

107TH CONGRESS
2^D SESSION

H. R. 3675

To amend titles XIX and XXI of the Social Security Act to improve the coverage of needy children under the State Children's Health Insurance Program (SCHIP) and the medicaid program.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2002

Ms. DEGETTE (for herself, Mr. PALLONE, Mr. BALDACCI, Mr. SERRANO, Mr. HINCHEY, Mrs. CAPPS, Ms. ROYBAL-ALLARD, Mr. CROWLEY, Ms. LEE, Mr. THOMPSON of California, Mrs. MALONEY of New York, Mr. TOWNS, Ms. BROWN of Florida, Ms. JACKSON-LEE of Texas, Mrs. MCCARTHY of New York, Ms. WOOLSEY, Ms. NORTON, Mr. ABERCROMBIE, Mr. BERMAN, and Mr. MCGOVERN) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend titles XIX and XXI of the Social Security Act to improve the coverage of needy children under the State Children's Health Insurance Program (SCHIP) and the medicaid program.

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

1 **SECTION 1. SHORT TITLE; REFERENCES IN ACT; TABLE OF**
 2 **CONTENTS.**

3 (a) **SHORT TITLE.**—This Act may be cited as the
 4 “Improved Maternal and Children’s Health Coverage Act
 5 of 2002”.

6 (b) **REFERENCES TO SOCIAL SECURITY ACT.**—Ex-
 7 cept as otherwise expressly provided, whenever in this Act
 8 an amendment or repeal is expressed in terms of an
 9 amendment to, or repeal of, a section or other provision,
 10 the reference shall be considered to be made to a section
 11 or other provision of the Social Security Act.

12 (c) **TABLE OF CONTENTS.**—The table of contents of
 13 this Act is as follows:

- Sec. 1. Short title; references in Act; table of contents.
- Sec. 2. Simplified outreach and enrollment.
- Sec. 3. Family friendly coverage and enrollment.
- Sec. 4. Expanded coverage options.

14 **SEC. 2. SIMPLIFIED OUTREACH AND ENROLLMENT.**

15 (a) **USE OF UNIFORM APPLICATION AND COORDI-**
 16 **NATED ENROLLMENT PROCESS.**—

17 (1) **SCHIP PROGRAM.**—Section 2102 (42
 18 U.S.C. 1397bb) is amended by adding at the end the
 19 following new subsection:

20 “(d) **DEVELOPMENT AND USE OF UNIFORM APPLI-**
 21 **CATION FORMS AND COORDINATED ENROLLMENT PROC-**
 22 **ESS.**—A State child health plan shall provide, by not later
 23 than the first day of the first month that begins more than

1 6 months after the date of the enactment of this sub-
2 section, for—

3 “(1) the development and use of a uniform, sim-
4 plified application form which is used both for pur-
5 poses of establishing eligibility for benefits under
6 this title and also under title XIX;

7 “(2) an enrollment process that is coordinated
8 with that under title XIX so that a family need only
9 interact with a single agency in order to determine
10 whether a child is eligible for benefits under this
11 title or title XIX; and

12 “(3) acceptance and timely response to tele-
13 phone inquiries and other electronic communications
14 received through the national toll-free system estab-
15 lished under section 3 of the Improved Maternal and
16 Children’s Health Coverage Act of 2002.”.

17 (2) MEDICAID CONFORMING AMENDMENT.—

18 (A) IN GENERAL.—Section 1902(a) (42
19 U.S.C. 1396a(a)) is amended—

20 (i) by striking the period at the end of
21 paragraph (65) and inserting “; and”, and

22 (ii) by inserting after paragraph (65)
23 the following new paragraph:

24 “(66) provide, by not later than the first day of
25 the first month that begins more than 6 months

1 after the date of the enactment of this paragraph,
2 in the case of a State with a State child health plan
3 under title XXI for—

4 “(A) the development and use of a uni-
5 form, simplified application form which is used
6 both for purposes of establishing eligibility for
7 benefits under this title and also under title
8 XXI;

9 “(B) establishment and operation of an en-
10 rollment process that is coordinated with that
11 under title XXI so that a family need only
12 interact with a single agency in order to deter-
13 mine whether a child is eligible for benefits
14 under this title or title XXI; and

15 “(C) acceptance and timely response to
16 telephone inquiries and other electronic commu-
17 nications received through the national toll-free
18 system established under section 3 of the Im-
19 proved Maternal and Children’s Health Cov-
20 erage Act of 2002.”.

21 (B) EFFECTIVE DATE.—The amendments
22 made by subparagraph (A) apply to calendar
23 quarters beginning more than 6 months after
24 the date of the enactment of this Act.

1 (b) NATIONAL TOLL-FREE INFORMATION LINE.—
2 The Secretary of Health and Human Services shall estab-
3 lish, in coordination with State agencies responsible for
4 administration of State medicaid and child health insur-
5 ance programs and by not later than the first day of the
6 first month that begins more than 6 months after the date
7 of the enactment of this subsection, for a national toll-
8 free telephone number that individuals may access to ob-
9 tain information on coverage of children under such pro-
10 grams.

11 (c) FINANCIAL INCENTIVES TO PROMOTE APPRO-
12 PRIATE ENROLLMENT.—

13 (1) EXPANDED AVAILABILITY OF FUNDING FOR
14 ADMINISTRATIVE COSTS RELATED TO OUTREACH
15 AND ELIGIBILITY DETERMINATIONS.—Section
16 1931(h) (42 U.S.C. 1396u-1(h)) is amended—

17 (A) in the matter preceding paragraph (1),
18 by striking “TRANSITIONAL” and all that fol-
19 lows through “COSTS” and inserting “IN-
20 CREASED FEDERAL MATCHING RATE FOR AD-
21 MINISTRATIVE COSTS RELATED TO CERTAIN
22 OUTREACH AND ELIGIBILITY DETERMINA-
23 TIONS”;

24 (B) in paragraph (2), by inserting “either”
25 after “attributable” and by inserting before the

1 period at the end the following: “or to adminis-
2 trative costs of determinations of the eligibility
3 of children and pregnant women for benefits
4 under the State plan under this title or title
5 XXI, outreach to children and pregnant women
6 likely to be eligible for such benefits, and such
7 other outreach- and eligibility-related activities
8 as the Secretary may approve”; and

9 (C) by adding at the end the following new
10 paragraph:

11 “(4) ENCOURAGING USE OF LOCAL AND COM-
12 MUNITY-BASED ORGANIZATIONS IN OUTREACH AND
13 ENROLLMENT ACTIVITIES.—The Secretary shall es-
14 tablish a procedure under which, if States do not
15 otherwise obligate the amounts made available under
16 this subsection, local and community-based public or
17 nonprofit organizations (including local and county
18 governments, public health departments, community
19 health centers, children’s hospitals, and dispropor-
20 tionate share hospitals) may seek to have adminis-
21 trative costs relating to outreach and enrollment of
22 children and pregnant women under this title and
23 title XXI be treated as administrative costs of a
24 State described in section 1903(a)(7), if such orga-
25 nizations have the permission of the State involved.

1 A State may require such an organization to provide
2 payment of such amounts as the State would other-
3 wise be responsible for in order to obtain payment
4 under this paragraph.”.

5 (2) USE OF 3 PERCENT OF SCHIP FUNDS AT 90
6 PERCENT FEDERAL MATCH FOR ENROLLMENT AND
7 OUTREACH ACTIVITIES.—Section 2105(b) (42
8 U.S.C. 1397ee(b)) is amended—

9 (A) by designating the matter following the
10 dash as a paragraph (1) with appropriate in-
11 dentation and with the heading “(1) IN GEN-
12 ERAL”;

13 (B) by inserting “subject to paragraph
14 (2)” after “(a)”;

15 (C) by striking “(1)” and “(2)” and in-
16 serting “(A)” and “(B)”, respectively; and

17 (D) by adding at the end the following
18 paragraph:

19 “(2) SPECIAL RULE FOR CERTAIN ENROLL-
20 MENT AND OUTREACH ACTIVITIES.—

21 “(A) IN GENERAL.—For purposes of sub-
22 section (a), in the case of a State that meets
23 the requirement of subparagraph (B), and sub-
24 ject to subparagraph (C), the ‘enhanced FMAP’

1 is equal to 90 percent with respect to amounts
2 expended on enrollment and outreach activities.

3 “(B) REQUIREMENTS.—Subparagraph (A)
4 shall only apply to a State if the State meets
5 the following requirements:

6 “(i) NO ASSET TEST.—The State does
7 not impose an asset test for eligibility
8 under the State child health plan or under
9 section 1902(l) with respect to children.

10 “(ii) COMPLIANCE WITH
11 OUTSTATIONING REQUIREMENT.—The Sec-
12 retary finds that the State is providing for
13 the receipt and initial processing of appli-
14 cations of certain individuals at facilities
15 defined as disproportionate share hospitals
16 under section 1923(a)(1)(A) and federally-
17 qualified health centers described in sec-
18 tion 1905(1)(2)(B) consistent with the re-
19 quirements of section 1902(a)(55).

20 “(iii) COMPLIANCE WITH SIMPLIFIED
21 OUTREACH AND ENROLLMENT PROVI-
22 SIONS.—The Secretary finds that the State
23 is providing for outreach and enrollment
24 under this title and title XIX consistent

1 with the requirements of sections 2102(c),
2 2102(d), and 1902(a)(66).

3 “(C) LIMITATION TO 3 PERCENT OF AN-
4 NUAL ALLOTMENT.—Subparagraph (A) shall
5 not apply to amounts expended by a State in a
6 fiscal year in excess of 3 percent of the amount
7 of the amount of its allotment under section
8 2104 for that fiscal year.”.

9 (3) EFFECTIVE DATE.—The amendments made
10 by this subsection take effect on the date of the en-
11 actment of this Act and apply to expenditures made
12 on or after the date of the enactment of this Act.

13 **SEC. 3. FAMILY FRIENDLY COVERAGE AND ENROLLMENT.**

14 (a) ASSURING COORDINATION OF PEDIATRIC PRO-
15 VIDERS WITHIN A FAMILY.—

16 (1) IN GENERAL.—Section 2103 (42 U.S.C.
17 1397cc) is amended by adding at the end the fol-
18 lowing new subsection:

19 “(g) STEPS TAKEN TO COORDINATE PROVISION OF
20 PEDIATRIC CARE WITHIN A FAMILY.—To the extent a
21 State child health plan provides coverage other than
22 through providing benefits under the State’s medicaid
23 plan under title XIX, the State child health plan—

24 “(1) shall specify methods being used to ensure
25 that children within a family who are eligible for as-

1 sistance under the plan are allowed to be seen by the
2 same pediatric provider or group of pediatric pro-
3 viders in a manner that permits the coordinated re-
4 ceipt of care by children in the same family; and

5 “(2) shall include a description of such methods
6 in each annual report submitted under section
7 2108(a).”.

8 (2) EFFECTIVE DATE.—The amendment made
9 by paragraph (1) applies on the date of the enact-
10 ment of this Act and to reports submitted for years
11 beginning with 2002.

12 (b) REDUCTION IN BURDEN OF ADMINISTERING
13 COST-SHARING PROVISIONS.—

14 (1) STATE RESPONSIBLE FOR ASSURING CAP
15 ON COST-SHARING NOT EXCEEDED.—Section
16 2103(e)(3) (42 U.S.C. 1397cc(e)(3)) is amended by
17 adding at the end the following new subparagraph:

18 “(C) STATE AND CONTRACTORS RESPON-
19 SIBLE FOR APPLYING LIMITATIONS ON COST-
20 SHARING.—The State child health plan shall
21 provide that responsibility for assuring compli-
22 ance with the limitations on cost-sharing under
23 this paragraph falls on the State and on its
24 contractors, and not on beneficiaries and their
25 families.”.

1 (2) STATE OPTION OF FLAT LIMIT ON OUT-OF-
2 POCKET EXPENDITURES.—Section 2103(e)(3)(B)
3 (42 U.S.C. 1397cc(e)(3)(B)) is amended by insert-
4 ing before the period at the end the following: “(or,
5 at the option of a State, a limiting amount which is
6 not greater \$500)”.

7 (3) EFFECTIVE DATE.—The amendment made
8 by paragraph (1) takes effect on the date that is 30
9 days after the date of the enactment of this Act.

10 (c) PROHIBITION OF WAITING PERIODS.—

11 (1) IN GENERAL.—Section 2102(b)(1)(B) (42
12 U.S.C. 1397bb(b)(1)(B)) is amended—

13 (A) by striking “and” at the end of clause

14 (i);

15 (B) by striking the period at the end of
16 clause (ii) and inserting “; and”; and

17 (C) by adding at the end the following new
18 clause:

19 “(iii) shall not permit the use of any
20 mandatory waiting period (including any
21 such period in order to carry out para-
22 graph (3)(C)), unless the Secretary finds
23 that the imposition of such a period would
24 not be contrary to the provisions of this
25 title.”.

1 (2) EFFECTIVE DATE.—The amendments made
2 by paragraph (1) apply to assistance furnished on or
3 after the date of the enactment of this Act.

4 (d) GRACE PERIOD BEFORE DISENROLLMENT FOR
5 NONPAYMENT OF PREMIUMS.—

6 (1) IN GENERAL.—Section 2103(e) (42 U.S.C.
7 1397ee(e)) is amended by adding at the end the fol-
8 lowing new paragraph:

9 “(5) DISENROLLMENT FOR NONPAYMENT OF
10 PREMIUMS.—

11 “(A) NOTICE OF NONPAYMENT.—If a
12 State child health plan requires the payment of
13 a premium for enrollment and such a premium
14 is not paid on a timely basis, the State shall
15 provide, before terminating coverage under the
16 plan, for—

17 “(i) notice of nonpayment at such
18 time and at the beginning of the last
19 month of the State specified enrollment pe-
20 riod described in subparagraph (C) if the
21 premium is still unpaid at that time; and

22 “(ii) an opportunity for a hearing and
23 a grace period (described in subparagraph
24 (B)) in which the premium may be paid

1 and no penalty will apply for the late pay-
2 ment.

3 “(B) GRACE PERIOD.—The grace period
4 under this subparagraph, in the case of non-
5 payment for a month—

6 “(i) before the last month of a State
7 specified enrollment period described in
8 subparagraph (C), is for the remainder of
9 the State specified enrollment period; or

10 “(ii) for the last month of such pe-
11 riod, is for a period of at least 1 month.

12 “(C) STATE SPECIFIED ENROLLMENT PE-
13 RIOD.—For purposes of applying this
14 paragraph—

15 “(i) the State child health plan shall
16 specify an enrollment period, which shall
17 be a period of at least 3 months; and

18 “(ii) after each such enrollment period
19 for an individual (if coverage is not termi-
20 nated under the plan during such period),
21 a new enrollment period (of the length
22 specified in clause (i)) shall start again for
23 the individual at the end of the previously
24 specified enrollment period.

1 “(D) GOOD CAUSE WAIVER.—The State
2 child health plan shall establish rules allowing
3 waiver for good cause of termination of enroll-
4 ment for nonpayment of premiums.

5 “(E) PERMITTING APPLICATION OF WAIT-
6 ING PERIOD IN CERTAIN REENROLLMENT
7 CASES.—In the case of a child whose coverage
8 under a State child health plan has been termi-
9 nated under this paragraph for nonpayment of
10 premiums and whose period of coverage under
11 the plan without premium payment exceeded 1
12 month, the plan may require, as a condition of
13 reenrollment under the plan, a waiting period
14 that equals the number of months of such cov-
15 erage without premium payment, but in no case
16 may such a waiting period exceed 3 months.”.

17 (2) EFFECTIVE DATE.—The amendment made
18 by paragraph (1) applies to disenrollments occurring
19 on or after the date that is 30 days after the date
20 of the enactment of this Act.

21 **SEC. 4. EXPANDED COVERAGE OPTIONS.**

22 (a) AUTOMATIC REASSESSMENT OF ELIGIBILITY FOR
23 SCHIP AND MEDICAID BENEFITS FOR CHILDREN LOS-
24 ING MEDICAID OR SCHIP ELIGIBILITY.—

1 (1) LOSS OF MEDICAID ELIGIBILITY.—Section
2 1902(a)(66) (42 U.S.C. 1396a(a)(66)), as inserted
3 by section 2(a)(2), is amended—

4 (A) by striking “and” at the end of sub-
5 paragraph (B),

6 (B) by striking the period at the end of
7 subparagraph (C) and inserting “; and”; and

8 (C) by adding at the end the following new
9 subparagraph:

10 “(D) the automatic assessment, in the case
11 of a child who loses eligibility for medical assist-
12 ance under this title on the basis of changes in
13 income, assets, or age, of whether the child is
14 eligible for benefits under title XXI.”.

15 (2) LOSS OF SCHIP ELIGIBILITY.—Section
16 2102(b)(3) (42 U.S.C. 1397bb(b)(3)) is amended by
17 redesignating subparagraphs (D) and (E) as sub-
18 paragraphs (E) and (F), respectively, and by insert-
19 ing after subparagraph (C) the following new sub-
20 paragraph:

21 “(D) that there is an automatic assess-
22 ment, in the case of a child who loses eligibility
23 for child health assistance under this title on
24 the basis of changes in income, assets, or age,

1 of whether the child is eligible for medical as-
2 sistance under title XIX;”.

3 (3) EFFECTIVE DATE.—The amendments made
4 by paragraphs (1) and (2) apply to children who lose
5 eligibility under the medicaid program under title
6 XIX, or under a State child health insurance plan
7 under title XXI, respectively, of the Social Security
8 Act on or after the date that is 30 days after the
9 date of the enactment of this Act.

10 (b) OPTIONAL COVERAGE OF LOW-INCOME, UNIN-
11 SURED PREGNANT WOMEN UNDER A STATE CHILD
12 HEALTH PLAN.—

13 (1) IN GENERAL.—Title XXI is amended by
14 adding at the end the following new section:

15 **“SEC. 2111. OPTIONAL COVERAGE OF LOW-INCOME, UNIN-
16 SURED PREGNANT WOMEN.**

17 “(a) OPTIONAL COVERAGE.—Notwithstanding any
18 other provision of this title, a State child health plan may
19 provide for coverage of pregnancy-related assistance for
20 targeted low-income pregnant women in accordance with
21 this section, but only if the State has established an in-
22 come eligibility level under section 1902(l)(2)(A) for
23 women described in section 1902(l)(1)(A) that is 185 per-
24 cent of the income official poverty line.

25 “(b) DEFINITIONS.—For purposes of this section:

1 “(1) PREGNANCY-RELATED ASSISTANCE.—The
2 term ‘pregnancy-related assistance’ has the meaning
3 given the term child health assistance in section
4 2110(a) as if any reference to targeted low-income
5 children were a reference to targeted low-income
6 pregnant women, except that the assistance shall be
7 limited to services related to pregnancy (which in-
8 clude prenatal, delivery, and postpartum services)
9 and to other conditions that may complicate preg-
10 nancy and shall not include prepregnancy services
11 and supplies.

12 “(2) TARGETED LOW-INCOME PREGNANT
13 WOMAN.—The term ‘targeted low-income pregnant
14 woman’ has the meaning given the term targeted
15 low-income child in section 2110(b) as if any ref-
16 erence to a child were deemed a reference to a
17 woman during pregnancy and through the end of the
18 month in which the 60-day period (beginning on the
19 last day of her pregnancy) ends.

20 “(c) REFERENCES TO TERMS AND SPECIAL
21 RULES.—In the case of, and with respect to, a State pro-
22 viding for coverage of pregnancy-related assistance to tar-
23 geted low-income pregnant women under subsection (a),
24 the following special rules apply:

1 “(1) Any reference in this title (other than sub-
2 section (b)) to a targeted low-income child is deemed
3 to include a reference to a targeted low-income preg-
4 nant woman.

5 “(2) Any such reference to child health assist-
6 ance with respect to such women is deemed a ref-
7 erence to pregnancy-related assistance.

8 “(3) Any such reference to a child is deemed a
9 reference to a woman during pregnancy and the pe-
10 riod described in subsection (b)(2).

11 “(4) The medicaid applicable income level is
12 deemed a reference to the income level established
13 under section 1902(l)(2)(A).

14 “(5) Subsection (a) of section 2103 (relating to
15 required scope of health insurance coverage) shall
16 not apply insofar as a State limits coverage to serv-
17 ices described in subsection (b)(1) and the reference
18 to such section in section 2105(a)(1) is deemed not
19 to require, in such case, compliance with the require-
20 ments of section 2103(a).

21 “(6) There shall be no exclusion of benefits for
22 services described in subsection (b)(1) based on any
23 pre-existing condition and no waiting period (includ-
24 ing any waiting period imposed to carry out section
25 2102(b)(3)(C)) shall apply.

1 “(d) NO IMPACT ON ALLOTMENTS.—Nothing in this
2 section shall be construed as affecting the amount of any
3 initial allotment provided to a State under section
4 2104(b).

5 “(e) APPLICATION OF FUNDING RESTRICTIONS.—
6 The coverage under this section (and the funding of such
7 coverage) is subject to the restrictions of section 2105(c).

8 “(f) AUTOMATIC ENROLLMENT FOR CHILDREN
9 BORN TO WOMEN RECEIVING PREGNANCY-RELATED AS-
10 SISTANCE.—Notwithstanding any other provision of this
11 title or title XIX, if a child is born to a targeted low-in-
12 come pregnant woman who was receiving pregnancy-re-
13 lated assistance under this section on the date of the chil-
14 dren’s birth, the child shall be deemed to have applied for
15 child health assistance under the State child health plan
16 and to have been found eligible for such assistance under
17 such plan (or, in the case of a State that provides such
18 assistance through the provision of medical assistance
19 under a plan under title XIX, to have applied for medical
20 assistance under such title and to have been found eligible
21 for such assistance under such title) on the date of such
22 birth and to remain eligible for such assistance until the
23 child attains 1 year of age so long as the child is a member
24 of the woman’s household and the woman remains (or
25 would remain if pregnant) eligible for such assistance.

1 During the period in which a child is deemed under the
2 preceding sentence to be eligible for child health or med-
3 ical assistance, the child health or medical assistance eligi-
4 bility identification number of the mother shall also serve
5 as the identification number of the child, and all claims
6 shall be submitted and paid under such number (unless
7 the State issues a separate identification number for the
8 child before such period expires).”.

9 (2) STATE OPTION TO USE ENHANCED FMAP
10 FOR COVERAGE OF ADDITIONAL PREGNANT WOMEN
11 UNDER THE MEDICAID PROGRAM.—Section 1905 (42
12 U.S.C. 1396d) is amended—

13 (A) in the fourth sentence of subsection
14 (b), by inserting “and in the case of a State
15 plan that meets the condition described in sub-
16 sections (u)(1) and (u)(4)(A), with respect to
17 expenditures described in subsection (u)(4)(B)
18 for the State for a fiscal year” after “for a fis-
19 cal year,”;

20 (B) by redesignating paragraph (4) of sub-
21 section (u) as paragraph (5); and

22 (C) by inserting after paragraph (3) of
23 subsection (u) the following new paragraph:

24 “(4)(A) The condition described in this subparagraph
25 for a State plan is that the plan has established an income

1 level under section 1902(l)(2)(A) with respect to individ-
2 uals described in section 1902(l)(1)(A) that is 185 percent
3 of the income official poverty line.

4 “(B) For purposes of subsection (b), the expenditures
5 described in this paragraph are expenditures for medical
6 assistance for women described in section 1902(l)(1)(A)
7 whose income exceeds the income level established for such
8 women under section 1902(l)(2)(A)(i) as of the date of
9 the enactment of this paragraph but does not exceed than
10 185 percent of the income official poverty line.”.

11 (3) CONFORMING AMENDMENTS.—Section
12 2102(b)(1)(B) (42 U.S.C. 1397bb(b)(1)(B)) is
13 amended—

14 (A) by striking “and” at the end of clause
15 (i);

16 (B) by striking the period at the end of
17 clause (ii) and inserting “; and”; and

18 (C) by adding at the end the following new
19 clause:

20 “(iii) may not apply a waiting period
21 (including a waiting period to carry out
22 paragraph (3)(C)) in the case of a targeted
23 low-income child who is pregnant, if the
24 State provides for coverage of pregnancy-
25 related assistance for targeted low-income

1 pregnant women in accordance section
2 2111.”.

3 (4) EFFECTIVE DATE.—The amendments made
4 by this subsection take effect on the date of the en-
5 actment of this Act and apply to allotments for all
6 fiscal years.

7 (c) STATE OPTION FOR COVERAGE OF QUALIFIED
8 ALIEN CHILDREN UNDER MEDICAID AND CHILDREN’S
9 HEALTH INSURANCE PROGRAMS.—

10 (1) MEDICAID.—

11 (A) CATEGORICALLY NEEDY.—Section
12 1902(a)(10)(a)(ii) (42 U.S.C.
13 1396a(a)(10)(A)(ii)) is amended—

14 (i) by striking “or” at the end of sub-
15 clause (XVII);

16 (ii) by adding “or” at the end of sub-
17 clause (XVIII); and

18 (iii) by adding at the end the fol-
19 lowing new subclause:

20 “(XIX) who are described in sec-
21 tion 1905(a)(i) and who would be eli-
22 gible for medical assistance (or for a
23 greater amount of medical assistance)
24 under the State plan under this title
25 but for the provisions of section 403

1 or section 421 of Public Law 104–
 2 193, but the State may not exercise
 3 the option of providing medical assist-
 4 ance under this subclause with respect
 5 to a subcategory of individuals de-
 6 scribed in this subclause;”.

7 (B) MEDICALLY NEEDY.—Section
 8 1902(a)(10)(C)(i)(I) (42 U.S.C.
 9 1396a(a)(10)(C)(i)(I)) is amended by inserting
 10 “(and such criteria may provide for eligibility of
 11 individuals described in subparagraph
 12 (A)(ii)(XIX))” after “medical assistance”.

13 (2) CHILDREN’S HEALTH INSURANCE PRO-
 14 GRAM.—Section 2110(b) (42 U.S.C. 1397jj(b)) is
 15 amended—

16 (A) in paragraph (1)(A), by inserting be-
 17 fore the semicolon “(including, at the option of
 18 the State, a child described in paragraph
 19 (3)(B))”; and

20 (B) in paragraph (3)—

21 (i) by striking “SPECIAL RULE.—”

22 and inserting “SPECIAL RULES.—

23 “(i) HEALTH INSURANCE COV-
 24 ERAGE.—” by indenting the remainder of
 25 the text accordingly; and

1 (ii) by adding at the end the following
2 new subparagraph:

3 “(B) ELIGIBILITY FOR QUALIFIED ALIEN
4 CHILDREN.—For purposes of paragraph (1)(A),
5 a child is described in this subparagraph if—

6 “(i) the child would be determined eli-
7 gible for child health assistance under this
8 title but for any or all of the provisions of
9 sections 403 and 421 of Public Law 104–
10 193; and

11 “(ii) the State exercises the option to
12 provide medical assistance to the category
13 of individuals described in section
14 1902(a)(10)(A)(ii)(XIX).”.

15 (3) PROHIBITION ON SEEKING SUPPORT FROM
16 SPONSOR.—Section 213A(b) of the Immigration and
17 Nationality Act (8 U.S.C. 1183a(b)) is amended by
18 adding at the end the following new paragraph:

19 “(4) EXCEPTION FOR CHILD MEDICAID OR
20 SCHIP ASSISTANCE.—The preceding provisions of
21 this subsection shall not apply to—

22 “(A) medical assistance furnished under
23 the State plan under title XIX of the Social Se-
24 curity Act to an individual eligible for such as-
25 sistance because of subclause (XIX) of para-

1 graph (10)(A)(ii) of section 1902(a) of such Act
2 (42 U.S.C. 1396a(a)) or because of the ref-
3 erence to such subclause in paragraph (10)(C)
4 of such section; or

5 “(B) child health assistance furnished
6 under the State child health plan under title
7 XXI of such Act to a child eligible for such as-
8 sistance because of the provisions of section
9 2110(b)(3)(B) of such Act (42 U.S.C.
10 1397jj(b)(3)(B)).”.

11 (d) CLARIFICATION OF COVERAGE UNDER VACCINE
12 FOR CHILDREN PROGRAM.—

13 (1) IN GENERAL.—Section 1928(b)(2)(A)(ii)
14 (42 U.S.C. 1396s(b)(2)(A)(ii) is amended by insert-
15 ing “, except that for purposes of this paragraph a
16 child who is only insured under title XXI shall be
17 considered as being not insured” after “not in-
18 sured”.

19 (2) EFFECTIVE DATE.—The amendment made
20 by paragraph (1) shall take effect as if included in
21 the enactment of the Balanced Budget Act of 1997.

22 (e) ELIMINATION OF FUNDING OFFSET FOR EXER-
23 CISE OF PRESUMPTIVE ELIGIBILITY OPTION.—

1 (1) IN GENERAL.—Section 2105(a) (42 U.S.C.
2 1397ee(a)) is amended by striking subparagraph
3 (B).

4 (2) EFFECTIVE DATE.—The amendment made
5 by paragraph (1) first applies for allotments for fis-
6 cal year 1999.

7 (f) PROGRAM COORDINATION WITH THE MATERNAL
8 AND CHILD HEALTH PROGRAM (TITLE V).—

9 (1) IN GENERAL.—Section 2102(b)(3) (42
10 U.S.C. 1397bb(b)(3)) is amended—

11 (A) by striking “and” at the end of sub-
12 paragraph (D);

13 (B) by striking the period at the end of
14 subparagraph (E) and inserting “; and”; and

15 (C) by adding at the end the following new
16 subparagraph:

17 “(F) that operations and activities under
18 this title are developed and implemented in con-
19 sultation and coordination with the program op-
20 erated by the State under title V in areas in-
21 cluding outreach and enrollment, benefits and
22 services, service delivery standards, public
23 health and social service agency relationships,
24 and quality assurance and data reporting.”.

1 (2) CONFORMING MEDICAID AMENDMENT.—
2 Section 1902(a)(11) (42 U.S.C. 1306a(a)(11)) is
3 amended—

4 (A) by striking “and” before “(C)”; and

5 (B) by inserting before the semicolon at
6 the end the following: “, and (D) provide that
7 operations and activities under this title are de-
8 veloped and implemented in consultation and
9 coordination with the program operated by the
10 State under title V in areas including outreach
11 and enrollment, benefits and services, service
12 delivery standards, public health and social
13 service agency relationships, and quality assur-
14 ance and data reporting”.

15 (3) EFFECTIVE DATE.—The amendments made
16 by this subsection take effect on January 1, 2001.

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