

107TH CONGRESS  
1ST SESSION

# H. R. 3471

To expand coverage options for unemployed workers to receive and pay for COBRA health insurance benefits, and to provide for a program of enhanced unemployment coverage.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 12, 2001

Mr. MOORE (for himself, Mr. LEACH, Mr. LEWIS of Georgia, Mr. FROST, Mr. MORAN of Virginia, Mr. DICKS, Mr. BOSWELL, Mr. LAMPSON, Ms. SOLIS, Ms. MCCARTHY of Missouri, Ms. BERKLEY, Mr. ETHERIDGE, Mr. ISRAEL, Mr. SANDLIN, and Mr. CARSON of Oklahoma) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To expand coverage options for unemployed workers to receive and pay for COBRA health insurance benefits, and to provide for a program of enhanced unemployment coverage.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; ETC.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Work Opportunity and Relief Compensation Act”.

## 1 (b) TABLE OF CONTENTS.—

Sec. 1. Short title; etc.

## TITLE I—HEALTH INSURANCE

Subtitle A—Health Insurance Coverage Options for Recently Unemployed  
Individuals and Their Families

- Sec. 101. Premium assistance for COBRA continuation coverage for individuals and their families.
- Sec. 102. State option to provide temporary medicaid coverage for certain uninsured individuals.
- Sec. 103. State option to provide temporary coverage under medicaid for the unsubsidized portion of COBRA continuation premiums.
- Sec. 104. Temporary increases of medicaid FMAP for fiscal year 2002.
- Sec. 105. Definitions.

Subtitle B—Other Provisions

- Sec. 111. Inclusion of Indian women with breast or cervical cancer in optional medicaid eligibility category.
- Sec. 112. Increase in floor for treatment as an extremely low DSH State to 3 percent in fiscal year 2002.
- Sec. 113. Moratorium on changes to certain upper payment limits under medicaid.
- Sec. 114. Revision and simplification of the Transitional Medical Assistance Program (TMA).

## TITLE II—TEMPORARY ENHANCED UNEMPLOYMENT BENEFITS

- Sec. 201. Short title.
- Sec. 202. Federal-State agreements.
- Sec. 203. Temporary supplemental unemployment compensation account.
- Sec. 204. Payments to States having agreements under this title.
- Sec. 205. Financing provisions.
- Sec. 206. Fraud and overpayments.
- Sec. 207. Definitions.
- Sec. 208. Applicability.

1     **TITLE I—HEALTH INSURANCE**  
2     **Subtitle A—Health Insurance Cov-**  
3     **erage Options for Recently Un-**  
4     **employed Individuals and Their**  
5     **Families**

6     **SEC. 101. PREMIUM ASSISTANCE FOR COBRA CONTINU-**  
7                     **ATION COVERAGE FOR INDIVIDUALS AND**  
8                     **THEIR FAMILIES.**

9             (a) ESTABLISHMENT.—

10                 (1) IN GENERAL.—Not later than 30 days after  
11             the date of enactment of this Act, the Secretary of  
12             the Treasury, in consultation with the Secretary of  
13             Labor, shall establish a program under which 75  
14             percent of the premium for COBRA continuation  
15             coverage shall be provided for an individual who—

16                     (A) at any time during the period that be-  
17             gins on September 11, 2001, and ends on De-  
18             cember 31, 2002, is separated from employ-  
19             ment; and

20                     (B) is eligible for, and has elected coverage  
21             under, COBRA continuation coverage.

22             (2) INCLUSION OF CERTAIN INDIVIDUALS.—For  
23             purposes of paragraph (1), the spouse, child, or  
24             other individual who was an insured under health in-  
25             surance coverage of an individual who was killed as

1 a result of the terrorist-related aircraft crashes on  
2 September 11, 2001, or as a result of any other ter-  
3 rorist-related event occurring during the period de-  
4 scribed in that paragraph, and who is eligible for,  
5 and has elected coverage under, COBRA continu-  
6 ation coverage shall be eligible for premium assist-  
7 ance under the program established under this sec-  
8 tion.

9 (3) STATE OPTION TO ELECT ADMINISTRATION  
10 OF PROGRAM.—

11 (A) IN GENERAL.—A State may elect to  
12 administer the premium assistance program es-  
13 tablished under this section if the State submits  
14 to the Secretary of the Treasury, not later than  
15 January 1, 2002, a plan that describes how the  
16 State will administer such program on behalf of  
17 the individuals described in paragraph (1) or  
18 (2) who reside in the State beginning on that  
19 date.

20 (B) STATE ENTITLEMENT.—In the case of  
21 a State that submits a plan under subpara-  
22 graph (A), the Secretary of the Treasury shall  
23 pay to each such State an amount for each  
24 quarter equal to the total amount of premium

1 subsidies provided in that quarter on behalf of  
2 such individuals.

3 (4) IMMEDIATE IMPLEMENTATION.—The pro-  
4 gram established under this section shall be imple-  
5 mented without regard to whether or not final regu-  
6 lations to carry out such program have been promul-  
7 gated by the date described in paragraph (1).

8 (b) LIMITATION OF PERIOD OF PREMIUM ASSIST-  
9 ANCE.—

10 (1) IN GENERAL.—Premium assistance pro-  
11 vided in accordance with this section shall end with  
12 respect to an individual on the earlier of—

13 (A) the date the individual is no longer  
14 covered under COBRA continuation coverage;  
15 or

16 (B) 12 months after the date the indi-  
17 vidual is first enrolled in the premium assist-  
18 ance program established under this section.

19 (2) NO ASSISTANCE AFTER DECEMBER 31,  
20 2002.—No premium assistance (including payment  
21 for such assistance) may be provided under this sec-  
22 tion after December 31, 2002.

23 (c) PAYMENT ARRANGEMENTS; CREDITING OF AS-  
24 SISTANCE.—

25 (1) PROVISION OF ASSISTANCE.—

1 (A) IN GENERAL.—Premium assistance  
2 shall be provided under the program established  
3 under this section through direct payment ar-  
4 rangements with a group health plan (including  
5 a multiemployer plan), an issuer of health in-  
6 surance coverage, an administrator, or an em-  
7 ployer as appropriate with respect to the indi-  
8 vidual provided such assistance.

9 (B) ADDITIONAL OPTION FOR STATE-RUN  
10 PROGRAM.—In the case of a State that elects to  
11 administer the program established under this  
12 section, such assistance may be provided  
13 through the State public employment office or  
14 other agency responsible for administering the  
15 State unemployment compensation program.

16 (2) PREMIUMS PAYABLE BY INDIVIDUAL RE-  
17 DUCED BY AMOUNT OF ASSISTANCE.—Premium as-  
18 sistance provided under this section shall be credited  
19 by the group health plan, issuer of health insurance  
20 coverage, or an administrator against the premium  
21 otherwise owed by the individual involved for  
22 COBRA continuation coverage.

23 (d) PROGRAM REQUIREMENTS.—Premium assistance  
24 shall be provided under the program established under this  
25 section consistent with the following:

1           (1) ALL QUALIFYING INDIVIDUALS MAY  
2 APPLY.—All individuals described in paragraph (1)  
3 or (2) of subsection (a) may apply for such assist-  
4 ance at any time during the period described in sub-  
5 section (a)(1)(A).

6           (2) SELECTION ON FIRST-COME, FIRST-SERVED  
7 BASIS.—Such assistance shall be provided to such  
8 individuals who apply for the assistance in the order  
9 in which they apply.

10          (e) LIMITATION ON ENTITLEMENT.—Nothing in this  
11 section shall be construed as establishing any entitlement  
12 of individuals described in paragraph (1) or (2) of sub-  
13 section (a) to premium assistance under this section.

14          (f) DISREGARD OF SUBSIDIES FOR PURPOSES OF  
15 FEDERAL AND STATE PROGRAMS.—Notwithstanding any  
16 other provision of law, any premium assistance provided  
17 to, or on behalf of, an individual under this section, shall  
18 not be considered income or resources in determining eligi-  
19 bility for, or the amount of assistance or benefits provided  
20 under, any other Federal public benefit or State or local  
21 public benefit.

22          (g) CHANGE IN COBRA NOTICE.—

23               (1) GENERAL NOTICE.—

24                       (A) IN GENERAL.—In the case of notices  
25                       provided under section 4980B(f)(6) of the In-

1            ternal Revenue Code of 1986, section 2206 of  
2            the Public Health Service Act (42 U.S.C.  
3            300bb–6), section 606 of the Employee Retirement  
4            Income Security Act of 1974 (29 U.S.C.  
5            1166), or section 8905a(f)(2)(A) of title 5,  
6            United States Code, with respect to individuals  
7            who, during the period described in subsection  
8            (a)(1)(A), become entitled to elect COBRA con-  
9            tinuation coverage, such notices shall include an  
10           additional notification to the recipient of the  
11           availability of premium assistance for such cov-  
12           erage under this section and for temporary  
13           medicaid assistance under section 103 for the  
14           remaining portion of COBRA continuation pre-  
15           miums.

16            (B) ALTERNATIVE NOTICE.—In the case of  
17            COBRA continuation coverage to which the no-  
18            tice provision under such sections does not  
19            apply, the Secretary of the Treasury, in con-  
20            sultation with the Secretary of Labor, shall, in  
21            coordination with administrators of the group  
22            health plans (or other entities) that provide or  
23            administer the COBRA continuation coverage  
24            involved, assure the provision of such notice.



1 (C) FORM.—The requirement of the addi-  
2 tional notification under this paragraph may be  
3 met by amendment of existing notice forms or  
4 by inclusion of a separate document with the  
5 notice otherwise required.

6 (2) SPECIFIC REQUIREMENTS.—Each additional  
7 notification under paragraph (1) shall include—

8 (A) the forms necessary for establishing  
9 eligibility and enrollment in the premium assist-  
10 ance program established under this section in  
11 connection with the coverage with respect to  
12 each covered employee or other qualified bene-  
13 ficiary;

14 (B) the name, address, and telephone num-  
15 ber necessary to contact the administrator and  
16 any other person maintaining relevant informa-  
17 tion in connection with the premium assistance;  
18 and

19 (C) the following statement displayed in a  
20 prominent manner:

21 “You may be eligible to receive assistance with pay-  
22 ment of 75 percent of your COBRA continuation coverage  
23 premiums and with temporary medicaid coverage for the  
24 remaining premium portion for a duration of not to exceed  
25 12 months.”.

1           (3) NOTICE RELATING TO RETROACTIVE COV-  
2           ERAGE.—In the case of such notices previously  
3           transmitted before the date of enactment of this Act  
4           in the case of an individual described in paragraph  
5           (1) who has elected (or is still eligible to elect)  
6           COBRA continuation coverage as of the date of en-  
7           actment of this Act, the administrator of the group  
8           health plan (or other entity) involved or the Sec-  
9           retary of the Treasury, in consultation with the Sec-  
10          retary of Labor, (in the case described in the para-  
11          graph (1)(B)) shall provide (within 60 days after the  
12          date of enactment of this Act) for the additional no-  
13          tification required to be provided under paragraph  
14          (1).

15          (4) MODEL NOTICES.—Not later than 30 days  
16          after the date of enactment of this Act, the Sec-  
17          retary of the Treasury shall prescribe models for the  
18          additional notification required under this sub-  
19          section.

20          (h) REPORTS.—Beginning on January 1, 2002, and  
21          every 3 months thereafter until January 1, 2003, the Sec-  
22          retary of the Treasury shall submit a report to Congress  
23          regarding the premium assistance program established  
24          under this section that includes the following:

1           (1) The status of the implementation of the  
2 program.

3           (2) The number of individuals provided assist-  
4 ance under the program as of the date of the report.

5           (3) The average dollar amount (monthly and  
6 annually) of the premium assistance provided under  
7 the program.

8           (4) The number and identification of the States  
9 that have elected to administer the program.

10          (5) The total amount of expenditures incurred  
11 (with administrative expenditures noted separately)  
12 under the program as of the date of the report.

13 (i) APPROPRIATION.—

14          (1) IN GENERAL.—Out of any funds in the  
15 Treasury not otherwise appropriated, there is appro-  
16 priated to carry out this section, such sums as are  
17 necessary for each of fiscal years 2002 and 2003.

18          (2) OBLIGATION OF FUNDS.—This section con-  
19 stitutes budget authority in advance of appropria-  
20 tions Acts and represents the obligation of the Fed-  
21 eral Government to provide for the payment of pre-  
22 mium assistance under this section.

23 (j) SUNSET.—No premium assistance (including pay-  
24 ment for such assistance) may be provided under this sec-  
25 tion after December 31, 2002.

1 **SEC. 102. STATE OPTION TO PROVIDE TEMPORARY MED-**  
2 **ICAID COVERAGE FOR CERTAIN UNINSURED**  
3 **INDIVIDUALS.**

4 (a) STATE OPTION.—Notwithstanding any other pro-  
5 vision of law, a State may elect to provide under its med-  
6 icaid program under title XIX of the Social Security Act  
7 medical assistance in the case of an individual—

8 (1) who at any time during the period that be-  
9 gins on September 11, 2001, and ends on December  
10 31, 2002, is separated from employment;

11 (2) who is not eligible for COBRA continuation  
12 coverage;

13 (3) who is uninsured; and

14 (4) whose assets, resources, and earned or un-  
15 earned income (or both) do not exceed such limita-  
16 tions (if any) as the State may establish.

17 (b) LIMITATION OF PERIOD OF COVERAGE.—Medical  
18 assistance provided in accordance with this section shall  
19 end with respect to an individual on the earlier of—

20 (1) the date the individual is no longer unin-  
21 sured; or

22 (2) subject to subsection (c)(4), 12 months  
23 after the date the individual first receives such as-  
24 sistance.

25 (c) SPECIAL RULES.—In the case of medical assist-  
26 ance provided under this section—

1           (1) the Federal medical assistance percentage  
2 under section 1905(b) of the Social Security Act (42  
3 U.S.C. 1396d(b)) shall be the enhanced FMAP (as  
4 defined in section 2105(b) of such Act (42 U.S.C.  
5 1397ee(b)));

6           (2) a State may elect to apply any income,  
7 asset, or resource limitation permitted under the  
8 State medicaid plan or under title XIX of such Act;

9           (3) the provisions of section 1916(g) of the So-  
10 cial Security Act (42 U.S.C. 1396o) shall apply to  
11 the provision of such assistance in the same manner  
12 as the provisions of such section apply with respect  
13 to individuals provided medical assistance only under  
14 subclause (XV) or (XVI) of section  
15 1902(a)(10)(A)(ii) of such Act (42 U.S.C.  
16 1396a(a)(10)(A)(ii));

17           (4) a State may elect to provide such assistance  
18 in accordance with section 1902(a)(34) of the Social  
19 Security Act (42 U.S.C. 1396a(a)(34)) and any as-  
20 sistance provided with respect to a month described  
21 in that section shall not be included in the deter-  
22 mination of the 12-month period under subsection  
23 (b)(2);

24           (5) a State may elect to make eligible for such  
25 medical assistance a dependent spouse or children of

1 an individual eligible for medical assistance under  
2 subsection (a), if such spouse or children are unin-  
3 sured;

4 (6) individuals eligible for medical assistance  
5 under this section shall be deemed to be described  
6 in the list of individuals described in the matter pre-  
7 ceding paragraph (1) of section 1905(a) of such Act  
8 (42 U.S.C. 1396d(a));

9 (7) a State may elect to provide such medical  
10 assistance without regard to any limitation under  
11 sections 401(a), 402(b), 403, and 421 of the Per-  
12 sonal Responsibility and Work Opportunity Rec-  
13 onciliation Act of 1996 (8 U.S.C. 1611(a), 1612(b),  
14 1613, and 1631) and no debt shall accrue under an  
15 affidavit of support against any sponsor of an indi-  
16 vidual who is an alien who is provided such assist-  
17 ance, and the cost of such assistance shall not be  
18 considered as an unreimbursed cost; and

19 (8) the Secretary of Health and Human Serv-  
20 ices shall not count, for purposes of section 1108(f)  
21 of the Social Security Act (42 U.S.C. 1308(f)), such  
22 amount of payments under this section as bears a  
23 reasonable relationship to the average national pro-  
24 portion of payments made under this section for the  
25 50 States and the District of Columbia to the pay-

1       ments otherwise made under title XIX for such  
2       States and District.

3       (d) SUNSET.—No medical assistance may be provided  
4       under this section after December 31, 2002.

5       **SEC. 103. STATE OPTION TO PROVIDE TEMPORARY COV-**  
6                               **ERAGE UNDER MEDICAID FOR THE UNSUB-**  
7                               **SIDIZED PORTION OF COBRA CONTINUATION**  
8                               **PREMIUMS.**

9       (a) STATE OPTION.—

10               (1) IN GENERAL.—Notwithstanding any other  
11       provision of law, a State may elect to provide under  
12       its medicaid program under title XIX of the Social  
13       Security Act medical assistance in the form of pay-  
14       ment for the portion of the premium for COBRA  
15       continuation coverage for which an individual does  
16       not receive a subsidy under the premium assistance  
17       program established under section 101 in the case of  
18       an individual—

19                       (A) who at any time during the period that  
20       begins on September 11, 2001, and ends on De-  
21       cember 31, 2002, is separated from employ-  
22       ment;

23                       (B) who is eligible for, and has elected cov-  
24       erage under, COBRA continuation coverage;

1           (C) who is receiving premium assistance  
2           under the program established under section  
3           101; and

4           (D) whose family income does not exceed  
5           200 percent of the poverty line.

6           (2) INCLUSION OF CERTAIN INDIVIDUALS.—For  
7           purposes of paragraph (1), the spouse, child, or  
8           other individual who was an insured under health in-  
9           surance coverage of an individual who was killed as  
10          a result of the terrorist-related aircraft crashes on  
11          September 11, 2001, or as a result of any other ter-  
12          rorist-related event occurring during the period de-  
13          scribed in that paragraph, and who satisfies the re-  
14          quirements of subparagraphs (B), (C), and (D) of  
15          paragraph (1) shall be eligible for medical assistance  
16          under this section.

17          (b) LIMITATION OF PERIOD OF COVERAGE.—Medical  
18          assistance provided in accordance with this section shall  
19          end with respect to an individual on the earlier of—

20                 (1) the date the individual is no longer covered  
21                 under COBRA continuation coverage; or

22                 (2) 12 months after the date the individual first  
23                 receives such assistance under this section.

24          (c) SPECIAL RULES.—In the case of medical assist-  
25          ance provided under this section—



1           (1) such assistance may be provided without re-  
2           gard to—

3                   (A) whether the State otherwise has elect-  
4                   ed to make medical assistance available for  
5                   COBRA premiums under section  
6                   1902(a)(10)(F) of the Social Security Act (42  
7                   U.S.C. 1396a(a)(10)(F)); or

8                   (B) the conditions otherwise imposed for  
9                   the provision of medical assistance for such  
10                  COBRA premiums under clause (XII) of the  
11                  matter following section 1902(a)(10)(G) of the  
12                  Social Security Act (42 U.S.C.  
13                  1396a(a)(10)(G)), or paragraphs (1)(B),  
14                  (1)(C), (1)(D), and (4) of section 1902(u) of  
15                  such Act (42 U.S.C. 1396a(u)); and

16                  (2) paragraphs (1), (2), (4), (5), (7), and (8)  
17                  of subsection (c) of section 102 apply to such assist-  
18                  ance in the same manner as such paragraphs apply  
19                  to the provision of medical assistance under that sec-  
20                  tion.

21           (d) SUNSET.—No medical assistance may be provided  
22           under this section after December 31, 2002.

1 **SEC. 104. TEMPORARY INCREASES OF MEDICAID FMAP FOR**  
2 **FISCAL YEAR 2002.**

3 (a) PERMITTING MAINTENANCE OF FISCAL YEAR  
4 2001 FMAP.—Notwithstanding any other provision of  
5 law, but subject to subsection (d), if the FMAP deter-  
6 mined without regard to this section for a State for fiscal  
7 year 2002 is less than the FMAP as so determined for  
8 fiscal year 2001, the FMAP for the State for fiscal year  
9 2001 shall be substituted for the State's FMAP for fiscal  
10 year 2002, before the application of this section.

11 (b) GENERAL 1.50 PERCENTAGE POINTS IN-  
12 CREASE.—Notwithstanding any other provision of law, but  
13 subject to subsections (d) and (e), for each State for each  
14 calendar quarter in fiscal year 2002, the FMAP (taking  
15 into account the application of subsection (a)) shall be in-  
16 creased by 1.50 percentage points.

17 (c) FURTHER INCREASE FOR STATES WITH HIGH  
18 UNEMPLOYMENT RATES.—

19 (1) IN GENERAL.—Notwithstanding any other  
20 provision of law, but subject to subsections (d) and  
21 (e), the FMAP for a high unemployment State for  
22 a calendar quarter in fiscal year 2002 (and any sub-  
23 sequent calendar quarter in such fiscal year regard-  
24 less of whether the State continues to be a high un-  
25 employment State for a calendar quarter in such fis-

1 cal year) shall be increased (after the application of  
2 subsections (a) and (b)) by 1.50 percentage points.

3 (2) HIGH UNEMPLOYMENT STATE.—For pur-  
4 poses of this subsection, a State is a high unemploy-  
5 ment State for a calendar quarter if, for any 3 con-  
6 secutive months beginning on or after June 2001  
7 and ending with the second month before the begin-  
8 ning of the calendar quarter, the State has an unem-  
9 ployment rate that exceeds the national average un-  
10 employment rate. Such unemployment rates for such  
11 months shall be determined based on publications of  
12 the Bureau of Labor Statistics of the Department of  
13 Labor.

14 (d) 1-YEAR INCREASE IN CAP ON MEDICAID PAY-  
15 MENTS TO TERRITORIES.—Notwithstanding any other  
16 provision of law, with respect to fiscal year 2002, the  
17 amounts otherwise determined for Puerto Rico, the Virgin  
18 Islands, Guam, the Northern Mariana Islands, and Amer-  
19 ican Samoa under section 1108 of the Social Security Act  
20 (42 U.S.C. 1308) shall each be increased by an amount  
21 equal to 3.093 percentage points of such amounts.

22 (e) SCOPE OF APPLICATION.—The increases in the  
23 FMAP for a State under this section shall apply only for  
24 purposes of title XIX of the Social Security Act and shall  
25 not apply with respect to—

1           (1) disproportionate share hospital payments  
2 described in section 1923 of such Act (42 U.S.C.  
3 1396r-4); and

4           (2) payments under titles IV and XXI of such  
5 Act (42 U.S.C. 601 et seq. and 1397aa et seq.).

6           (f) STATE ELIGIBILITY.—A State is eligible for an  
7 increase in its FMAP under subsection (b) or (c) only if  
8 the eligibility under its State plan under title XIX of the  
9 Social Security Act (including any waiver under such title  
10 or under section 1115 of such Act (42 U.S.C. 1315)) is  
11 no more restrictive than the eligibility under such plan (or  
12 waiver) as in effect on October 1, 2001.

13 **SEC. 105. DEFINITIONS.**

14           In this subtitle:

15           (1) ADMINISTRATOR.—The term “adminis-  
16 trator” has the meaning given that term in section  
17 3(16)(A) of the Employee Retirement Income Secu-  
18 rity Act of 1974 (29 U.S.C. 1002(16)(A)).

19           (2) COBRA CONTINUATION COVERAGE.—

20           (A) IN GENERAL.—The term “COBRA  
21 continuation coverage” means coverage under a  
22 group health plan provided by an employer pur-  
23 suant to title XXII of the Public Health Service  
24 Act, section 4980B of the Internal Revenue  
25 Code of 1986, part 6 of subtitle B of title I of

1 the Employee Retirement Income Security Act  
2 of 1974, or section 8905a of title 5, United  
3 States Code.

4 (B) APPLICATION TO EMPLOYERS IN  
5 STATES REQUIRING SUCH COVERAGE.—Such  
6 term includes such coverage provided by an em-  
7 ployer in a State that has enacted a law that  
8 requires the employer to provide such coverage  
9 even though the employer would not otherwise  
10 be required to provide such coverage under the  
11 provisions of law referred to in subparagraph  
12 (A).

13 (3) COVERED EMPLOYEE.—The term “covered  
14 employee” has the meaning given that term in sec-  
15 tion 607(2) of the Employee Retirement Income Se-  
16 curity Act of 1974 (29 U.S.C. 1167(2)).

17 (4) FEDERAL PUBLIC BENEFIT.—The term  
18 “Federal public benefit” has the meaning given that  
19 term in section 401(c) of the Personal Responsibility  
20 and Work Opportunity Reconciliation Act of 1996 (8  
21 U.S.C. 1611(c)).

22 (5) FMAP.—The term “FMAP” means the  
23 Federal medical assistance percentage, as defined in  
24 section 1905(b) of the Social Security Act (42  
25 U.S.C. 1396d(b)).

1           (6) GROUP HEALTH PLAN.—The term “group  
2 health plan” has the meaning given that term in sec-  
3 tion 2791(a) of the Public Health Service Act (42  
4 U.S.C. 300gg–91(a)) and in section 607(1) of the  
5 Employee Retirement Income Security Act of 1974  
6 (29 U.S.C. 1167(1)).

7           (7) HEALTH INSURANCE COVERAGE.—The term  
8 “health insurance coverage” has the meaning given  
9 that term in section 2791(b)(1) of the Public Health  
10 Service Act (42 U.S.C. 300gg–91(b)(1)).

11           (8) MULTIEMPLOYER PLAN.—The term “multi-  
12 employer plan” has the meaning given that term in  
13 section 3(37) of the Employee Retirement Income  
14 Security Act of 1974 (29 U.S.C. 1002(37)).

15           (9) POVERTY LINE.—The term “poverty line”  
16 has the meaning given that term in section  
17 2110(c)(5) of the Social Security Act (42 U.S.C.  
18 1397jj(c)(5)).

19           (10) QUALIFIED BENEFICIARY.—The term  
20 “qualified beneficiary” has the meaning given that  
21 term in section 607(3) of the Employee Retirement  
22 Income Security Act of 1974 (29 U.S.C. 1167(3)).

23           (11) STATE.—The term “State” has the mean-  
24 ing given such term for purposes of title XIX of the  
25 Social Security Act (42 U.S.C. 1396 et seq.).

1           (12) STATE OR LOCAL PUBLIC BENEFIT.—The  
2 term “State or local public benefit” has the meaning  
3 given that term in section 411(c) of the Personal  
4 Responsibility and Work Opportunity Reconciliation  
5 Act of 1996 (8 U.S.C. 1621(c)).

6           (13) UNINSURED.—

7           (A) IN GENERAL.—The term “uninsured”  
8 means, with respect to an individual, that the  
9 individual is not covered under—

10                   (i) a group health plan;

11                   (ii) health insurance coverage; or

12                   (iii) a program under title XVIII,  
13 XIX, or XXI of the Social Security Act  
14 (other than under such title XIX pursuant  
15 to section 102).

16           (B) EXCLUSION.—Such coverage under  
17 clause (i) or (ii) shall not include coverage con-  
18 sisting solely of coverage of excepted benefits  
19 (as defined in section 2791(c) of the Public  
20 Health Service Act (42 U.S.C. 300gg–91(c)).

1           **Subtitle B—Other Provisions**

2   **SEC. 111. INCLUSION OF INDIAN WOMEN WITH BREAST OR**  
3                   **CERVICAL CANCER IN OPTIONAL MEDICAID**  
4                   **ELIGIBILITY CATEGORY.**

5           (a) **IN GENERAL.**—Notwithstanding any other provi-  
6 sion of law, during fiscal year 2002, the subsection (aa)  
7 of section 1902 of the Social Security Act (42 U.S.C.  
8 1396a) added by section 2(a)(2) of the Breast and Cer-  
9 vical Cancer Prevention and Treatment Act of 2000 (Pub-  
10 lic Law 106–354; 114 Stat. 1381) shall be applied as if  
11 “, but applied without regard to paragraph (1)(F) of such  
12 section” were inserted before the period in paragraph (4).

13           (b) **TECHNICAL AMENDMENTS.**—

14           (1) Section 1902 of the Social Security Act (42  
15 U.S.C. 1396a), as amended by section 702(b) of the  
16 Medicare, Medicaid, and SCHIP Benefits Improve-  
17 ment and Protection Act of 2000 (as enacted into  
18 law by section 1(a)(6) of Public Law 106–554) (114  
19 Stat. 2763A–572), is amended by redesignating the  
20 subsection (aa) added by such section as subsection  
21 (bb).

22           (2) Section 1902(a)(15) of the Social Security  
23 Act (42 U.S.C. 1396a(a)(15)), as added by section  
24 702(a)(2) of the Medicare, Medicaid, and SCHIP  
25 Benefits Improvement and Protection Act of 2000



1 (as so enacted into law) (114 Stat. 2763A–572), is  
2 amended by striking “subsection (aa)” and inserting  
3 “subsection (bb)”.

4 (3) Section 1915(b) of the Social Security Act  
5 (42 U.S.C. 1396n(b)), as amended by section  
6 702(c)(2) of the Medicare, Medicaid, and SCHIP  
7 Benefits Improvement and Protection Act of 2000  
8 (as so enacted into law) (114 Stat. 2763A–574), is  
9 amended by striking “1902(aa)” and inserting  
10 “1902(bb)”.

11 (4) The amendments made this subsection shall  
12 take effect as if included in the enactment of section  
13 702 of the Medicare, Medicaid, and SCHIP Benefits  
14 Improvement and Protection Act of 2000 (as en-  
15 acted into law by section 1(a)(6) of Public Law 106–  
16 554) (114 Stat. 2763A–572).

17 **SEC. 112. INCREASE IN FLOOR FOR TREATMENT AS AN EX-**  
18 **TREMELY LOW DSH STATE TO 3 PERCENT IN**  
19 **FISCAL YEAR 2002.**

20 Section 1923(f)(5) of the Social Security Act (42  
21 U.S.C. 1396r–4(f)(5)) is amended—

22 (1) by striking “In the case of” and inserting  
23 the following:

24 “(A) IN GENERAL.—In the case of”; and

1           (2) by adding at the end the following new sub-  
2 paragraph:

3           “(B) FISCAL YEAR 2002.—With respect to  
4 fiscal year 2002, subparagraph (A) shall be  
5 applied—

6           “(i) as if ‘fiscal year 2000’ were sub-  
7 stituted for ‘fiscal year 1999’;

8           “(ii) as if ‘August 31, 2001’ were sub-  
9 stituted for ‘August 31, 2000’;

10           “(iii) as if ‘3 percent’ were substituted  
11 for ‘1 percent’ each place it appears;

12           “(iv) as if ‘fiscal year 2002’ were sub-  
13 stituted for ‘fiscal year 2001’; and

14           “(v) without regard to the second sen-  
15 tence of that subparagraph.”.

16 **SEC. 113. MORATORIUM ON CHANGES TO CERTAIN UPPER**  
17 **PAYMENT LIMITS UNDER MEDICAID.**

18           (a) IN GENERAL.—Except as provided in subsection  
19 (b), during the period that begins on October 1, 2001, and  
20 ends on March 31, 2002, the Secretary of Health and  
21 Human Services (in this section referred to as the “Sec-  
22 retary”) may not implement any modification to the upper  
23 payment limit requirements under title XIX of the Social  
24 Security Act (42 U.S.C. 1396 et seq.) for services fur-

1 nished by non-State government-owned or operated hos-  
2 pitals.

3 (b) EXCEPTION.—The Secretary may implement any  
4 changes to such limits that were published in the Federal  
5 Register as a final rule before October 1, 2001.

6 **SEC. 114. REVISION AND SIMPLIFICATION OF THE TRANSI-**  
7 **TIONAL MEDICAL ASSISTANCE PROGRAM**  
8 **(TMA).**

9 (a) OPTION OF CONTINUOUS ELIGIBILITY FOR 12  
10 MONTHS; OPTION OF CONTINUING COVERAGE FOR UP TO  
11 AN ADDITIONAL YEAR.—

12 (1) OPTION OF CONTINUOUS ELIGIBILITY FOR  
13 12 MONTHS BY MAKING REPORTING REQUIREMENTS  
14 OPTIONAL.—Section 1925(b) of the Social Security  
15 Act (42 U.S.C. 1396r-6(b)) is amended—

16 (A) in paragraph (1), by inserting “, at the  
17 option of a State,” after “and which”;

18 (B) in paragraph (2)(A), by inserting  
19 “Subject to subparagraph (C)—” after “(A)  
20 NOTICES.—”;

21 (C) in paragraph (2)(B), by inserting  
22 “Subject to subparagraph (C)—” after “(B)  
23 REPORTING REQUIREMENTS.—”;

24 (D) by adding at the end the following new  
25 subparagraph:

1           “(C) STATE OPTION TO WAIVE NOTICE  
 2           AND REPORTING REQUIREMENTS.—A State  
 3           may waive some or all of the reporting require-  
 4           ments under clauses (i) and (ii) of subpara-  
 5           graph (B). Insofar as it waives such a reporting  
 6           requirement, the State need not provide for a  
 7           notice under subparagraph (A) relating to such  
 8           requirement.”; and

9           (E) in paragraph (3)(A)(iii), by inserting  
 10          “the State has not waived under paragraph  
 11          (2)(C) the reporting requirement with respect  
 12          to such month under paragraph (2)(B) and if”  
 13          after “6-month period if”.

14          (2) STATE OPTION TO EXTEND ELIGIBILITY  
 15          FOR LOW-INCOME INDIVIDUALS FOR UP TO 12 ADDI-  
 16          TIONAL MONTHS.—Section 1925 of such Act (42  
 17          U.S.C. 1396r-6) is further amended—

18                 (A) by redesignating subsections (c)  
 19                 through (f) as subsections (d) through (g); and

20                 (B) by inserting after subsection (b) the  
 21                 following new subsection:

22                 “(c) STATE OPTION OF UP TO 12 MONTHS OF ADDI-  
 23                 TIONAL ELIGIBILITY.—

24                         “(1) IN GENERAL.—Notwithstanding any other  
 25                         provision of this title, each State plan approved

1 under this title may provide, at the option of the  
2 State, that the State shall offer to each family which  
3 received assistance during the entire 6-month period  
4 under subsection (b) and which meets the applicable  
5 requirement of paragraph (2), in the last month of  
6 the period the option of extending coverage under  
7 this subsection for the succeeding period not to ex-  
8 ceed 12 months.

9 “(2) INCOME RESTRICTION.—The option under  
10 paragraph (1) shall not be made available to a fam-  
11 ily for a succeeding period unless the State deter-  
12 mines that the family’s average gross monthly earn-  
13 ings (less such costs for such child care as is nec-  
14 essary for the employment of the caretaker relative)  
15 as of the end of the 6-month period under sub-  
16 section (b) does not exceed 185 percent of the offi-  
17 cial poverty line (as defined by the Office of Man-  
18 agement and Budget, and revised annually in ac-  
19 cordance with section 673(2) of the Omnibus Budget  
20 Reconciliation Act of 1981) applicable to a family of  
21 the size involved.

22 “(3) APPLICATION OF EXTENSION RULES.—  
23 The provisions of paragraphs (2), (3), (4), and (5)  
24 of subsection (b) shall apply to the extension pro-  
25 vided under this subsection in the same manner as

1 they apply to the extension provided under sub-  
2 section (b)(1), except that for purposes of this  
3 subsection—

4 “(A) any reference to a 6-month period  
5 under subsection (b)(1) is deemed a reference  
6 to the extension period provided under para-  
7 graph (1) and any deadlines for any notices or  
8 reporting and the premium payment periods  
9 shall be modified to correspond to the appro-  
10 priate calendar quarters of coverage provided  
11 under this subsection; and

12 “(B) any reference to a provision of sub-  
13 section (a) or (b) is deemed a reference to the  
14 corresponding provision of subsection (b) or of  
15 this subsection, respectively.”.

16 (b) STATE OPTION TO WAIVE RECEIPT OF MED-  
17 ICAID FOR 3 OF PREVIOUS 6 MONTHS TO QUALIFY FOR  
18 TMA.—Section 1925(a)(1) of such Act (42 U.S.C. 1396r-  
19 6(a)(1)) is amended by adding at the end the following:  
20 “A State may, at its option, also apply the previous sen-  
21 tence in the case of a family that was receiving such aid  
22 for fewer than 3 months, or that had applied for and was  
23 eligible for such aid for fewer than 3 months, during the  
24 6 immediately preceding months described in such sen-  
25 tence.”.

1 (c) CMS REPORT ON ENROLLMENT AND PARTICIPA-  
2 TION RATES UNDER TMA.—Section 1925 of such Act (42  
3 U.S.C. 1396r–6), as amended by subsection (a)(2)(A), is  
4 amended—

5 (1) by further redesignating subsection (g) as  
6 subsection (i); and

7 (2) by inserting after subsection (f) the fol-  
8 lowing new subsection:

9 “(g) ADDITIONAL PROVISIONS.—

10 “(1) COLLECTION AND REPORTING OF PARTICI-  
11 PATION INFORMATION.—

12 “(A) IN GENERAL.—Each State shall—

13 “(i) collect and submit to the Sec-  
14 retary, in a format specified by the Sec-  
15 retary, information on average monthly en-  
16 rollment and average monthly participation  
17 rates for adults and children under this  
18 section; and

19 “(ii) make such information publicly  
20 available.

21 “(B) TIMING OF SUBMISSION.—Informa-  
22 tion required to be submitted under subpara-  
23 graph (A)(i) shall be submitted under that sub-  
24 paragraph at the same time and frequency in

1           which other enrollment information under this  
2           title is submitted to the Secretary.

3           “(C) ANNUAL REPORT TO CONGRESS.—  
4           The Secretary shall submit to Congress annual  
5           reports concerning such rates using the infor-  
6           mation required to be submitted under subpara-  
7           graph (A)(i).”.

8           (d) COORDINATION OF WORK.—Section 1925(g) of  
9           such Act (42 U.S.C. 1396r–6), as added by subsection (c),  
10          is amended by adding at the end the following new para-  
11          graph:

12           “(2) COORDINATION WITH ADMINISTRATION  
13          FOR CHILDREN AND FAMILIES.—The Administrator  
14          of the Centers for Medicare & Medicaid Services, in  
15          carrying out this section, shall work with the Assist-  
16          ant Secretary for the Administration for Children  
17          and Families to develop guidance or other technical  
18          assistance for States regarding best practices in  
19          guaranteeing access to transitional medical assist-  
20          ance under this section.”.

21          (e) ELIMINATION OF TMA REQUIREMENT FOR  
22          STATES THAT EXTEND COVERAGE TO CHILDREN AND  
23          PARENTS THROUGH 185 PERCENT OF POVERTY.—

24           (1) IN GENERAL.—Section 1925 of such Act  
25          (42 U.S.C. 1396r–6), as amended by subsection (c),



1 is further amended by inserting after subsection (g)  
2 the following new subsection:

3 “(h) PROVISIONS OPTIONAL FOR STATES THAT EX-  
4 TEND COVERAGE TO CHILDREN AND PARENTS THROUGH  
5 185 PERCENT OF POVERTY.—A State may (but is not re-  
6 quired to) meet the requirements of subsections (a) and  
7 (b) if it provides for medical assistance under this title  
8 (whether under section 1931, through a waiver under sec-  
9 tion 1115, or otherwise) to families (including both chil-  
10 dren and caretaker relatives) the average gross monthly  
11 earning of which (less such costs for such child care as  
12 is necessary for the employment of a caretaker relative)  
13 is at or below a level that is at least 185 percent of the  
14 official poverty line (as defined by the Office of Manage-  
15 ment and Budget, and revised annually in accordance with  
16 section 673(2) of the Omnibus Budget Reconciliation Act  
17 of 1981) applicable to a family of the size involved.”.

18 (2) CONFORMING AMENDMENTS.—Section 1925  
19 of such Act (42 U.S.C. 1396r-6) is further amend-  
20 ed, in subsections (a)(1) and (b)(1), by inserting “,  
21 but subject to subsection (h),” after “Notwith-  
22 standing any other provision of this title,” each  
23 place it appears.

24 (f) REQUIREMENT OF NOTICE FOR ALL FAMILIES  
25 LOSING TANF.—Subsection (a)(2) of section 1925 of

1 such Act (42 U.S.C. 1396r–6) is amended by adding after  
2 and below subparagraph (B), the following:

3 “Each State shall provide, to families whose aid or  
4 assistance under part A or E of title IV has termi-  
5 nated but whose eligibility for medical assistance  
6 under this title continues, written notice of their on-  
7 going eligibility for such medical assistance. If a  
8 State makes a determination that any member of a  
9 family whose aid or assistance under part A or E of  
10 title IV is being terminated is also no longer eligible  
11 for medical assistance under this title, the notice of  
12 such determination shall be supplemented by a 1-  
13 page notification form describing the different ways  
14 in which individuals and families may qualify for  
15 such medical assistance and explaining that individ-  
16 uals and families do not have to be receiving aid or  
17 assistance under part A or E of title IV in order to  
18 qualify for such medical assistance.”.

19 (g) EXTENDING USE OF OUTSTATIONED WORKERS  
20 TO ACCEPT APPLICATIONS FOR TRANSITIONAL MEDICAL  
21 ASSISTANCE.—Section 1902(a)(55) of the Social Security  
22 Act (42 U.S.C. 1396a(a)(55)) is amended by inserting  
23 “and under section 1931” after “(a)(10)(A)(ii)(IX)”.

24 (h) EFFECTIVE DATES.—

1           (1) IN GENERAL.—Except as provided in para-  
2           graphs (2) and (3), the amendments made by this  
3           section shall apply to calendar quarters beginning on  
4           or after October 1, 2001, without regard to whether  
5           final regulations to carry out such amendments have  
6           been promulgated by such date.

7           (2) NOTICE REQUIREMENT.—The amendment  
8           made by subsection (f) shall take effect on the date  
9           that is 6 months after the date of enactment of this  
10          Act.

11          (3) EXTENSION OF EFFECTIVE DATES FOR  
12          STATE LAW AMENDMENT.—In the case of a State  
13          plan for medical assistance under title XIX of the  
14          Social Security Act which the Secretary of Health  
15          and Human Services determines requires State legis-  
16          lation (other than legislation appropriating funds) in  
17          order for the plan to meet the additional require-  
18          ments imposed by the amendments made by this sec-  
19          tion, the State plan shall not be regarded as failing  
20          to comply with the requirements of such title solely  
21          on the basis of its failure to meet these additional  
22          requirements before the first day of the first cal-  
23          endar quarter beginning after the close of the first  
24          regular session of the State legislature that begins  
25          after the date of the enactment of this Act. For pur-

1 poses of the previous sentence, in the case of a State  
 2 that has a 2-year legislative session, each year of  
 3 such session shall be deemed to be a separate reg-  
 4 ular session of the State legislature.

5 **TITLE II—TEMPORARY EN-**  
 6 **HANCED UNEMPLOYMENT**  
 7 **BENEFITS**

8 **SEC. 201. SHORT TITLE.**

9 This title may be cited as the “Temporary Unemploy-  
 10 ment Compensation Act of 2001”.

11 **SEC. 202. FEDERAL-STATE AGREEMENTS.**

12 (a) IN GENERAL.—Any State which desires to do so  
 13 may enter into and participate in an agreement under this  
 14 title with the Secretary of Labor (in this title referred to  
 15 as the “Secretary”). Any State which is a party to an  
 16 agreement under this title may, upon providing 30 days’  
 17 written notice to the Secretary, terminate such agreement.

18 (b) PROVISIONS OF AGREEMENT.—

19 (1) IN GENERAL.—Any agreement under sub-  
 20 section (a) shall provide that the State agency of the  
 21 State will make—

22 (A) payments of regular compensation to  
 23 individuals in amounts and to the extent that  
 24 such payments would be determined if the State

1 law were applied with the modifications de-  
2 scribed in paragraph (2); and

3 (B) payments of temporary supplemental  
4 unemployment compensation to individuals  
5 who—

6 (i) have exhausted all rights to reg-  
7 ular compensation under the State law;

8 (ii) do not, with respect to a week,  
9 have any rights to compensation (excluding  
10 extended compensation) under the State  
11 law of any other State (whether one that  
12 has entered into an agreement under this  
13 title or otherwise) nor compensation under  
14 any other Federal law (other than under  
15 the Federal-State Extended Unemployment  
16 Compensation Act of 1970 (26 U.S.C.  
17 3304 note)), and are not paid or entitled  
18 to be paid any additional compensation  
19 under any Federal or State law; and

20 (iii) are not receiving compensation  
21 with respect to such week under the unem-  
22 ployment compensation law of Canada.

23 (2) MODIFICATIONS DESCRIBED.—The modi-  
24 fications described in this paragraph are as follows:

1           (A) ALTERNATIVE BASE PERIOD.—An in-  
2           dividual shall be eligible for regular compensa-  
3           tion if the individual would be so eligible, deter-  
4           mined by applying—

5                   (i) the base period that would other-  
6                   wise apply under the State law if this title  
7                   had not been enacted; or

8                   (ii) a base period ending at the close  
9                   of the calendar quarter most recently com-  
10                  pleted before the date of the individual’s  
11                  application for benefits, provided that wage  
12                  data for that quarter has been reported to  
13                  the State;

14           whichever results in the greater amount.

15           (B) PART-TIME EMPLOYMENT.—An indi-  
16           vidual shall not be denied regular compensation  
17           under the State law’s provisions relating to  
18           availability for work, active search for work, or  
19           refusal to accept work, solely by virtue of the  
20           fact that such individual is seeking, or is avail-  
21           able for, only part-time (and not full-time)  
22           work, if—

23                   (i) the individual’s employment on  
24                   which eligibility for the regular compensa-  
25                   tion is based was part-time employment; or

1           (ii) the individual can show good  
2           cause for seeking, or being available for,  
3           only part-time (and not full-time) work.

4           (C) INCREASED BENEFITS.—

5           (i) IN GENERAL.—The amount of reg-  
6           ular compensation (including dependents'  
7           allowances) payable for any week shall be  
8           equal to the amount determined under the  
9           State law (before the application of this  
10          subparagraph), plus an amount equal to  
11          the greater of—

12                   (I) 15 percent of the amount so  
13                   determined; or

14                   (II) \$25.

15          (ii) ROUNDING.—For purposes of de-  
16          termining the amount under clause (i)(I),  
17          such amount shall be rounded to the dollar  
18          amount specified under State law.

19          (c) NONREDUCTION RULE.—Under the agreement,  
20          subsection (b)(2)(C) shall not apply (or shall cease to  
21          apply) with respect to a State upon a determination by  
22          the Secretary that the method governing the computation  
23          of regular compensation under the State law of that State  
24          has been modified in a way such that—

1           (1) the average weekly amount of regular com-  
2           pensation which will be payable during the period of  
3           the agreement (determined disregarding the modi-  
4           fications described in subsection (b)(2)) will be less  
5           than

6           (2) the average weekly amount of regular com-  
7           pensation which would otherwise have been payable  
8           during such period under the State law, as in effect  
9           on September 11, 2001.

10          (d) COORDINATION RULES.—

11           (1) REGULAR COMPENSATION PAYABLE UNDER  
12          A FEDERAL LAW.—The modifications described in  
13          subsection (b)(2) shall also apply in determining the  
14          amount of benefits payable under any Federal law to  
15          the extent that those benefits are determined by ref-  
16          erence to regular compensation payable under the  
17          State law of the State involved.

18           (2) TSUC TO SERVE AS SECOND-TIER BENE-  
19          FITS.—Notwithstanding any other provision of law,  
20          extended benefits shall not be payable to any indi-  
21          vidual for any week for which temporary supple-  
22          mental unemployment compensation is payable to  
23          such individual.

24          (e) EXHAUSTION OF BENEFITS.—For purposes of  
25          subsection (b)(1)(B)(i), an individual shall be considered



1 to have exhausted such individual's rights to regular com-  
2 pensation under a State law when—

3 (1) no payments of regular compensation can  
4 be made under such law because such individual has  
5 received all regular compensation available to such  
6 individual based on employment or wages during  
7 such individual's base period; or

8 (2) such individual's rights to such compensa-  
9 tion have been terminated by reason of the expira-  
10 tion of the benefit year with respect to which such  
11 rights existed.

12 (f) WEEKLY BENEFIT AMOUNT, TERMS AND CONDI-  
13 TIONS, ETC. RELATING TO TSUC.—For purposes of any  
14 agreement under this title—

15 (1) the amount of temporary supplemental un-  
16 employment compensation which shall be payable to  
17 an individual for any week of total unemployment  
18 shall be equal to the amount of regular compensa-  
19 tion (including dependents' allowances) payable to  
20 such individual under the State law for a week for  
21 total unemployment during such individual's benefit  
22 year;

23 (2) the terms and conditions of the State law  
24 which apply to claims for regular compensation and  
25 to the payment thereof shall apply to claims for tem-

1       porary supplemental unemployment compensation  
2       and the payment thereof, except where inconsistent  
3       with the provisions of this title or with the regula-  
4       tions or operating instructions of the Secretary pro-  
5       mulgated to carry out this title; and

6               (3) the maximum amount of temporary supple-  
7       mental unemployment compensation payable to any  
8       individual for whom a temporary supplemental un-  
9       employment compensation account is established  
10      under section 203 shall not exceed the amount es-  
11      tablished in such account for such individual.

12 **SEC. 203. TEMPORARY SUPPLEMENTAL UNEMPLOYMENT**  
13                                   **COMPENSATION ACCOUNT.**

14       (a) **IN GENERAL.**—Any agreement under this title  
15      shall provide that the State will establish, for each eligible  
16      individual who files an application for temporary supple-  
17      mental unemployment compensation, a temporary supple-  
18      mental unemployment compensation account.

19       (b) **AMOUNT IN ACCOUNT.**—

20               (1) **IN GENERAL.**—The amount established in  
21      an account under subsection (a) shall be equal to the  
22      lesser of—

23                       (A) 50 percent of the total amount of reg-  
24                       ular compensation (including dependents' allow-

1           ances) payable to the individual during the indi-  
2           vidual's benefit year under such law; or

3                   (B) 13 times the individual's weekly ben-  
4           efit amount.

5           (2) WEEKLY BENEFIT AMOUNT.—For purposes  
6           of this subsection, an individual's weekly benefit  
7           amount for any week is the amount of regular com-  
8           pensation (including dependents' allowances) under  
9           the State law payable to such individual for such  
10          week for total unemployment.

11          (3) RULE OF CONSTRUCTION.—For purposes of  
12          any computation under paragraph (1) (and any de-  
13          termination of amount under section 202(f)(1)), the  
14          modification described in section 202(b)(2)(C) (re-  
15          lating to increased benefits) shall be deemed to have  
16          been in effect with respect to the entirety of the ben-  
17          efit year involved.

18 **SEC. 204. PAYMENTS TO STATES HAVING AGREEMENTS**

19                   **UNDER THIS TITLE.**

20          (a) GENERAL RULE.—There shall be paid to each  
21          State which has entered into an agreement under this title  
22          an amount equal to—

23                   (1) 100 percent of any regular compensation  
24          made payable to individuals by such State by virtue  
25          of the modifications which are described in section

1       202(b)(2) and deemed to be in effect with respect to  
2       such State pursuant to section 202(b)(1)(A);

3             (2) 100 percent of any regular compensation—

4                 (A) which is paid to individuals by such  
5       State by reason of the fact that its State law  
6       contains provisions comparable to the modifica-  
7       tions described in subparagraphs (A) and (B)  
8       of section 202(b)(2); but only

9                 (B) to the extent that those amounts  
10       would, if such amounts were instead payable by  
11       virtue of the State law's being deemed to be so  
12       modified pursuant to section 202(b)(1)(A), have  
13       been reimbursable under paragraph (1); and

14             (3) 100 percent of the temporary supplemental  
15       unemployment compensation paid to individuals by  
16       the State pursuant to such agreement.

17       (b) DETERMINATION OF AMOUNT.—Sums under sub-  
18       section (a) payable to any State by reason of such State  
19       having an agreement under this title shall be payable, ei-  
20       ther in advance or by way of reimbursement (as may be  
21       determined by the Secretary), in such amounts as the Sec-  
22       retary estimates the State will be entitled to receive under  
23       this title for each calendar month, reduced or increased,  
24       as the case may be, by any amount by which the Secretary  
25       finds that the Secretary's estimates for any prior calendar

1 month were greater or less than the amounts which should  
2 have been paid to the State. Such estimates may be made  
3 on the basis of such statistical, sampling, or other method  
4 as may be agreed upon by the Secretary and the State  
5 agency of the State involved.

6 (c) ADMINISTRATIVE EXPENSES, ETC.—There is  
7 hereby appropriated out of the employment security ad-  
8 ministration account of the Unemployment Trust Fund  
9 (as established by section 901(a) of the Social Security  
10 Act (42 U.S.C. 1101(a))) \$500,000,000 to reimburse  
11 States for the costs of the administration of agreements  
12 under this title (including any improvements in technology  
13 in connection therewith) and to provide reemployment  
14 services to unemployment compensation claimants in  
15 States having agreements under this title. Each State's  
16 share of the amount appropriated by the preceding sen-  
17 tence shall be determined by the Secretary according to  
18 the factors described in section 302(a) of the Social Secu-  
19 rity Act (42 U.S.C. 501(a)) and certified by the Secretary  
20 to the Secretary of the Treasury.

21 **SEC. 205. FINANCING PROVISIONS.**

22 (a) IN GENERAL.—Funds in the extended unemploy-  
23 ment compensation account (as established by section  
24 905(a) of the Social Security Act (42 U.S.C. 1105(a))),  
25 and the Federal unemployment account (as established by

1 section 904(g) of such Act (42 U.S.C. 1104(g))), of the  
2 Unemployment Trust Fund (as established by section  
3 904(a) of such Act (42 U.S.C. 1104(a))) shall be used,  
4 in accordance with subsection (b), for the making of pay-  
5 ments (described in section 204(a)) to States having  
6 agreements entered into under this title.

7 (b) CERTIFICATION.—The Secretary shall from time  
8 to time certify to the Secretary of the Treasury for pay-  
9 ment to each State the sums described in section 204(a)  
10 which are payable to such State under this title. The Sec-  
11 retary of the Treasury, prior to audit or settlement by the  
12 General Accounting Office, shall make payments to the  
13 State in accordance with such certification by transfers  
14 from the extended unemployment compensation account,  
15 as so established (or, to the extent that there are insuffi-  
16 cient funds in that account, from the Federal unemploy-  
17 ment account, as so established) to the account of such  
18 State in the Unemployment Trust Fund (as so estab-  
19 lished).

20 **SEC. 206. FRAUD AND OVERPAYMENTS.**

21 (a) IN GENERAL.—If an individual knowingly has  
22 made, or caused to be made by another, a false statement  
23 or representation of a material fact, or knowingly has  
24 failed, or caused another to fail, to disclose a material fact,  
25 and as a result of such false statement or representation

1 or of such nondisclosure such individual has received any  
2 regular compensation or temporary supplemental unem-  
3 ployment compensation under this title to which he was  
4 not entitled, such individual—

5           (1) shall be ineligible for any further benefits  
6           under this title in accordance with the provisions of  
7           the applicable State unemployment compensation  
8           law relating to fraud in connection with a claim for  
9           unemployment compensation; and

10           (2) shall be subject to prosecution under section  
11           1001 of title 18, United States Code.

12           (b) REPAYMENT.—In the case of individuals who  
13 have received any regular compensation or temporary sup-  
14 plemental unemployment compensation under this title to  
15 which such individuals were not entitled, the State shall  
16 require such individuals to repay those benefits to the  
17 State agency, except that the State agency may waive such  
18 repayment if it determines that—

19           (1) the payment of such benefits was without  
20           fault on the part of any such individual; and

21           (2) such repayment would be contrary to equity  
22           and good conscience.

23           (c) RECOVERY BY STATE AGENCY.—

24           (1) IN GENERAL.—The State agency may re-  
25           cover the amount to be repaid, or any part thereof,

1 by deductions from any regular compensation or  
2 temporary supplemental unemployment compensa-  
3 tion payable to such individual under this title or  
4 from any unemployment compensation payable to  
5 such individual under any Federal unemployment  
6 compensation law administered by the State agency  
7 or under any other Federal law administered by the  
8 State agency which provides for the payment of any  
9 assistance or allowance with respect to any week of  
10 unemployment, during the 3-year period after the  
11 date such individuals received the payment of the  
12 regular compensation or temporary supplemental un-  
13 employment compensation to which such individuals  
14 were not entitled, except that no single deduction  
15 may exceed 50 percent of the weekly benefit amount  
16 from which such deduction is made.

17 (2) OPPORTUNITY FOR HEARING.—No repay-  
18 ment shall be required, and no deduction shall be  
19 made, until a determination has been made, notice  
20 thereof and an opportunity for a fair hearing has  
21 been given to the individual, and the determination  
22 has become final.

23 (d) REVIEW.—Any determination by a State agency  
24 under this section shall be subject to review in the same  
25 manner and to the same extent as determinations under



1 the State unemployment compensation law, and only in  
2 that manner and to that extent.

3 **SEC. 207. DEFINITIONS.**

4 For purposes of this title:

5 (1) IN GENERAL.—The terms “compensation”,  
6 “regular compensation”, “extended compensation”,  
7 “additional compensation”, “benefit year”, “base pe-  
8 riod”, “State”, “State agency”, “State law”, and  
9 “week” have the respective meanings given such  
10 terms under section 205 of the Federal-State Ex-  
11 tended Unemployment Compensation Act of 1970,  
12 subject to paragraph (2).

13 (2) STATE LAW AND REGULAR COMPENSA-  
14 TION.—In the case of a State entering into an  
15 agreement under this title—

16 (A) “State law” shall be considered to  
17 refer to the State law of such State, applied in  
18 conformance with the modifications described in  
19 section 202(b)(2), subject to section 202(c);  
20 and

21 (B) “regular compensation” shall be con-  
22 sidered to refer to such compensation, deter-  
23 mined under its State law (applied in the man-  
24 ner described in subparagraph (A));

1       except as otherwise provided or where the context  
2       clearly indicates otherwise.

3 **SEC. 208. APPLICABILITY.**

4       (a) IN GENERAL.—An agreement entered into under  
5 this title shall apply to weeks of unemployment—

6           (1) beginning after the date on which such  
7 agreement is entered into; and

8           (2) ending before January 1, 2003.

9       (b) SPECIFIC RULES.—

10           (1) IN GENERAL.—Under such an agreement,  
11 the following rules shall apply:

12           (A) ALTERNATIVE BASE PERIODS.—The  
13 modification described in section 202(b)(2)(A)  
14 (relating to alternative base periods) shall not  
15 apply except in the case of initial claims filed on  
16 or after the first day of the week that includes  
17 September 11, 2001.

18           (B) PART-TIME EMPLOYMENT AND IN-  
19 CREASED BENEFITS.—The modifications de-  
20 scribed in subparagraphs (B) and (C) of section  
21 202(b)(2) (relating to part-time employment  
22 and increased benefits, respectively) shall apply  
23 to weeks of unemployment described in sub-  
24 section (a), regardless of the date on which an  
25 individual's initial claim for benefits is filed.

1 (C) ELIGIBILITY FOR TSUC.—The pay-  
2 ments described in section 202(b)(1)(B) (relat-  
3 ing to temporary supplemental unemployment  
4 compensation) shall not apply except in the case  
5 of individuals exhausting their rights to regular  
6 compensation (as described in clause (i) of such  
7 section) on or after the first day of the week  
8 that includes September 11, 2001.

9 (2) REAPPLICATION PROCESS.—

10 (A) ALTERNATIVE BASE PERIODS.—In the  
11 case of an individual who filed an initial claim  
12 for regular compensation on or after the first  
13 day of the week that includes September 11,  
14 2001, and before the date that the State en-  
15 tered into an agreement under subsection (a)(1)  
16 that was denied as a result of the application  
17 of the base period that applied under the State  
18 law prior to the date on which the State entered  
19 into the such agreement, such individual—

20 (i) may refile a claim for regular com-  
21 pensation based on the modification de-  
22 scribed in section 202(b)(2)(A) (relating to  
23 alternative base periods) on or after the  
24 date on which the State enters into such

1 agreement and before the date on which  
2 such agreement terminates; and

3 (ii) if eligible, shall be entitled to such  
4 compensation only for weeks of unemploy-  
5 ment described in subsection (a) beginning  
6 on or after the date on which the indi-  
7 vidual files such claim.

8 (B) PART-TIME EMPLOYMENT.—In the  
9 case of an individual who before the date that  
10 the State entered into an agreement under sub-  
11 section (a)(1) was denied regular compensation  
12 under the State law’s provisions relating to  
13 availability for work, active search for work, or  
14 refusal to accept work, solely by virtue of the  
15 fact that such individual is seeking, or available  
16 for, only part-time (and not full-time) work,  
17 such individual—

18 (i) may refile a claim for regular com-  
19 pensation based on the modification described  
20 in section 202(b)(2)(B) (relating to part-time  
21 employment) on or after the date on which the  
22 State enters into the agreement under sub-  
23 section (a)(1) and before the date on which  
24 such agreement terminates; and

1           (ii) if eligible, shall be entitled to such  
2           compensation only for weeks of unemployment  
3           described in subsection (a) beginning on or  
4           after the date on which the individual files such  
5           claim.

6           (3) NO RETROACTIVE PAYMENTS FOR WEEKS  
7           PRIOR TO AGREEMENT.—No amounts shall be pay-  
8           able to an individual under an agreement entered  
9           into under this title for any week of unemployment  
10          prior to the week beginning after the date on which  
11          such agreement is entered into.

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