loans made to regional alliances by the Secretary under this section.

(2) Limitation. The total balance of Treasury advances outstanding at any time to the Secretary under paragraph (1) shall not exceed \$3,500,000,000.