

MEDICAID LEGISLATION ENACTED IN 1992

Dayton Area Health Plan Inc.--P.L. 102-276

This legislation allows the Dayton Area Health Plan, Inc. to continue to serve as an HMO for Medicaid recipients in Montgomery County, Ohio from May 1, 1992 through January 1994. Without this legislation, the Dayton Area Health Plan, Inc. would not meet the enrollment composition requirements for Medicaid HMOs.

The Social Security Act requires any HMO serving the Medicaid population to have a non-Medicaid, non-Medicare enrollment of at least 25 percent. The Secretary of HHS may grant an HMO a waiver of this "75/25" requirement for the first 3 years of the HMO's Medicaid operation; after that time, the Secretary has no authority to grant waivers of the 75/25 composition.

Dayton Area Health Plan Inc. is composed of three HMOs. The Health Plan's initial 3-year waiver of the 75/25 requirement expired on April 30, 1992. P.L. 102-276 provides for a special exception to the 75/25 rule, by which up to 4,000 Medicaid children enrolled in one of the HMOs, the DAYMED Health Plan, are excluded from the 75/25 calculations.