

108TH CONGRESS
1ST SESSION

H. R. 2854

To amend title XXI of the Social Security Act to extend the availability of allotments for fiscal years 1998 through 2001 under the State Children's Health Insurance Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2003

Mr. TAUZIN (for himself, Mr. DINGELL, Mr. BILIRAKIS, and Mr. BROWN of Ohio) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend title XXI of the Social Security Act to extend the availability of allotments for fiscal years 1998 through 2001 under the State Children's Health Insurance Program, and for other purposes.

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. EXTENSION OF AVAILABILITY OF SCHIP ALLOT-**
4 **MENTS FOR FISCAL YEARS 1998 THROUGH**
5 **2001.**

6 (a) EXTENDING AVAILABILITY OF SCHIP ALLOT-
7 MENTS FOR FISCAL YEARS 1998 THROUGH 2001.—

1 (1) RETAINED AND REDISTRIBUTED ALLOT-
2 MENTS FOR FISCAL YEARS 1998 AND 1999.—Para-
3 graphs (2)(A)(i) and (2)(A)(ii) of section 2104(g) of
4 the Social Security Act (42 U.S.C. 1397dd(g)) are
5 each amended by striking “fiscal year 2002” and in-
6 serting “fiscal year 2004”.

7 (2) EXTENSION AND REVISION OF RETAINED
8 AND REDISTRIBUTED ALLOTMENTS FOR FISCAL
9 YEAR 2000.—

10 (A) PERMITTING AND EXTENDING RETEN-
11 TION OF PORTION OF FISCAL YEAR 2000 ALLOT-
12 MENT.—Paragraph (2) of such section 2104(g)
13 is amended—

14 (i) in the heading, by striking “AND
15 1999” and inserting “THROUGH 2000”; and

16 (ii) by adding at the end of subpara-
17 graph (A) the following:

18 “(iii) FISCAL YEAR 2000 ALLOT-
19 MENT.—Of the amounts allotted to a State
20 pursuant to this section for fiscal year
21 2000 that were not expended by the State
22 by the end of fiscal year 2002, 50 percent
23 of that amount shall remain available for
24 expenditure by the State through the end
25 of fiscal year 2004.”.

1 (B) REDISTRIBUTED ALLOTMENTS.—Para-
2 graph (1) of such section 2104(g) is amended—

3 (i) in subparagraph (A), by inserting
4 “or for fiscal year 2000 by the end of fis-
5 cal year 2002,” after “fiscal year 2001,”;

6 (ii) in subparagraph (A), by striking
7 “1998 or 1999” and inserting “1998,
8 1999, or 2000”;

9 (iii) in subparagraph (A)(i)—

10 (I) by striking “or” at the end of
11 subclause (I),

12 (II) by striking the period at the
13 end of subclause (II) and inserting “;
14 or”; and

15 (III) by adding at the end the
16 following new subclause:

17 “(III) the fiscal year 2000 allot-
18 ment, the amount specified in sub-
19 paragraph (C)(i) (less the total of the
20 amounts under clause (ii) for such fis-
21 cal year), multiplied by the ratio of
22 the amount specified in subparagraph
23 (C)(ii) for the State to the amount
24 specified in subparagraph (C)(iii).”;

1 (iv) in subparagraph (A)(ii), by strik-
2 ing “or 1999” and inserting “, 1999, or
3 2000”;

4 (v) in subparagraph (B), by striking
5 “with respect to fiscal year 1998 or 1999”;

6 (vi) in subparagraph (B)(ii)—

7 (I) by inserting “with respect to
8 fiscal year 1998, 1999, or 2000,”
9 after “subsection (e),”; and

10 (II) by striking “2002” and in-
11 sserting “2004”; and

12 (vii) by adding at the end the fol-
13 lowing new subparagraph:

14 “(C) AMOUNTS USED IN COMPUTING RE-
15 DISTRIBUTIONS FOR FISCAL YEAR 2000.—For
16 purposes of subparagraph (A)(i)(III)—

17 “(i) the amount specified in this
18 clause is the amount specified in para-
19 graph (2)(B)(i)(I) for fiscal year 2000, less
20 the total amount remaining available pur-
21 suant to paragraph (2)(A)(iii);

22 “(ii) the amount specified in this
23 clause for a State is the amount by which
24 the State’s expenditures under this title in
25 fiscal years 2000, 2001, and 2002 exceed

1 the State’s allotment for fiscal year 2000
2 under subsection (b); and

3 “(iii) the amount specified in this
4 clause is the sum, for all States entitled to
5 a redistribution under subparagraph (A)
6 from the allotments for fiscal year 2000, of
7 the amounts specified in clause (ii).”.

8 (C) CONFORMING AMENDMENTS.—Such
9 section 2104(g) is further amended—

10 (i) in its heading, by striking “AND
11 1999” and inserting “, 1999, AND 2000”;
12 and

13 (ii) in paragraph (3)—

14 (I) by striking “or fiscal year
15 1999” and inserting “, fiscal year
16 1999, or fiscal year 2000”; and

17 (II) by striking “or November
18 30, 2001” and inserting “November
19 30, 2001, or November 30, 2002”, re-
20 spectively.

21 (3) EXTENSION AND REVISION OF RETAINED
22 AND REDISTRIBUTED ALLOTMENTS FOR FISCAL
23 YEAR 2001.—

24 (A) PERMITTING AND EXTENDING RETEN-
25 TION OF PORTION OF FISCAL YEAR 2001 ALLOT-

1 MENT.—Paragraph (2) of such section 2104(g),
2 as amended in paragraph (2)(A)(ii), is further
3 amended—

4 (i) in the heading, by striking “2000”
5 and inserting “2001”; and

6 (ii) by adding at the end of subpara-
7 graph (A) the following:

8 “(iv) FISCAL YEAR 2001 ALLOT-
9 MENT.—Of the amounts allotted to a State
10 pursuant to this section for fiscal year
11 2001 that were not expended by the State
12 by the end of fiscal year 2003, 50 percent
13 of that amount shall remain available for
14 expenditure by the State through the end
15 of fiscal year 2005.”.

16 (B) REDISTRIBUTED ALLOTMENTS.—Para-
17 graph (1) of such section 2104(g), as amended
18 in paragraph (2)(B), is further amended—

19 (i) in subparagraph (A), by inserting
20 “or for fiscal year 2001 by the end of fis-
21 cal year 2003,” after “fiscal year 2002,”;

22 (ii) in subparagraph (A), by striking
23 “1999, or 2000” and inserting “1999,
24 2000, or 2001”;

25 (iii) in subparagraph (A)(i)—

1 (I) by striking “or” at the end of
2 subclause (II),

3 (II) by striking the period at the
4 end of subclause (III) and inserting “;
5 or”; and

6 (III) by adding at the end the
7 following new subclause:

8 “(IV) the fiscal year 2001 allot-
9 ment, the amount specified in sub-
10 paragraph (D)(i) (less the total of the
11 amounts under clause (ii) for such fis-
12 cal year), multiplied by the ratio of
13 the amount specified in subparagraph
14 (D)(ii) for the State to the amount
15 specified in subparagraph (D)(iii).”;

16 (iv) in subparagraph (A)(ii), by strik-
17 ing “or 2000” and inserting “2000, or
18 2001”;

19 (v) in subparagraph (B)—

20 (I) by striking “and” at the end
21 of clause (ii);

22 (II) by redesignating clause (iii)
23 as clause (iv); and

24 (III) by inserting after clause (ii)
25 the following new clause:

1 “(iii) notwithstanding subsection (e),
2 with respect to fiscal year 2001, shall re-
3 main available for expenditure by the State
4 through the end of fiscal year 2005; and”;
5 and

6 (vi) by adding at the end the following
7 new subparagraph:

8 “(D) AMOUNTS USED IN COMPUTING RE-
9 DISTRIBUTIONS FOR FISCAL YEAR 2001.—For
10 purposes of subparagraph (A)(i)(IV)—

11 “(i) the amount specified in this
12 clause is the amount specified in para-
13 graph (2)(B)(i)(I) for fiscal year 2001, less
14 the total amount remaining available pur-
15 suant to paragraph (2)(A)(iv);

16 “(ii) the amount specified in this
17 clause for a State is the amount by which
18 the State’s expenditures under this title in
19 fiscal years 2001, 2002, and 2003 exceed
20 the State’s allotment for fiscal year 2001
21 under subsection (b); and

22 “(iii) the amount specified in this
23 clause is the sum, for all States entitled to
24 a redistribution under subparagraph (A)

1 from the allotments for fiscal year 2001, of
2 the amounts specified in clause (ii).”.

3 (C) CONFORMING AMENDMENTS.—Such
4 section 2104(g) is further amended—

5 (i) in its heading, by striking “AND
6 2000” and inserting “2000, AND 2001”;
7 and

8 (ii) in paragraph (3)—

9 (I) by striking “or fiscal year
10 2000” and inserting “fiscal year
11 2000, or fiscal year 2001”; and

12 (II) by striking “or November
13 30, 2002,” and inserting “November
14 30, 2002, or November 30, 2003,”,
15 respectively.

16 (4) EFFECTIVE DATE.—This subsection, and
17 the amendments made by this subsection, shall be
18 effective as if this subsection had been enacted on
19 September 30, 2002, and amounts under title XXI
20 of the Social Security Act (42 U.S.C. 1397aa et
21 seq.) from allotments for fiscal years 1998 through
22 2000 are available for expenditure on and after Oc-
23 tober 1, 2002, under the amendments made by this
24 subsection as if this subsection had been enacted on
25 September 30, 2002.

1 (b) AUTHORITY FOR QUALIFYING STATES TO USE
2 PORTION OF SCHIP FUNDS FOR MEDICAID EXPENDI-
3 TURES.—Section 2105 of the Social Security Act (42
4 U.S.C. 1397ee) is amended by adding at the end the fol-
5 lowing:

6 “(g) AUTHORITY FOR QUALIFYING STATES TO USE
7 CERTAIN FUNDS FOR MEDICAID EXPENDITURES.—

8 “(1) STATE OPTION.—

9 “(A) IN GENERAL.—Notwithstanding any
10 other provision of law, a qualifying State (as
11 defined in paragraph (2)) may elect to use not
12 more than 20 percent of any allotment under
13 section 2104 for fiscal year 1998, 1999, 2000,
14 or 2001 (insofar as it is available under sub-
15 sections (e) and (g) of such section) for pay-
16 ments under title XIX in accordance with sub-
17 paragraph (B), instead of for expenditures
18 under this title.

19 “(B) PAYMENTS TO STATES.—

20 “(i) IN GENERAL.—In the case of a
21 qualifying State that has elected the option
22 described in subparagraph (A), subject to
23 the availability of funds under such sub-
24 paragraph with respect to the State, the
25 Secretary shall pay the State an amount

1 each quarter equal to the additional
2 amount that would have been paid to the
3 State under title XIX with respect to ex-
4 penditures described in clause (ii) if the
5 enhanced FMAP (as determined under
6 subsection (b)) had been substituted for
7 the Federal medical assistance percentage
8 (as defined in section 1905(b)).

9 “(ii) EXPENDITURES DESCRIBED.—
10 For purposes of this subparagraph, the ex-
11 penditures described in this clause are ex-
12 penditures, made after the date of the en-
13 actment of this subsection and during the
14 period in which funds are available to the
15 qualifying State for use under subpara-
16 graph (A), for medical assistance under
17 title XIX to individuals who have not at-
18 tained age 19 and whose family income ex-
19 ceeds 150 percent of the poverty line.

20 “(iii) NO IMPACT ON DETERMINATION
21 OF BUDGET NEUTRALITY FOR WAIVERS.—
22 In the case of a qualifying State that uses
23 amounts paid under this subsection for ex-
24 penditures described in clause (ii) that are
25 incurred under a waiver approved for the

1 State, any budget neutrality determina-
2 tions with respect to such waiver shall be
3 determined without regard to such
4 amounts paid.

5 “(2) QUALIFYING STATE.—In this subsection,
6 the term ‘qualifying State’ means a State that, on
7 and after April 15, 1997, has an income eligibility
8 standard that is at least 185 percent of the poverty
9 line with respect to any 1 or more categories of chil-
10 dren (other than infants) who are eligible for med-
11 ical assistance under section 1902(a)(10)(A) or, in
12 the case of a State that has a statewide waiver in
13 effect under section 1115 with respect to title XIX
14 that was first implemented on July 1, 1995, has an
15 income eligibility standard under such waiver for
16 children that is at least 185 percent of the poverty
17 line, or, in the case of a State that has a statewide
18 waiver in effect under section 1115 with respect to
19 title XIX that was first implemented on January 1,
20 1994, has an income eligibility standard under such
21 waiver for children who lack health insurance that is
22 at least 185 percent of the poverty line.

23 “(3) CONSTRUCTION.—Nothing in paragraphs
24 (1) and (2) shall be construed as modifying the re-

1 requirements applicable to States implementing State
2 child health plans under this title.”.

3 **SEC. 2. TECHNICAL CORRECTION.**

4 (a) TEMPORARY INCREASE OF THE MEDICAID
5 FMAP.—Subparagraphs (A) and (B) of section 401(a)(6)
6 of the Jobs and Growth Tax Relief Reconciliation Act of
7 2003 (Public Law 108–027) are amended to read as fol-
8 lows:

9 “(A) IN GENERAL.—Subject to subpara-
10 graph (B), a State is eligible for an increase in
11 its FMAP under paragraph (3) or an increase
12 in a cap amount under paragraph (4) for any
13 date after September 2, 2003, only if the eligi-
14 bility under its State plan under title XIX of
15 the Social Security Act (including any waiver
16 under such title or under section 1115 of such
17 Act (42 U.S.C. 1315)) applied as of such date
18 is no more restrictive than the eligibility under
19 such plan (or waiver) as in effect on September
20 2, 2003.

21 “(B) STATE REINSTATEMENT OF ELIGI-
22 BILITY PERMITTED.—A State that has re-
23 stricted eligibility under its State plan under
24 title XIX of the Social Security Act (including
25 any waiver under such title or under section

1 1115 of such Act (42 U.S.C. 1315)) for any
2 date after September 2, 2003, is eligible for an
3 increase in its FMAP under paragraph (3) or
4 an increase in a cap amount under paragraph
5 (4) for subsequent dates in which the State has
6 reinstated eligibility that is no more restrictive
7 than the eligibility under such plan (or waiver)
8 as in effect on September 2, 2003.”.

9 (b) RETROACTIVE EFFECTIVE DATE.—The amend-
10 ment made by subsection (a) shall take effect as if in-
11 cluded in the enactment of section 401 of the Jobs and
12 Growth Tax Relief Reconciliation Act of 2003 (Public Law
13 108–027).

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