

107TH CONGRESS  
1ST SESSION

# S. 1625

To require the Secretary of Health and Human Services to approve up to 4 State waivers to allow a State to use its allotment under the State children's health insurance program under title XXI of the Social Security Act to increase the enrollment of children eligible for medical assistance under the medicaid program under title XIX of such Act.

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## IN THE SENATE OF THE UNITED STATES

NOVEMBER 1, 2001

Mr. BINGAMAN (for himself, Mr. JEFFORDS, Mr. LEAHY, and Mrs. MURRAY) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To require the Secretary of Health and Human Services to approve up to 4 State waivers to allow a State to use its allotment under the State children's health insurance program under title XXI of the Social Security Act to increase the enrollment of children eligible for medical assistance under the medicaid program under title XIX of such Act.

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.**

2 This Act may be cited as the “Children’s Health Eq-  
3 uity Act of 2001”.

4 **SEC. 2. APPROVAL OF UP TO 4 STATE WAIVERS TO ALLOW**  
5 **TITLE XXI ALLOTMENTS TO BE USED FOR IN-**  
6 **CREASING THE ENROLLMENT OF MEDICAID**  
7 **CHILDREN.**

8 (a) DEFINITIONS.—In this section:

9 (1) CHILD.—With respect to a State, the term  
10 “child” has the meaning given such term for pur-  
11 poses of the State medicaid program under title XIX  
12 of the Social Security Act.

13 (2) CHILD HEALTH ASSISTANCE.—The term  
14 “child health assistance” has the meaning given that  
15 term in section 2110(a) of the Social Security Act  
16 (42 U.S.C. 1397jj(a)).

17 (3) ENHANCED FMAP.—The term “enhanced  
18 FMAP” has the meaning given that term in section  
19 2105(b) of such Act (42 U.S.C. 1397ee(b)).

20 (4) FEDERAL MEDICAL ASSISTANCE PERCENT-  
21 AGE.—The term “Federal medical assistance per-  
22 centage” has the meaning given that term in section  
23 1905(b) of such Act (42 U.S.C. 1396d(b)).

24 (5) POVERTY LINE.—The term “poverty line”  
25 has the meaning given that term in section  
26 2110(c)(5) of such Act (42 U.S.C. 1397jj(c)(5)).

1           (6) SECRETARY.—The term “Secretary” means  
2           the Secretary of Health and Human Services.

3           (7) STATE CHILD HEALTH PLAN.—The term  
4           “State child health plan” has the meaning given  
5           that term under section 2110(c)(7) of such Act (42  
6           U.S.C. 1397jj(c)(7)).

7           (b) APPROVAL OF CERTAIN WAIVERS.—The Sec-  
8           retary shall approve not more than 4 waiver applications  
9           under which the Secretary shall pay to a State that the  
10          Secretary determines satisfies the requirements described  
11          in subsection (c) the payment authorized under subsection  
12          (d).

13          (c) REQUIREMENTS.—The requirements described in  
14          this subsection are the following:

15               (1) SCHIP INCOME ELIGIBILITY.—The State  
16               has a State child health plan that (whether imple-  
17               mented under title XIX or XXI of the Social Secu-  
18               rity Act)—

19                       (A) has the highest income eligibility  
20                       standard permitted under title XXI of such Act  
21                       as of January 1, 2001;

22                       (B) subject to paragraph (2), does not  
23                       limit the acceptance of applications for children;  
24                       and

1 (C) provides benefits to all children in the  
2 State who apply for and meet eligibility stand-  
3 ards on a statewide basis.

4 (2) NO WAITING LIST IMPOSED.—With respect  
5 to children whose family income is at or below 200  
6 percent of the poverty line, the State does not im-  
7 pose any numerical limitation, waiting list, or similar  
8 limitation on the eligibility of such children for child  
9 health assistance under such State plan.

10 (3) ADDITIONAL REQUIREMENTS.—The State  
11 has implemented at least 4 of the following policies  
12 and procedures (relating to coverage of children  
13 under titles XIX and title XXI of the Social Security  
14 Act):

15 (A) UNIFORM, SIMPLIFIED APPLICATION  
16 FORM.—With respect to children who are eligi-  
17 ble for medical assistance under section  
18 1902(a)(10)(A) of that Act (42 U.S.C.  
19 1396a(a)(10)(A)), the State uses the same uni-  
20 form, simplified application form (including, if  
21 applicable, permitting application other than in  
22 person) for purposes of establishing eligibility  
23 for benefits under titles XIX and XXI of that  
24 Act.

1 (B) ELIMINATION OF ASSET TEST.—The  
2 State does not apply any asset test for eligi-  
3 bility under section 1902(l) or title XXI of the  
4 Social Security Act (42 U.S.C. 1396a(l),  
5 1397aa et seq.) with respect to children.

6 (C) ADOPTION OF 12-MONTH CONTINUOUS  
7 ENROLLMENT.—The State provides that eligi-  
8 bility shall not be regularly redetermined more  
9 often than once every year under title XXI of  
10 such Act or for children described in section  
11 1902(a)(10)(A) of such Act (42 U.S.C.  
12 1396a(a)(10)(A)).

13 (D) SAME VERIFICATION AND REDETER-  
14 MINATION POLICIES; AUTOMATIC REASSESS-  
15 MENT OF ELIGIBILITY.—With respect to chil-  
16 dren who are eligible for medical assistance  
17 under section 1902(a)(10)(A) of such Act (42  
18 U.S.C. 1396a(a)(10)(A)), the State provides for  
19 initial eligibility determinations and redeter-  
20 minations of eligibility using the same  
21 verification policies (including with respect to  
22 face-to-face interviews), forms, and frequency  
23 as the State uses for such purposes under title  
24 XXI of that Act, and, as part of such redeter-  
25 minations, provides for the automatic reassess-

1           ment of the eligibility of such children for as-  
2           sistance under titles XIX and XXI.

3                   (E)       OUTSTATIONING       ENROLLMENT  
4           STAFF.—The State provides for the receipt and  
5           initial processing of applications for benefits  
6           under title XXI of such Act and for children  
7           under title XIX of that Act at facilities defined  
8           as disproportionate share hospitals under sec-  
9           tion 1923(a)(1)(A) of such Act (42 U.S.C.  
10          1396r-4(a)(1)(A)) and Federally-qualified  
11          health centers described in section  
12          1905(l)(2)(B) of that Act (42 U.S.C.  
13          1396d(l)(2)(B)) consistent with section  
14          1902(a)(55) of that Act (42 U.S.C.  
15          1396a(a)(55)).

16       (d) PAYMENT AUTHORIZED.—

17           (1) IN GENERAL.—Notwithstanding any provi-  
18          sion of title XIX or XXI of the Social Security Act,  
19          or any other provision of law, with respect to a State  
20          with a waiver approved under this section that satis-  
21          fies the requirements of subsection (c) (and that  
22          otherwise has a State child health plan approved  
23          under title XXI of the Social Security Act), the Sec-  
24          retary shall pay to the State from its allotment  
25          under section 2104 of the Social Security Act (42

1 U.S.C. 1397dd) an amount for each fiscal year (be-  
2 ginning with fiscal year 2002) determined under  
3 subparagraph (D) as follows:

4 (A) BASE EXPENDITURE AMOUNT.—The  
5 Secretary shall determine the total amount of  
6 expenditures for medical assistance under title  
7 XIX of the Social Security Act in the State for  
8 children described in paragraph (2) for fiscal  
9 year 1995.

10 (B) CURRENT EXPENDITURE AMOUNT.—  
11 The Secretary shall determine the total amount  
12 of expenditures for medical assistance under  
13 title XIX of such Act in the State for children  
14 described in paragraph (2) for the fiscal year  
15 involved.

16 (C) INCREASED EXPENDITURES.—The  
17 Secretary shall determine the number (if any)  
18 by which the total amount determined under  
19 subparagraph (B) exceeds the total amount de-  
20 termined under subparagraph (A).

21 (D) BONUS AMOUNT.—The amount deter-  
22 mined under this subparagraph for a fiscal year  
23 is equal to the product of the following:

24 (i) The total amount determined  
25 under subparagraph (C).

1                   (ii) The difference between the en-  
2                   hanced FMAP and the Federal medical as-  
3                   sistance percentage for that State for the  
4                   fiscal year involved.

5                   (2) CHILDREN DESCRIBED.—For purposes of  
6                   paragraph (1)(A), the children described in this  
7                   paragraph are—

8                   (A) children who are eligible and enrolled  
9                   for medical assistance under title XIX of the  
10                  Social Security Act; and

11                  (B) children who—

12                   (i) would be described in subpara-  
13                   graph (A) but for having family income  
14                   that exceeds the highest income eligibility  
15                   level applicable to such individuals under  
16                   the State plan; and

17                   (ii) would be considered disabled  
18                   under section 1614(a)(3)(C) of the Social  
19                   Security Act (42 U.S.C. 1382c(a)(3)(C))  
20                   (determined without regard to the ref-  
21                   erence to age in that section but for having  
22                   earnings or deemed income or resources, as  
23                   determined under title XVI of such Act for  
24                   children) that exceed the requirements for

1 receipt of supplemental security income  
2 benefits.

3 (3) ORDER OF TITLE XXI PAYMENTS.—With re-  
4 spect to a State with a waiver approved under this  
5 section, payments to the State under section 2105(a)  
6 of the Social Security Act (42 U.S.C. 1397ee(a)) for  
7 a fiscal year shall, notwithstanding paragraph (2) of  
8 such section, be made in the following order:

9 (A) First, for expenditures for items de-  
10 scribed in paragraph (1)(A) of section 2105(a)  
11 of such Act.

12 (B) Second, for expenditures for items de-  
13 scribed in paragraph (1)(B) of such section.

14 (C) Third, for the payment authorized  
15 under subsection (d)(1) of this section.

16 (D) Fourth, for expenditures for items de-  
17 scribed in paragraph (1)(C) of section 2105(a)  
18 of the Social Security Act.

19 (E) Fifth, for expenditures for items de-  
20 scribed in paragraph (1)(D) of such section.

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