

SEC. 1109. PAYMENT FOR QUALIFYING HOSPITALS.

(a) **IN GENERAL.**—From the amount available under subsection (b), the Secretary of Health and Human Services shall provide for a payment to qualifying hospitals (as defined in subsection (d)) for fiscal years 2011 and 2012 of the amount determined under subsection (c).

(b) **AMOUNTS AVAILABLE.**—There shall be available from the Federal Hospital Insurance Trust Fund \$400,000,000 for payments under this section for fiscal years 2011 and 2012.

(c) **PAYMENT AMOUNT.**—The amount of payment under this section for a qualifying hospital shall be determined, in a manner consistent with the amount available under subsection (b), in proportion to the portion of the amount of the aggregate payments under section 1886(d) of the Social Security Act to the hospital for fiscal year 2009 bears to the sum of all such payments to all qualifying hospitals for such fiscal year.

(d) **QUALIFYING HOSPITAL DEFINED.**—In this section, the term “qualifying hospital” means a subsection (d) hospital (as defined for purposes of section 1886(d) of the Social Security Act) that is located in a county that ranks, based upon its ranking in age, sex, and race adjusted spending for benefits under parts A and B under title XVIII of such Act per enrollee, within the lowest quartile of such counties in the United States.

Subtitle C—Medicaid

SEC. 1201. FEDERAL FUNDING FOR STATES.

Section 1905 of the Social Security Act (42 U.S.C. 1396d), as amended by sections 2001(a)(3) and 10201(c) of the Patient Protection and Affordable Care Act, is amended—

(1) in subsection (y)—

(A) by redesignating subclause (II) of paragraph (1)(B)(ii) as paragraph (5) of subsection (z) and realigning the left margins accordingly; and

(B) by striking paragraph (1) and inserting the following:

“(1) **AMOUNT OF INCREASE.**—Notwithstanding subsection (b), the Federal medical assistance percentage for a State that is one of the 50 States or the District of Columbia, with respect to amounts expended by such State for medical assistance for newly eligible individuals described in subclause (VIII) of section 1902(a)(10)(A)(i), shall be equal to—

“(A) 100 percent for calendar quarters in 2014, 2015, and 2016;

“(B) 95 percent for calendar quarters in 2017;

“(C) 94 percent for calendar quarters in 2018;

“(D) 93 percent for calendar quarters in 2019; and

“(E) 90 percent for calendar quarters in 2020 and each year thereafter.”; and

(2) in subsection (z)—

(A) in paragraph (1), by striking “September 30, 2019” and inserting “December 31, 2015” and by striking “subsection (y)(1)(B)(ii)(II)” and inserting “paragraph (3)”; and

(B) by striking paragraphs (2) through (4) and inserting the following: