

108TH CONGRESS  
1ST SESSION

# S. 1238

To amend titles XVIII, XIX, and XXI of the Social Security Act to improve women’s health, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JUNE 11, 2003

Mrs. LINCOLN (for herself, Mrs. MURRAY, Ms. LANDRIEU, and Ms. CANTWELL) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend titles XVIII, XIX, and XXI of the Social Security Act to improve women’s health, 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. SHORT TITLE; AMENDMENTS TO SOCIAL SECU-**  
4       **RITY ACT; TABLE OF CONTENTS.**

5       (a) SHORT TITLE.—This Act may be cited as the  
6       “Improving Women’s Health Act of 2003”.

7       (b) AMENDMENTS TO SOCIAL SECURITY ACT.—Ex-  
8       cept as otherwise specifically provided, whenever in this  
9       Act an amendment is expressed in terms of an amendment  
10      to or repeal of a section or other provision, the reference

1 shall be considered to be made to that section or other  
 2 provision of the Social Security Act.

3 (c) TABLE OF CONTENTS.—The table of contents of  
 4 this Act is as follows:

Sec. 1. Short title; amendments to Social Security Act; table of contents.

#### TITLE I—IMPROVING PREVENTIVE HEALTH BENEFITS UNDER MEDICARE

Sec. 101. Therapy and counseling for cessation of tobacco use.

Sec. 102. Counseling for post-menopausal women.

Sec. 103. Screening for diminished visual acuity.

Sec. 104. Screening for hearing impairment.

Sec. 105. Expansion of eligibility for bone mass measurement.

Sec. 106. coverage of cardiovascular screening tests.

Sec. 107. Coverage of medical nutrition therapy services for beneficiaries with  
cardiovascular diseases.

Sec. 108. Medicare coverage of diabetes laboratory diagnostic tests.

Sec. 109. Coverage of annual screening pap smear and pelvic exams.

Sec. 110. Adjustments to local fee schedules for clinical laboratory tests for im-  
provement in cervical cancer detection.

Sec. 111. Enhanced reimbursement under the medicare program for screening  
and diagnostic mammography services; not counting certain ra-  
diology residents against graduate medical education limita-  
tions.

Sec. 112. Elimination of deductibles and coinsurance for existing preventive  
health benefits.

#### TITLE II—IMPROVING MEDICARE FOR FAMILY CAREGIVERS BY COVERING ADULT DAY SERVICES

Sec. 201. Findings.

Sec. 202. Medicare coverage of substitute adult day services.

#### TITLE III—IMPROVING AND EXPANDING PRENATAL CARE FOR LOW-INCOME WOMEN

Sec. 301. State option to expand or add coverage of certain pregnant women  
under medicaid and schip.

Sec. 302. Optional coverage of legal immigrants under the medicaid program  
and SCHIP.

Sec. 303. Promoting cessation of tobacco use under the medicaid program.

Sec. 304. Promoting cessation of tobacco use under the maternal and child  
health services block grant program.

Sec. 305. State option to provide family planning services and supplies to indi-  
viduals with incomes that do not exceed a State's income eli-  
gibility level for medical assistance.

Sec. 306. State option to extend the postpartum period for provision of family  
planning services and supplies.

1 **TITLE I—IMPROVING PREVEN-**  
 2 **TIVE HEALTH BENEFITS**  
 3 **UNDER MEDICARE**

4 **SEC. 101. THERAPY AND COUNSELING FOR CESSATION OF**  
 5 **TOBACCO USE.**

6 (a) COVERAGE.—Section 1861(s)(2) (42 U.S.C.  
 7 1395x(s)(2)) is amended—

8 (1) in subparagraph (U), by striking “and”  
 9 after the semicolon at the end;

10 (2) in subparagraph (V)(iii), by adding “and”  
 11 after the semicolon at the end; and

12 (3) by adding at the end the following new sub-  
 13 paragraph:

14 “(W) supplemental preventive health services  
 15 (as defined in subsection (ww));”.

16 (b) SERVICES DESCRIBED.—Section 1861 (42 U.S.C.  
 17 1395x) is amended by adding at the end the following new  
 18 subsection:

19 “Supplemental Preventive Health Services

20 “(ww) The term ‘supplemental preventive health serv-  
 21 ices’ means the following:

22 “(1)(A) Therapy and counseling for cessation of  
 23 tobacco use for individuals who use tobacco products  
 24 or who are being treated for tobacco use that is fur-  
 25 nished—

1           “(i) by or under the supervision of a physi-  
2           cian; or

3           “(ii) by any other health care professional  
4           who—

5                   “(I) is legally authorized to furnish  
6                   such services under State law (or the State  
7                   regulatory mechanism provided by State  
8                   law) of the State in which the services are  
9                   furnished; and

10                   “(II) is authorized to receive payment  
11                   for other services under this title or is des-  
12                   ignated by the Secretary for this purpose.

13           “(B) Subject to subparagraph (C), such term is  
14           limited to—

15                   “(i) therapy and counseling services rec-  
16                   ommended in ‘Treating Tobacco Use and De-  
17                   pendence: A Clinical Practice Guideline’, pub-  
18                   lished by the Public Health Service in June  
19                   2000, or any subsequent modification of such  
20                   Guideline; and

21                   “(ii) such other therapy and counseling  
22                   services that the Secretary recognizes to be ef-  
23                   fective.

1           “(C) Such term shall not include coverage for  
 2           drugs or biologicals that are not otherwise covered  
 3           under this title.”.

4           (c) PAYMENT AND ELIMINATION OF COST-SHARING  
 5 FOR ALL SUPPLEMENTAL PREVENTIVE HEALTH SERV-  
 6 ICES.—

7           (1) PAYMENT AND ELIMINATION OF COINSUR-  
 8 ANCE.—Section 1833(a)(1) (42 U.S.C. 1395l(a)(1))  
 9 is amended—

10           (A) in subparagraph (N), by inserting  
 11           “other than supplemental preventive health  
 12           services (as defined in section 1861(ww))” after  
 13           “(as defined in section 1848(j)(3))”;

14           (B) by striking “and” before “(U)”; and

15           (C) by inserting before the semicolon at  
 16           the end the following: “, and (V) with respect  
 17           to supplemental preventive health services (as  
 18           defined in section 1861(ww)), the amount paid  
 19           shall be 100 percent of the lesser of the actual  
 20           charge for the services or the amount deter-  
 21           mined under the payment basis determined  
 22           under section 1848 by the Secretary for the  
 23           particular supplemental preventive health serv-  
 24           ice involved”.

1           (2) PAYMENT UNDER PHYSICIAN FEE SCHED-  
 2           ULE.—Section 1848(j)(3) (42 U.S.C. 1395w-  
 3           4(j)(3)) is amended by inserting “(2)(W),” after  
 4           “(2)(S),”.

5           (3) ELIMINATION OF COINSURANCE IN OUT-  
 6           PATIENT HOSPITAL SETTINGS.—The third sentence  
 7           of section 1866(a)(2)(A) (42 U.S.C.  
 8           1395cc(a)(2)(A)) is amended by inserting after  
 9           “1861(s)(10)(A)” the following: “, with respect to  
 10          supplemental preventive health services (as defined  
 11          in section 1861(ww)),”.

12          (4) ELIMINATION OF DEDUCTIBLE.—The first  
 13          sentence of section 1833(b) (42 U.S.C. 1395l(b)) is  
 14          amended—

15                 (A) by striking “and” before “(6)”; and

16                 (B) by inserting before the period the fol-  
 17          lowing: “, and (7) such deductible shall not  
 18          apply with respect to supplemental preventive  
 19          health services (as defined in section  
 20          1861(ww))”.

21          (d) APPLICATION OF LIMITS ON BILLING.—Section  
 22          1842(b)(18)(C) (42 U.S.C. 1395u(b)(18)(C)) is amended  
 23          by adding at the end the following new clause:

24                 “(vii) Any health care professional designated  
 25          under section 1861(ww)(1)(A)(ii)(II) to perform

1 therapy and counseling for cessation of tobacco  
2 use.”.

3 (e) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to services furnished on or after  
5 January 1, 2004.

6 **SEC. 102. COUNSELING FOR POST-MENOPAUSAL WOMEN.**

7 (a) COVERAGE.—Section 1861(ww) (42 U.S.C.  
8 1395x(s)(2)), as amended by section 101(b), is amended  
9 by adding at the end the following new paragraph:

10 “(2)(A) Counseling for post-menopausal women  
11 (as defined in subparagraph (B)).

12 “(B)(i) For purposes of subparagraph (A), the  
13 term ‘counseling for post-menopausal women’ means  
14 counseling provided to a post-menopausal woman re-  
15 garding—

16 “(I) the symptoms, risk factors, and condi-  
17 tions associated with menopause;

18 “(II) appropriate treatment options for  
19 post-menopausal women, including hormone re-  
20 placement therapy; and

21 “(III) other interventions that can be im-  
22 plemented to prevent or delay the onset of  
23 health risks associated with menopause.

1           “(ii) Such term does not include coverage for  
2           drugs or biologicals that are not otherwise covered  
3           under this title.”.

4           (b) EFFECTIVE DATE.—The amendment made by  
5           this section shall apply to services furnished on or after  
6           January 1, 2004.

7           **SEC. 103. SCREENING FOR DIMINISHED VISUAL ACUITY.**

8           (a) COVERAGE.—Section 1861(w) (42 U.S.C.  
9           1395x(s)(2)), as amended by section 102(a), is amended  
10          by adding at the end the following new paragraph:

11           “(3)(A) Screening for diminished visual acuity  
12          (as defined in subparagraph (B)).

13           “(B) For purposes of subparagraph (A), the  
14          term ‘screening for diminished visual acuity’ means  
15          a screening for diminished visual acuity that is fur-  
16          nished by or under the supervision of an optometrist  
17          or ophthalmologist who is legally authorized to fur-  
18          nish such services under State law (or the State reg-  
19          ulatory mechanism provided by State law) of the  
20          State in which the services are furnished.”.

21           (b) EFFECTIVE DATE.—The amendment made by  
22          this section shall apply to services furnished on or after  
23          January 1, 2004.



1 **SEC. 104. SCREENING FOR HEARING IMPAIRMENT.**

2 (a) COVERAGE.—Section 1861(ww) (42 U.S.C.  
3 1395x(s)(2)), as amended by section 103(a), is amended  
4 by adding at the end the following new paragraph:

5 “(4)(A) Screening for hearing impairment (as  
6 defined in subparagraph (B)).

7 “(B) For purposes of subparagraph (A), the  
8 term ‘screening for hearing impairment’ means the  
9 following services:

10 “(i) A screening for hearing impairment  
11 using periodic questions that is furnished by—

12 “(I) a physician, including an  
13 otolaryngologist;

14 “(II) a qualified audiologist (as de-  
15 fined in subsection (ll)(3)(B)); or

16 “(III) any other health care profes-  
17 sional who is legally authorized to furnish  
18 such screening under State law (or the  
19 State regulatory mechanism provided by  
20 State law) of the State in which the  
21 screening is furnished.

22 “(ii) If the answers to such questions indi-  
23 cate potential hearing impairment, an otoscopic  
24 examination and an audiometric screening test  
25 that are furnished by an otolaryngologist or a  
26 qualified audiologist (as so defined).

1           “(iii) If the results of such examination or  
 2           test indicate a need for assistive listening de-  
 3           vices (whether or not such examination or test  
 4           was based on a screening or was diagnostic),  
 5           counseling about such devices that is furnished  
 6           by an otolaryngologist or a qualified audiologist  
 7           (as so defined).”.

8           (b) EFFECTIVE DATE.—The amendment made by  
 9           this section shall apply to services furnished on or after  
 10          January 1, 2004.

11       **SEC. 105. EXPANSION OF ELIGIBILITY FOR BONE MASS**  
 12               **MEASUREMENT.**

13           (a) EXPANSION.—Paragraph (2) of section 1861(rr)  
 14           (42 U.S.C. 1395x(rr)(2)) is amended to read as follows:

15           “(2) For purposes of this subsection, the term ‘quali-  
 16           fied individual’ means an individual who is (in accordance  
 17           with regulations prescribed by the Secretary)—

18                   “(A) an estrogen-deficient woman (including  
 19                   those receiving hormone replacement therapy);

20                   “(B) an individual with low trauma or fragility  
 21                   fractures (including vertebral abnormalities and hip,  
 22                   rib, wrist, pelvic, or proximal humeral fractures);

23                   “(C) an individual receiving long-term medica-  
 24                   tions that have associations to bone loss or

1 osteoporosis (including glucocorticoid therapy and  
2 androgen deprivation therapy);

3 “(D) an individual with a long-term medical  
4 condition that has association to osteoporosis (in-  
5 cluding primary hyperparathyroidism);

6 “(E) a man with risk factors for osteoporosis  
7 such as hypogonadism; and

8 “(F) an individual being monitored to assess  
9 the response to, or efficacy of, an approved  
10 osteoporosis therapy.”.

11 (b) EFFECTIVE DATE.—The amendment made by  
12 subsection (a) shall apply to services furnished on or after  
13 January 1, 2004.

14 **SEC. 106. COVERAGE OF CARDIOVASCULAR SCREENING**  
15 **TESTS.**

16 (a) SERVICES DESCRIBED.—Section 1861(ww) (42  
17 U.S.C. 1395x), as amended by section 105(a), is amended  
18 by adding at the end the following new paragraph:

19 “(5)(A) Cardiovascular screening tests for the  
20 early detection of cardiovascular disease, including  
21 the following diagnostic tests:

22 “(i) Tests for the determination of cholest-  
23 erol levels.

24 “(ii) Tests for the determination of lipid  
25 levels of the blood.

1 “(iii) Screening for hypertension.

2 “(iv) Such other tests for cardiovascular  
3 disease as the Secretary may approve.

4 “(B)(i) Subject to clause (ii), the Secretary  
5 shall establish standards, in consultation with appro-  
6 priate organizations, regarding the frequency and  
7 type of cardiovascular screening tests.

8 “(ii) With respect to the frequency of cardio-  
9 vascular screening tests approved by the Secretary  
10 under clause (i), in no case may the frequency of  
11 such tests be more often than once every 2 years.”.

12 (b) FREQUENCY.—Section 1862(a)(1) (42 U.S.C.  
13 1395y(a)(1)) is amended—

14 (1) in subparagraph (H), by striking “and” at  
15 the end;

16 (2) in subparagraph (I), by striking the semi-  
17 colon at the end and inserting “, and”; and

18 (3) by adding at the end the following new sub-  
19 paragraph:

20 “(J) in the case of a cardiovascular screening  
21 test which is performed more frequently than is cov-  
22 ered under section 1861(w)(5)(B).”.

23 (c) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to tests furnished on or after Janu-  
25 ary 1, 2004.

1 **SEC. 107. COVERAGE OF MEDICAL NUTRITION THERAPY**  
2 **SERVICES FOR BENEFICIARIES WITH CAR-**  
3 **DIOVASCULAR DISEASES.**

4 (a) IN GENERAL.—Section 1861(s)(2)(V) (42 U.S.C.  
5 1395x(s)(2)(V)) is amended to read as follows:

6 “(V) medical nutrition therapy services (as de-  
7 fined in subsection (vv)(1)) in the case of a bene-  
8 ficiary—

9 “(i) with a cardiovascular disease (includ-  
10 ing congestive heart failure, arteriosclerosis,  
11 hyperlipidemia, hypertension, and  
12 hypercholesterolemia), diabetes, or a renal dis-  
13 ease (or a combination of such conditions)  
14 who—

15 “(I) has not received diabetes out-  
16 patient self-management training services  
17 within a time period determined by the  
18 Secretary;

19 “(II) is not receiving maintenance di-  
20 alysis for which payment is made under  
21 section 1881; and

22 “(III) meets such other criteria deter-  
23 mined by the Secretary after consideration  
24 of protocols established by dietitian or nu-  
25 trition professional organizations; or

1 “(ii) with a combination of such conditions  
2 who—

3 “(I) is not described in clause (i) be-  
4 cause of the application of subclause (I) or  
5 (II) of such clause;

6 “(II) receives such medical nutrition  
7 therapy services in a coordinated manner  
8 (as determined appropriate by the Sec-  
9 retary) with any services described in such  
10 subclauses that the beneficiary is receiving;  
11 and

12 “(III) meets such other criteria deter-  
13 mined by the Secretary after consideration  
14 of protocols established by dietitian or nu-  
15 trition professional organizations,

16 for such number of hours as the Secretary may  
17 specify, except that, in the case of a beneficiary with  
18 a cardiovascular disease, such number may not ex-  
19 ceed 3 hours in a year without a determination of  
20 a physician that additional hours are medically nec-  
21 essary in that year due to a change in medical condi-  
22 tion, diagnosis, or treatment regime of the patient;”.

23 (b) EFFECTIVE DATE.—The amendment made by  
24 subsection (a) shall apply with respect to services fur-  
25 nished on or after January 1, 2004.

1 **SEC. 108. MEDICARE COVERAGE OF DIABETES LABORA-**  
 2 **TORY DIAGNOSTIC TESTS.**

3 (a) COVERAGE.—Section 1861(ww) (42 U.S.C.  
 4 1395x(ww)), as amended by section 107(a), is amended  
 5 by adding at the end the following new paragraph:

6 “(7)(A) Diabetes screening tests (as defined in  
 7 subparagraph (B)(i)) for individuals at risk for dia-  
 8 betes (as defined in subparagraph (B)(ii)) not more  
 9 frequently than is covered under subparagraph (C).

10 “(B)(i) For purposes of this paragraph, the  
 11 term ‘diabetes screening tests’ means diagnostic  
 12 testing furnished to an individual at risk for diabetes  
 13 for the purpose of early detection of diabetes, includ-  
 14 ing—

15 “(I) a fasting plasma glucose test; and

16 “(II) such other tests, and modifications to  
 17 tests, as the Secretary determines appropriate,  
 18 in consultation with appropriate organizations.

19 “(ii) For purposes of this paragraph, the term  
 20 ‘individual at risk for diabetes’ means an individual  
 21 who has any of the following risk factors for diabe-  
 22 tes:

23 “(I) A family history of diabetes.

24 “(II) Overweight defined as a body mass  
 25 index greater than or equal to 25 kg/m<sup>2</sup>.

26 “(III) Habitual physical inactivity.

1                   “(IV) Belonging to a high-risk ethnic or  
2                   racial group.

3                   “(V) Previous identification of an elevated  
4                   impaired fasting glucose.

5                   “(VI) Identification of impaired glucose  
6                   tolerance.

7                   “(VII) Hypertension.

8                   “(VIII) Dyslipidemia.

9                   “(IX) History of gestational diabetes  
10                  mellitus or delivery of a baby weighing greater  
11                  than 9 pounds.

12                  “(X) Polycystic ovary syndrome.

13                  “(C) The Secretary shall establish standards, in  
14                  consultation with appropriate organizations, regard-  
15                  ing the frequency of diabetes screening tests, except  
16                  that such frequency may not be more often than  
17                  twice within the 12-month period following the date  
18                  of the most recent diabetes screening test of that in-  
19                  dividual.”.

20                  (b) FREQUENCY.—Section 1862(a)(1) (42 U.S.C.  
21                  1395y(a)(1)), as amended by section 107(b), is amend-  
22                  ed—

23                         (1) in subparagraph (J), by striking “and” at  
24                  the end;



1 (2) in subparagraph (K), by striking the semi-  
 2 colon at the end and inserting “, and”; and

3 (3) by adding at the end the following new sub-  
 4 paragraph:

5 “(L) in the case of a diabetes screening test (as  
 6 defined in section 1861(ww)(7)(B)(i)), which is per-  
 7 formed more frequently than is covered under sec-  
 8 tion 1861(ww)(7)(C).”.

9 (c) EFFECTIVE DATE.—The amendments made by  
 10 this section shall apply to tests furnished on or after Janu-  
 11 ary 1, 2004.

12 **SEC. 109. COVERAGE OF ANNUAL SCREENING PAP SMEAR**  
 13 **AND PELVIC EXAMS.**

14 (a) IN GENERAL.—

15 (1) ANNUAL SCREENING PAP SMEAR.—Section  
 16 1861(nn)(1) (42 U.S.C. 1395x(nn)(1)) is amended  
 17 by striking “, if the individual involved” and all that  
 18 follows before the period at the end and inserting “if  
 19 the woman involved has not had such a test during  
 20 the preceding year”.

21 (2) ANNUAL SCREENING PELVIC EXAM.—Sec-  
 22 tion 1861(nn)(2) (42 U.S.C. 1395x(nn)(2)) is  
 23 amended by striking “during the preceding 2 years,  
 24 or during the preceding year in the case of a woman

1 described in paragraph (3),” and inserting “during  
2 the preceding year,”.

3 (3) CONFORMING AMENDMENT.—Section  
4 1861(nn) (42 U.S.C. 1395x(nn)) is amended by  
5 striking paragraph (3).

6 (b) EFFECTIVE DATE.—The amendments made by  
7 subsection (a) apply to items and services furnished on  
8 or after January 1, 2004.

9 **SEC. 110. ADJUSTMENTS TO LOCAL FEE SCHEDULES FOR**  
10 **CLINICAL LABORATORY TESTS FOR IM-**  
11 **PROVEMENT IN CERVICAL CANCER DETEC-**  
12 **TION.**

13 Section 1833(h)(2) (42 U.S.C. 1395l(h)(2)) is  
14 amended by adding at the end the following new subpara-  
15 graph:

16 “(C) Notwithstanding any other provision of law, in  
17 the case of a diagnostic test for the detection of cervical  
18 cancer utilizing automated thin layer preparation tech-  
19 niques for specimens collected in fluid medium, and for  
20 which a national limitation amount has been set pursuant  
21 to the parenthetical in paragraph (4)(B)(viii), furnished  
22 on or after January 1, 2004, and before January 1, 2006,  
23 the Secretary shall permit carriers to raise their local fee  
24 schedule amount for purposes of determining payment for  
25 such tests under this section, up to, but not to exceed the

1 national limitation amount previously established for that  
 2 test. Any such adjustment shall not affect such national  
 3 limitation amount.”.

4 **SEC. 111. ENHANCED REIMBURSEMENT UNDER THE MEDI-**  
 5 **CARE PROGRAM FOR SCREENING AND DIAG-**  
 6 **NOSTIC MAMMOGRAPHY SERVICES; NOT**  
 7 **COUNTING CERTAIN RADIOLOGY RESIDENTS**  
 8 **AGAINST GRADUATE MEDICAL EDUCATION**  
 9 **LIMITATIONS.**

10 (a) PAYMENTS TO FACILITIES FOR SCREENING AND  
 11 DIAGNOSTIC MAMMOGRAPHY.—

12 (1) IN GENERAL.—Notwithstanding any other  
 13 provision of law, with respect to payment for a  
 14 screening or diagnostic mammography furnished to  
 15 a medicare beneficiary, the amount of payment made  
 16 to a hospital-based facility (as defined in paragraph  
 17 (4)) in which such screening or diagnostic mammog-  
 18 raphy is performed during the applicable period de-  
 19 scribed in paragraph (3) is equal to 200 percent of  
 20 the amount of payment that would otherwise apply  
 21 under the fee schedule established under section  
 22 1848 of the Social Security Act (42 U.S.C. 1395w-  
 23 4) with respect to the technical component of such  
 24 screening or diagnostic mammography.

1           (2) TEMPORARY PAYMENT RULE.—With respect  
 2           to payments to a hospital-based facility for screening  
 3           or diagnostic mammography described in paragraph  
 4           (1) during the applicable period, payment shall be  
 5           made to the facility for such mammography pursu-  
 6           ant to this subsection and shall not be made under  
 7           section 1833(t) of such Act (42 U.S.C. 1395l(t)).

8           (3) APPLICABLE PERIOD.—The applicable pe-  
 9           riod referred to in paragraph (1) is the period begin-  
 10          ning on the date of enactment of this Act and end-  
 11          ing on the date the Secretary establishes and imple-  
 12          ments an appropriate facility payment rate under  
 13          the prospective payment system for covered out-  
 14          patient services under such section 1833(t) for a  
 15          screening or diagnostic mammography furnished to  
 16          a medicare beneficiary, but in no case less than the  
 17          amount payment provided for in paragraph (1).

18          (4) HOSPITAL-BASED FACILITY DEFINED.—In  
 19          this subsection, the term “hospital-based facility”  
 20          means a facility for which payment is made for a di-  
 21          agnostic or screening mammography under such sec-  
 22          tion 1833(t) but for this subsection.

23          (b) NOT COUNTING CERTAIN RADIOLOGY RESI-  
 24          DENTS AGAINST GRADUATE MEDICAL EDUCATION LIMI-  
 25          TATIONS.—

1           (1) IN GENERAL.—For cost reporting periods  
2           beginning on or after October 1, 2003, and before  
3           October 1, 2008, in applying the limitations regard-  
4           ing the total number of full-time equivalent residents  
5           in the field of allopathic or osteopathic medicine  
6           under subsections (d)(5)(B)(v) and (h)(4)(F) of sec-  
7           tion 1886 of the Social Security Act (42 U.S.C.  
8           1395ww) for a hospital, the Secretary of Health and  
9           Human Services shall not take into account 1 addi-  
10          tional resident in the field of radiology per post-  
11          graduate year during each such cost reporting period  
12          to the extent the hospital increases the number of  
13          radiology residents above the number of such resi-  
14          dents for the hospital’s most recent cost reporting  
15          period ending before October 1, 2003.

16          (2) TREATMENT FOR ENTIRE PERIOD OF  
17          TRAINING PROGRAM.—The provisions of paragraph  
18          (1) shall apply for each year of the full-time equiva-  
19          lent resident’s approved medical residency training  
20          program in the field of radiology not taken into ac-  
21          count by reason of paragraph (1).

22          (c) CONSTRUCTION.—Nothing in this section shall be  
23          construed as affecting the provisions of section 104(d) of  
24          the Medicare, Medicaid, and SCHIP Benefits Improve-  
25          ment and Protection Act of 2000 (114 Stat. 2763A–470),

1 as enacted into law by section 1(a)(6) of Public Law 106–  
 2 554 (relating to payment for new technologies).

3 **SEC. 112. ELIMINATION OF DEDUCTIBLES AND COINSUR-**  
 4 **ANCE FOR EXISTING PREVENTIVE HEALTH**  
 5 **BENEFITS.**

6 (a) IN GENERAL.—Section 1833 (42 U.S.C. 1395l)  
 7 is amended by inserting after subsection (o) the following  
 8 new subsection:

9 “(p) DEDUCTIBLES AND COINSURANCE WAIVED FOR  
 10 PREVENTIVE HEALTH ITEMS AND SERVICES.—The Sec-  
 11 retary may not require the payment of any deductible or  
 12 coinsurance under subsection (a) or (b), respectively, of  
 13 any individual enrolled for coverage under this part for  
 14 any of the following preventive health items and services:

15 “(1) Blood-testing strips, lancets, and blood  
 16 glucose monitors for individuals with diabetes de-  
 17 scribed in section 1861(n).

18 “(2) Diabetes outpatient self-management  
 19 training services (as defined in section 1861(qq)(1)).

20 “(3) Pneumococcal, influenza, and hepatitis B  
 21 vaccines and administration described in section  
 22 1861(s)(10).

23 “(4) Screening mammography (as defined in  
 24 section 1861(jj)).

1 “(5) Screening pap smear and screening pelvic  
2 exam (as defined in paragraphs (1) and (2) of sec-  
3 tion 1861(nn), respectively).

4 “(6) Bone mass measurement (as defined in  
5 section 1861(rr)(1)).

6 “(7) Prostate cancer screening test (as defined  
7 in section 1861(oo)(1)).

8 “(8) Colorectal cancer screening test (as de-  
9 fined in section 1861(pp)(1)).

10 “(9) Screening for glaucoma (as defined in sec-  
11 tion 1861(uu)).

12 “(10) Medical nutrition therapy services (as de-  
13 fined in section 1861(vv)(1)).”.

14 (b) WAIVER OF COINSURANCE.—

15 (1) IN GENERAL.—Section 1833(a)(1)(B) (42  
16 U.S.C. 1395l(a)(1)(B)) is amended to read as fol-  
17 lows:

18 “(B) with respect to preventive health  
19 items and services described in subsection (p),  
20 the amounts paid shall be 100 percent of the  
21 fee schedule or other basis of payment under  
22 this title for the particular item or service,”.

23 (2) ELIMINATION OF COINSURANCE IN OUT-  
24 PATIENT HOSPITAL SETTINGS.—The third sentence  
25 of section 1866(a)(2)(A) (42 U.S.C.

1       1395cc(a)(2)(A)), as amended by section 101(c)(3),  
 2       is amended by inserting “preventive health items  
 3       and services described in section 1833(p) and” be-  
 4       fore “supplemental preventive health services”.

5       (c) WAIVER OF APPLICATION OF DEDUCTIBLE.—  
 6       Section 1833(b)(1) (42 U.S.C. 1395l(b)(1)) is amended  
 7       to read as follows:

8               “(1) such deductible shall not apply with re-  
 9       spect to preventive health items and services de-  
 10      scribed in subsection (p),”.

11      (d) ADDING “LANCET” TO DEFINITION OF DME.—  
 12      Section 1861(n) (42 U.S.C. 1395x(n)) is amended by  
 13      striking “blood-testing strips and blood glucose monitors”  
 14      and inserting “blood-testing strips, lancets, and blood glu-  
 15      cose monitors”.

16      (e) CONFORMING AMENDMENTS.—

17              (1) ELIMINATION OF COINSURANCE FOR CLIN-  
 18      ICAL DIAGNOSTIC LABORATORY TESTS.—Paragraphs  
 19      (1)(D)(i) and (2)(D)(i) of section 1833(a) (42  
 20      U.S.C. 1395l(a)) are each amended by inserting “or  
 21      which are described in subsection (p)” after “assign-  
 22      ment-related basis”.

23              (2) ELIMINATION OF COINSURANCE FOR CER-  
 24      TAIN DME.—Section 1834(a)(1)(A) (42 U.S.C.  
 25      1395m(a)(1)(A)) is amended by inserting “(or 100



percent, in the case of such an item described in section 1833(p))” after “80 percent”.

(3) ELIMINATION OF DEDUCTIBLES AND COINSURANCE FOR COLORECTAL CANCER SCREENING TESTS.—Section 1834(d) (42 U.S.C. 1395m(d)) is amended—

(A) in paragraph (2)(C)—

(i) by striking “(C) FACILITY PAYMENT LIMIT.—” and all that follows through “Notwithstanding subsections” and inserting the following:

“(C) FACILITY PAYMENT LIMIT.—Notwithstanding subsections”;

(ii) by striking “(I) in accordance” and inserting the following:

“(i) in accordance”;

(iii) by striking “(II) are performed” and all that follows through “payment under” and inserting the following:

“(ii) are performed in an ambulatory surgical center or hospital outpatient department, payment under”; and

(iv) by striking clause (ii); and

(B) in paragraph (3)(C)—

1 (i) by striking “(C) FACILITY PAY-  
 2 MENT LIMIT.—” and all that follows  
 3 through “Notwithstanding subsections”  
 4 and inserting the following:

5 “(C) FACILITY PAYMENT LIMIT.—Notwith-  
 6 standing subsections”; and

7 (ii) by striking clause (ii).

8 (f) EFFECTIVE DATE.—The amendments made by  
 9 this section shall apply to items and services furnished on  
 10 or after January 1, 2004.

11 **TITLE II—IMPROVING MEDI-**  
 12 **CARE FOR FAMILY CARE-**  
 13 **GIVERS BY COVERING ADULT**  
 14 **DAY SERVICES**

15 **SEC. 201. FINDINGS.**

16 Congress finds that—

17 (1) adult day services offers services, including  
 18 medical care, rehabilitation therapies, dignified as-  
 19 sistance with activities of daily living, social inter-  
 20 action, and stimulating activities, to seniors who are  
 21 frail, physically challenged, or cognitively impaired;

22 (2) access to adult day services provides seniors  
 23 and their familial caregivers support that is critical  
 24 to keeping the senior in the family home;

1           (3) more than 22,000,000 families in the  
2           United States serve as caregivers for aging or ailing  
3           seniors, nearly 1 in 4 American families, providing  
4           close to 80 percent of the care to individuals requiring long-term care;  
5

6           (4) nearly 75 percent of those actively providing  
7           such care are women who also maintain other responsibilities, such as working outside of the home  
8           and raising young children;  
9

10          (5) the average loss of income to these caregivers has been shown to be \$659,130 in wages, pension, and Social Security benefits;  
11  
12

13          (6) the loss in productivity in United States businesses ranges from \$11,000,000,000 to  
14               \$29,000,000,000 annually;  
15

16          (7) the services offered in adult day services facilities provide continuity of care and an important  
17               sense of community for both the senior and the caregiver;  
18  
19

20          (8) there are adult day services facilities in  
21               every State in the United States and the District of Columbia;  
22

23          (9) these centers generally offer transportation,  
24               meals, personal care, and counseling in addition to

1 the medical services and socialization benefits of-  
 2 fered; and

3 (10) with the need for quality options in how to  
 4 best care for our senior population about to dramati-  
 5 cally increase with the aging of the baby boomer  
 6 generation, the time to address these issues is now.

7 **SEC. 202. MEDICARE COVERAGE OF SUBSTITUTE ADULT**  
 8 **DAY SERVICES.**

9 (a) SUBSTITUTE ADULT DAY SERVICES BENEFIT.—

10 (1) IN GENERAL.—Section 1861(m) of the So-  
 11 cial Security Act (42 U.S.C. 1395x(m)) is amend-  
 12 ed—

13 (A) in the matter preceding paragraph (1),  
 14 by inserting “or (8)” after “paragraph (7)”;

15 (B) in paragraph (6), by striking “and” at  
 16 the end;

17 (C) in paragraph (7), by adding “and” at  
 18 the end; and

19 (D) by inserting after paragraph (7), the  
 20 following new paragraph:

21 “(8) substitute adult day services (as defined in  
 22 subsection (ww));”.

23 (2) SUBSTITUTE ADULT DAY SERVICES DE-  
 24 FINED.—Section 1861 of the Social Security Act (42

1 U.S.C. 1395x) is amended by adding at the end the  
2 following new subsection:

3 “Substitute Adult Day Services; Adult Day Services  
4 Facility

5 “(ww)(1)(A) The term ‘substitute adult day services’  
6 means the items and services described in subparagraph  
7 (B) that are furnished to an individual by an adult day  
8 services facility as a part of a plan under subsection (m)  
9 that substitutes such services for some or all of the items  
10 and services described in subparagraph (B)(i) furnished  
11 by a home health agency under the plan, as determined  
12 by the physician establishing the plan.

13 “(B) The items and services described in this sub-  
14 paragraph are the following items and services:

15 “(i) Items and services described in paragraphs  
16 (1) through (7) of subsection (m).

17 “(ii) Meals.

18 “(iii) A program of supervised activities de-  
19 signed to promote physical and mental health and  
20 furnished to the individual by the adult day services  
21 facility in a group setting for a period of not fewer  
22 than 4 and not greater than 12 hours per day.

23 “(iv) A medication management program (as  
24 defined in subparagraph (C)).

1       “(C) For purposes of subparagraph (B)(iv), the term  
 2 ‘medication management program’ means a program of  
 3 services, including medicine screening and patient and  
 4 health care provider education programs, that provides  
 5 services to minimize—

6           “(i) unnecessary or inappropriate use of pre-  
 7 scription drugs; and

8           “(ii) adverse events due to unintended prescrip-  
 9 tion drug-to-drug interactions.

10       “(2)(A) Except as provided in subparagraphs (B)  
 11 and (C), the term ‘adult day services facility’ means a pub-  
 12 lic agency or private organization, or a subdivision of such  
 13 an agency or organization, that—

14           “(i) is engaged in providing skilled nursing  
 15 services and other therapeutic services directly or  
 16 under arrangement with a home health agency;

17           “(ii) provides the items and services described  
 18 in paragraph (1)(B); and

19           “(iii) meets the requirements of paragraphs (2)  
 20 through (8) of subsection (o).

21       “(B) Notwithstanding subparagraph (A), the term  
 22 ‘adult day services facility’ shall include a home health  
 23 agency in which the items and services described in clauses  
 24 (ii) through (iv) of paragraph (1)(B) are provided—

1           “(i) by an adult day services program that is li-  
 2           censed or certified by a State, or accredited, to fur-  
 3           nish such items and services in the State; and

4           “(ii) under arrangements with that program  
 5           made by such agency.

6           “(C) The Secretary may waive the requirement of a  
 7           surety bond under paragraph (7) of subsection (o) in the  
 8           case of an agency or organization that provides a com-  
 9           parable surety bond under State law.”.

10          (b) PAYMENT FOR SUBSTITUTE ADULT DAY SERV-  
 11          ICES.—Section 1895 of the Social Security Act (42 U.S.C.  
 12          1395fff) is amended by adding at the end the following  
 13          new subsection:

14          “(f) PAYMENT RATE FOR SUBSTITUTE ADULT DAY  
 15          SERVICES.—

16                 “(1) PAYMENT RATE.—For purposes of making  
 17                 payments to an adult day services facility for sub-  
 18                 stitute adult day services (as defined in section  
 19                 1861(w)), the following rules shall apply:

20                         “(A)         ESTIMATION         OF         PAYMENT  
 21                         AMOUNT.—The Secretary shall estimate the  
 22                         amount that would otherwise be payable to a  
 23                         home health agency under this section for all  
 24                         home health services described in paragraph  
 25                         (1)(B)(i) of such section under the plan of care.

1           “(B) AMOUNT OF PAYMENT.—Subject to  
 2           paragraph (3)(B), the total amount payable for  
 3           substitute adult day services under the plan of  
 4           care is equal to 95 percent of the amount esti-  
 5           mated to be payable under subparagraph (A).

6           “(2) LIMITATION ON BALANCE BILLING.—An  
 7           adult day services facility shall accept as payment in  
 8           full for substitute adult day services (including those  
 9           services described in clauses (ii) through (iv) of sec-  
 10          tion 1861(w)(1)(B)) furnished by the facility to an  
 11          individual entitled to benefits under this title the  
 12          amount of payment provided under this subsection  
 13          for home health services consisting of substitute  
 14          adult day services.

15          “(3) ADJUSTMENT IN CASE OF OVERUTILIZA-  
 16          TION OF SUBSTITUTE ADULT DAY SERVICES.—

17          “(A) MONITORING EXPENDITURES.—Be-  
 18          ginning with fiscal year 2005, the Secretary  
 19          shall monitor the expenditures made under this  
 20          title for home health services, including such  
 21          services consisting of substitute adult day serv-  
 22          ices, for the fiscal year and shall compare such  
 23          expenditures to expenditures that the Secretary  
 24          estimates would have been made under this title  
 25          for home health services for the fiscal year if



1 the Improving Women's Health Act of 2003  
2 had not been enacted.

3 “(B) REQUIRED REDUCTION IN PAYMENT  
4 RATE.—If the Secretary determines, after mak-  
5 ing the comparison under subparagraph (A)  
6 and making such adjustments for changes in  
7 demographics and age of the medicare bene-  
8 ficiary population as the Secretary determines  
9 appropriate, that expenditures for home health  
10 services under the this title, including such  
11 services consisting of substitute adult day serv-  
12 ices, for the fiscal year exceed expenditures that  
13 would have been made under this title for home  
14 health services for the fiscal year if the Improv-  
15 ing Women's Health Act of 2003 not been en-  
16 acted, then the Secretary shall adjust the rate  
17 of payment to adult day services facilities under  
18 paragraph (1)(B) for home health services con-  
19 sisting of substitute adult day services fur-  
20 nished in the fiscal year in order to eliminate  
21 such excess.”.

22 (c) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to items and services furnished on  
24 or after January 1, 2004.

1 **TITLE III—IMPROVING AND EX-**  
 2 **PANDING PRENATAL CARE**  
 3 **FOR LOW-INCOME WOMEN**

4 **SEC. 301. STATE OPTION TO EXPAND OR ADD COVERAGE**  
 5 **OF CERTAIN PREGNANT WOMEN UNDER MED-**  
 6 **ICAID AND SCHIP.**

7 (a) MEDICAID.—

8 (1) AUTHORITY TO EXPAND COVERAGE.—Sec-  
 9 tion 1902(l)(2)(A)(i) (42 U.S.C. 1396a(l)(2)(A)(i))  
 10 is amended by inserting “(or such higher percentage  
 11 as the State may elect for purposes of expenditures  
 12 for medical assistance for pregnant women described  
 13 in section 1905(u)(4)(A))” after “185 percent”.

14 (2) ENHANCED MATCHING FUNDS AVAILABLE  
 15 IF CERTAIN CONDITIONS MET.—Section 1905 (42  
 16 U.S.C. 1396d) is amended—

17 (A) in the fourth sentence of subsection  
 18 (b), by striking “or subsection (u)(3)” and in-  
 19 serting “, (u)(3), or (u)(4)”; and

20 (B) in subsection (u)—

21 (i) by redesignating paragraph (4) as  
 22 paragraph (5); and

23 (ii) by inserting after paragraph (3)  
 24 the following new paragraph:

1       “(4) For purposes of the fourth sentence of sub-  
 2 section (b) and section 2105(a), the expenditures de-  
 3 scribed in this paragraph are the following:

4           “(A) CERTAIN PREGNANT WOMEN.—If the con-  
 5 ditions described in subparagraph (B) are met, ex-  
 6 penditures for medical assistance for pregnant  
 7 women described in subsection (n) or under section  
 8 1902(l)(1)(A) in a family the income of which ex-  
 9 ceeds 185 percent of the poverty line, but does not  
 10 exceed the income eligibility level established under  
 11 title XXI for a targeted low-income child.

12          “(B) CONDITIONS.—The conditions described  
 13 in this subparagraph are the following:

14           “(i) The State plans under this title and  
 15 title XXI do not provide coverage for pregnant  
 16 women described in subparagraph (A) with  
 17 higher family income without covering such  
 18 pregnant women with a lower family income.

19           “(ii) The State does not apply an effective  
 20 income level for pregnant women that is lower  
 21 than the effective income level (expressed as a  
 22 percent of the poverty line and considering ap-  
 23 plicable income disregards) that has been speci-  
 24 fied under the State plan under subsection  
 25 (a)(10)(A)(i)(III) or (l)(2)(A) of section 1902,

1 as of January 1, 2003, to be eligible for medical  
 2 assistance as a pregnant woman.

3 “(C) DEFINITION OF POVERTY LINE.—In this  
 4 subsection, the term ‘poverty line’ has the meaning  
 5 given such term in section 2110(c)(5).”.

6 (3) PAYMENT FROM TITLE XXI ALLOTMENT  
 7 FOR MEDICAID EXPANSION COSTS; ELIMINATION OF  
 8 COUNTING MEDICAID CHILD PRESUMPTIVE ELIGI-  
 9 BILITY COSTS AGAINST TITLE XXI ALLOTMENT.—  
 10 Section 2105(a)(1) (42 U.S.C. 1397ee(a)(1)) is  
 11 amended—

12 (A) in the matter preceding subparagraph  
 13 (A), by striking “(or, in the case of expendi-  
 14 tures described in subparagraph (B), the Fed-  
 15 eral medical assistance percentage (as defined  
 16 in the first sentence of section 1905(b)))”; and

17 (B) by striking subparagraph (B) and in-  
 18 serting the following new subparagraph:

19 “(B) for the provision of medical assist-  
 20 ance that is attributable to expenditures de-  
 21 scribed in section 1905(u)(4)(A);”.

22 (b) SCHIP.—

23 (1) COVERAGE.—Title XXI (42 U.S.C. 1397aa  
 24 et seq.) is amended by adding at the end the fol-  
 25 lowing new section:

1 **“SEC. 2111. OPTIONAL COVERAGE OF TARGETED LOW-IN-**  
 2 **COME PREGNANT WOMEN.**

3 “(a) OPTIONAL COVERAGE.—Notwithstanding any  
 4 other provision of this title, a State may provide for cov-  
 5 erage, through an amendment to its State child health  
 6 plan under section 2102, of pregnancy-related assistance  
 7 for targeted low-income pregnant women in accordance  
 8 with this section, but only if—

9 “(1) the State has established an income eligi-  
 10 bility level for pregnant women under subsection  
 11 (a)(10)(A)(i)(III) or (l)(2)(A) of section 1902 that is  
 12 at least 185 percent of the income official poverty  
 13 line; and

14 “(2) the State meets the conditions described in  
 15 section 1905(u)(4)(B).

16 “(b) DEFINITIONS.—For purposes of this title:

17 “(1) PREGNANCY-RELATED ASSISTANCE.—The  
 18 term ‘pregnancy-related assistance’ has the meaning  
 19 given the term child health assistance in section  
 20 2110(a) as if any reference to targeted low-income  
 21 children were a reference to targeted low-income  
 22 pregnant women, except that the assistance shall be  
 23 limited to services related to pregnancy (which in-  
 24 clude prenatal, delivery, and postpartum services  
 25 and services described in section 1905(a)(4)(C)) and  
 26 to other conditions that may complicate pregnancy.

1           “(2)   TARGETED    LOW-INCOME    PREGNANT  
2       WOMAN.—The term ‘targeted low-income pregnant  
3       woman’ means a woman—

4           “(A) during pregnancy and through the  
5       end of the month in which the 60-day period  
6       (beginning on the last day of her pregnancy)  
7       ends;

8           “(B) whose family income exceeds the ef-  
9       fective income level (expressed as a percent of  
10      the poverty line and considering applicable in-  
11      come disregards) that has been specified under  
12      subsection (a)(10)(A)(i)(III) or (l)(2)(A) of sec-  
13      tion 1902, as of January 1, 2003, to be eligible  
14      for medical assistance as a pregnant woman  
15      under title XIX but does not exceed the income  
16      eligibility level established under the State child  
17      health plan under this title for a targeted low-  
18      income child; and

19          “(C) who satisfies the requirements of  
20      paragraphs (1)(A), (1)(C), (2), and (3) of sec-  
21      tion 2110(b).

22          “(c)   REFERENCES   TO   TERMS   AND   SPECIAL  
23      RULES.—In the case of, and with respect to, a State pro-  
24      viding for coverage of pregnancy-related assistance to tar-

1 geted low-income pregnant women under subsection (a),  
2 the following special rules apply:

3 “(1) Any reference in this title (other than in  
4 subsection (b)) to a targeted low-income child is  
5 deemed to include a reference to a targeted low-in-  
6 come pregnant woman.

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

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

13 “(4) In applying section 2102(b)(3)(B), any  
14 reference to children found through screening to be  
15 eligible for medical assistance under the State med-  
16 icaid plan under title XIX is deemed a reference to  
17 pregnant women.

18 “(5) There shall be no exclusion of benefits for  
19 services described in subsection (b)(1) based on any  
20 preexisting condition and no waiting period (includ-  
21 ing any waiting period imposed to carry out section  
22 2102(b)(3)(C)) shall apply.

23 “(6) Subsection (a) of section 2103 (relating to  
24 required scope of health insurance coverage) shall  
25 not apply insofar as a State limits coverage to serv-

1       ices described in subsection (b)(1) and the reference  
2       to such section in section 2105(a)(1)(C) is deemed  
3       not to require, in such case, compliance with the re-  
4       quirements of section 2103(a).

5           “(7) In applying section 2103(e)(3)(B) in the  
6       case of a pregnant woman provided coverage under  
7       this section, the limitation on total annual aggregate  
8       cost-sharing shall be applied to such pregnant  
9       woman.

10          “(8) The reference in section 2107(e)(1)(D) to  
11       section 1920A (relating to presumptive eligibility for  
12       children) is deemed a reference to section 1920 (re-  
13       lating to presumptive eligibility for pregnant  
14       women).

15          “(d) AUTOMATIC ENROLLMENT FOR CHILDREN  
16 BORN TO WOMEN RECEIVING PREGNANCY-RELATED AS-  
17 SISTANCE.—If a child is born to a targeted low-income  
18 pregnant woman who was receiving pregnancy-related as-  
19 sistance under this section on the date of the child’s birth,  
20 the child shall be deemed to have applied for child health  
21 assistance under the State child health plan and to have  
22 been found eligible for such assistance under such plan  
23 or to have applied for medical assistance under title XIX  
24 and to have been found eligible for such assistance under  
25 such title, as appropriate, on the date of such birth and



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

10 (2) ADDITIONAL ALLOTMENTS FOR PROVIDING  
 11 COVERAGE OF PREGNANT WOMEN.—

12 (A) IN GENERAL.—Section 2104 (42  
 13 U.S.C. 1397dd) is amended by inserting after  
 14 subsection (c) the following new subsection:

15 “(d) ADDITIONAL ALLOTMENTS FOR PROVIDING  
 16 COVERAGE OF PREGNANT WOMEN.—

17 “(1) APPROPRIATION; TOTAL ALLOTMENT.—

18 For the purpose of providing additional allotments  
 19 to States under this title, there is appropriated, out  
 20 of any money in the Treasury not otherwise appro-  
 21 priated, for each of fiscal years 2004 through 2007,  
 22 \$200,000,000.

23 “(2) STATE AND TERRITORIAL ALLOTMENTS.—

24 In addition to the allotments provided under sub-  
 25 sections (b) and (c), subject to paragraphs (3) and

(4), of the amount available for the additional allotments under paragraph (1) for a fiscal year, the Secretary shall allot to each State with a State child health plan approved under this title—

“(A) in the case of such a State other than a commonwealth or territory described in subparagraph (B), the same proportion as the proportion of the State’s allotment under subsection (b) (determined without regard to subsection (f)) to the total amount of the allotments under subsection (b) for such States eligible for an allotment under this paragraph for such fiscal year; and

“(B) in the case of a commonwealth or territory described in subsection (c)(3), the same proportion as the proportion of the commonwealth’s or territory’s allotment under subsection (c) (determined without regard to subsection (f)) to the total amount of the allotments under subsection (c) for commonwealths and territories eligible for an allotment under this paragraph for such fiscal year.

“(3) USE OF ADDITIONAL ALLOTMENT.—Additional allotments provided under this subsection are not available for amounts expended before October

1        1, 2003. Such amounts are available for amounts ex-  
 2        pended on or after such date for child health assist-  
 3        ance for targeted low-income children, as well as for  
 4        pregnancy-related assistance for targeted low-income  
 5        pregnant women.

6            “(4) NO PAYMENTS UNLESS ELECTION TO EX-  
 7        PAND COVERAGE OF PREGNANT WOMEN.—No pay-  
 8        ments may be made to a State under this title from  
 9        an allotment provided under this subsection unless  
 10       the State provides pregnancy-related assistance for  
 11       targeted low-income pregnant women under this  
 12       title, or provides medical assistance for pregnant  
 13       women under title XIX, whose family income ex-  
 14       ceeds the effective income level applicable under sub-  
 15       section (a)(10)(A)(i)(III) or (l)(2)(A) of section  
 16       1902 to a family of the size involved as of January  
 17       1, 2003.”.

18            (B) CONFORMING AMENDMENTS.—Section  
 19        2104 (42 U.S.C. 1397dd) is amended—

20            (i) in subsection (a), in the matter  
 21        preceding paragraph (1), by inserting  
 22        “subject to subsection (d),” after “under  
 23        this section,”;

1 (ii) in subsection (b)(1), by inserting  
 2 “and subsection (d)” after “Subject to  
 3 paragraph (4)”; and

4 (iii) in subsection (c)(1), by inserting  
 5 “subject to subsection (d),” after “for a  
 6 fiscal year,”.

7 (3) ADDITIONAL CONFORMING AMENDMENTS.—

8 (A) NO COST-SHARING FOR PREGNANCY-  
 9 RELATED BENEFITS.—Section 2103(e)(2) (42  
 10 U.S.C. 1397cc(e)(2)) is amended—

11 (i) in the heading, by inserting “OR  
 12 PREGNANCY-RELATED SERVICES” after  
 13 “PREVENTIVE SERVICES”; and

14 (ii) by inserting before the period at  
 15 the end the following: “or for pregnancy-  
 16 related services”.

17 (B) NO WAITING PERIOD.—Section  
 18 2102(b)(1)(B) (42 U.S.C. 1397bb(b)(1)(B)) is  
 19 amended—

20 (i) in clause (i), by striking “, and” at  
 21 the end and inserting a semicolon;

22 (ii) in clause (ii), by striking the pe-  
 23 riod at the end and inserting “; and”; and

24 (iii) by adding at the end the fol-  
 25 lowing new clause:

1 “(iii) may not apply a waiting period  
 2 (including a waiting period to carry out  
 3 paragraph (3)(C)) in the case of a targeted  
 4 low-income pregnant woman.”.

5 (c) OTHER AMENDMENTS TO MEDICAID.—

6 (1) ELIGIBILITY OF A NEWBORN.—Section  
 7 1902(e)(4) (42 U.S.C. 1396a(e)(4)) is amended in  
 8 the first sentence by striking “so long as the child  
 9 is a member of the woman’s household and the  
 10 woman remains (or would remain if pregnant) eligi-  
 11 ble for such assistance”.

12 (2) APPLICATION OF QUALIFIED ENTITIES TO  
 13 PRESUMPTIVE ELIGIBILITY FOR PREGNANT WOMEN  
 14 UNDER MEDICAID.—Section 1920(b) (42 U.S.C.  
 15 1396r–1(b)) is amended by adding after paragraph  
 16 (2) the following flush sentence:

17 “The term ‘qualified provider’ includes a qualified entity  
 18 as defined in section 1920A(b)(3).”.

19 (d) EFFECTIVE DATE.—The amendments made by  
 20 this section apply to items and services furnished on or  
 21 after October 1, 2003, without regard to whether regula-  
 22 tions implementing such amendments have been promul-  
 23 gated.

1 **SEC. 302. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS**  
2 **UNDER THE MEDICAID PROGRAM AND SCHIP.**

3 (a) MEDICAID PROGRAM.—Section 1903(v) (42  
4 U.S.C. 1396b(v)) is amended—

5 (1) in paragraph (1), by striking “paragraph  
6 (2)” and inserting “paragraphs (2) and (4)”; and

7 (2) by adding at the end the following new  
8 paragraph:

9 “(4)(A) A State may elect (in a plan amendment  
10 under this title) to provide medical assistance under this  
11 title for aliens who are lawfully residing in the United  
12 States (including battered aliens described in section  
13 431(c) of the Personal Responsibility and Work Oppor-  
14 tunity Reconciliation Act of 1996) and who are otherwise  
15 eligible for such assistance, within any of the following eli-  
16 gibility categories:

17 “(i) PREGNANT WOMEN.—Women during preg-  
18 nancy (and during the 60-day period beginning on  
19 the last day of the pregnancy).

20 “(ii) CHILDREN.—Children (as defined under  
21 such plan), including optional targeted low-income  
22 children described in section 1905(u)(2)(B).

23 “(B)(i) In the case of a State that has elected to pro-  
24 vide medical assistance to a category of aliens under sub-  
25 paragraph (A), no debt shall accrue under an affidavit of  
26 support against any sponsor of such an alien on the basis

1 of provision of assistance to such category and the cost  
 2 of such assistance shall not be considered as an unreim-  
 3 bursed cost.

4 “(ii) The provisions of sections 401(a), 402(b), 403,  
 5 and 421 of the Personal Responsibility and Work Oppor-  
 6 tunity Reconciliation Act of 1996 shall not apply to a  
 7 State that makes an election under subparagraph (A).”.

8 (b) TITLE XXI.—Section 2107(e)(1) (42 U.S.C.  
 9 1397gg(e)(1)) is amended by adding at the end the fol-  
 10 lowing new subparagraph:

11 “(E) Section 1903(v)(4) (relating to op-  
 12 tional coverage of permanent resident alien chil-  
 13 dren), but only if the State has elected to apply  
 14 such section to that category of children under  
 15 title XIX.”.

16 (c) EFFECTIVE DATE.—The amendments made by  
 17 this section take effect on October 1, 2003, and apply to  
 18 medical assistance and child health assistance furnished  
 19 on or after such date.

20 **SEC. 303. PROMOTING CESSATION OF TOBACCO USE**  
 21 **UNDER THE MEDICAID PROGRAM.**

22 (a) DROPPING EXCEPTION FROM MEDICAID PRE-  
 23 SCRIPTIION DRUG COVERAGE FOR TOBACCO CESSATION  
 24 MEDICATIONS.—Section 1927(d)(2) (42 U.S.C. 1396r-  
 25 8(d)(2)) is amended—

1 (1) by striking subparagraph (E);

2 (2) by redesignating subparagraphs (F)  
3 through (J) as subparagraphs (E) through (I), re-  
4 spectively; and

5 (3) in subparagraph (F) (as redesignated by  
6 paragraph (2)), by inserting before the period at the  
7 end the following: “, except agents approved by the  
8 Food and Drug Administration for purposes of pro-  
9 moting, and when used to promote, tobacco ces-  
10 sation”.

11 (b) REQUIRING COVERAGE OF TOBACCO CESSATION  
12 COUNSELING SERVICES FOR PREGNANT WOMEN.—Sec-  
13 tion 1905(a)(4) (42 U.S.C. 1396d(a)(4)) is amended—

14 (1) by striking “and” before “(C)”; and

15 (2) by inserting before the semicolon at the end  
16 the following new subparagraph: “; and (D) coun-  
17 seling for cessation of tobacco use (as defined in sec-  
18 tion 1861(ww)) for pregnant women”.

19 (c) REMOVAL OF COST-SHARING FOR TOBACCO CES-  
20 SATION COUNSELING SERVICES FOR PREGNANT  
21 WOMEN.—Section 1916 (42 U.S.C. 1396o) is amended in  
22 each of subsections (a)(2)(B) and (b)(2)(B) by inserting  
23 “, and counseling for cessation of tobacco use (as defined  
24 in section 1861(ww))” after “complicate the pregnancy”.



1 (d) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply to services furnished on or after  
 3 the date that is 1 year after the date of enactment of this  
 4 Act.

5 **SEC. 304. PROMOTING CESSATION OF TOBACCO USE**  
 6 **UNDER THE MATERNAL AND CHILD HEALTH**  
 7 **SERVICES BLOCK GRANT PROGRAM.**

8 (a) QUALITY MATERNAL AND CHILD HEALTH SERV-  
 9 ICES INCLUDES TOBACCO CESSATION COUNSELING AND  
 10 MEDICATIONS.—Section 501 (42 U.S.C. 701) is amended  
 11 by adding at the end the following new subsection:

12 “(c) For purposes of this title, counseling for ces-  
 13 sation of tobacco use (as defined in section 1861(vv)),  
 14 drugs and biologicals used to promote smoking cessation,  
 15 and the inclusion of antitobacco messages in health pro-  
 16 motion counseling shall be considered to be part of quality  
 17 maternal and child health services.”.

18 (b) EFFECTIVE DATE.—The amendment made by  
 19 subsection (a) shall take effect on the date that is 1 year  
 20 after the date of enactment of this Act.

1 **SEC. 305. STATE OPTION TO PROVIDE FAMILY PLANNING**  
 2 **SERVICES AND SUPPLIES TO INDIVIDUALS**  
 3 **WITH INCOMES THAT DO NOT EXCEED A**  
 4 **STATE'S INCOME ELIGIBILITY LEVEL FOR**  
 5 **MEDICAL ASSISTANCE.**

6 (a) IN GENERAL.—Title XIX (42 U.S.C. 1396 et  
 7 seq.) is amended—

8 (1) by redesignating section 1935 as section  
 9 1936; and

10 (2) by inserting after section 1934 the following  
 11 new section:

12 “STATE OPTION TO PROVIDE FAMILY PLANNING  
 13 SERVICES AND SUPPLIES

14 “SEC. 1935. (a) IN GENERAL.—Subject to sub-  
 15 sections (b) and (c), a State may elect (through a State  
 16 plan amendment) to make medical assistance described in  
 17 section 1905(a)(4)(C) available to any individual whose  
 18 family income does not exceed the greater of—

19 “(1) 185 percent of the income official poverty  
 20 line (as defined by the Office of Management and  
 21 Budget, and revised annually in accordance with sec-  
 22 tion 673(2) of the Omnibus Budget Reconciliation  
 23 Act of 1981) applicable to a family of the size in-  
 24 volved; or

25 “(2) the eligibility income level (expressed as a  
 26 percentage of such poverty line) that has been speci-

1       fied under a waiver authorized by the Secretary or  
2       under section 1902(r)(2)), as of October 1, 2003,  
3       for an individual to be eligible for medical assistance  
4       under the State plan.

5       “(b) COMPARABILITY.—Medical assistance described  
6       in section 1905(a)(4)(C) that is made available under a  
7       State plan amendment under subsection (a) shall—

8               “(1) not be less in amount, duration, or scope  
9       than the medical assistance described in that section  
10      that is made available to any other individual under  
11      the State plan; and

12              “(2) be provided in accordance with the restric-  
13      tions on deductions, cost sharing, or similar charges  
14      imposed under section 1916(a)(2)(D).

15      “(c) OPTION TO EXTEND COVERAGE DURING A  
16      POST-ELIGIBILITY PERIOD.—

17              “(1) INITIAL PERIOD.—A State plan amend-  
18      ment made under subsection (a) may provide that  
19      any individual who was receiving medical assistance  
20      described in section 1905(a)(4)(C) as a result of  
21      such amendment, and who becomes ineligible for  
22      such assistance because of hours of, or income from,  
23      employment, may remain eligible for such medical  
24      assistance through the end of the 6-month period

1       that begins on the first day the individual becomes  
2       so ineligible.

3               “(2) ADDITIONAL EXTENSION.—A State plan  
4       amendment made under subsection (a) may provide  
5       that any individual who has received medical assist-  
6       ance described in section 1905(a)(4)(C) during the  
7       entire 6-month period described in paragraph (1)  
8       may be extended coverage for such assistance for a  
9       succeeding 6-month period.”.

10       (b) EFFECTIVE DATE.—The amendments made by  
11       subsection (a) apply to medical assistance provided on and  
12       after October 1, 2003.

13       **SEC. 306. STATE OPTION TO EXTEND THE POSTPARTUM PE-**  
14                               **RIOD FOR PROVISION OF FAMILY PLANNING**  
15                               **SERVICES AND SUPPLIES.**

16       (a) IN GENERAL.—Section 1902(e)(5) (42 U.S.C.  
17       1396a(e)(5)) is amended—

18               (1) by striking “eligible under the plan, as  
19       though” and inserting “eligible under the plan—

20               “(A) as though”;

21               (2) by striking the period and inserting “;  
22       and”; and

23               (3) by adding at the end the following new sub-  
24       paragraph:

1           “(B) for medical assistance described in section  
2       1905(a)(4)(C) for so long as the family income of  
3       such woman does not exceed the maximum income  
4       level established by the State for the woman to be  
5       eligible for medical assistance under the State plan  
6       (as a result of pregnancy or otherwise).”.

7       (b) EFFECTIVE DATE.—The amendments made by  
8       subsection (a) apply to medical assistance provided on and  
9       after October 1, 2003.

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