

108TH CONGRESS
1ST SESSION

S. 312

AN ACT

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.

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. EXTENSION OF AVAILABILITY OF SCHIP ALLOT-**
2 **MENTS FOR FISCAL YEARS 1998 THROUGH**
3 **2001.**

4 (a) **EXTENDING AVAILABILITY OF SCHIP ALLOT-**
5 **MENTS FOR FISCAL YEARS 1998 THROUGH 2001.—**

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

12 (2) **EXTENSION AND REVISION OF RETAINED**
13 **AND REDISTRIBUTED ALLOTMENTS FOR FISCAL**
14 **YEAR 2000.—**

15 (A) **PERMITTING AND EXTENDING RETEN-**
16 **TION OF PORTION OF FISCAL YEAR 2000 ALLOT-**
17 **MENT.—**Paragraph (2) of such section 2104(g)
18 **is amended—**

19 (i) **in the heading, by striking “AND**
20 **1999” and inserting “THROUGH 2000”; and**

21 (ii) **by adding at the end of subpara-**
22 **graph (A) the following:**

23 “(iii) **FISCAL YEAR 2000 ALLOT-**
24 **MENT.—**Of the amounts allotted to a State
25 **pursuant to this section for fiscal year**
26 **2000 that were not expended by the State**

1 by the end of fiscal year 2002, 50 percent
 2 of that amount shall remain available for
 3 expenditure by the State through the end
 4 of fiscal year 2004.”.

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

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

10 (ii) in subparagraph (A), by striking
 11 “1998 or 1999” and inserting “1998,
 12 1999, or 2000”;

13 (iii) in subparagraph (A)(i)—

14 (I) by striking “or” at the end of
 15 subclause (I),

16 (II) by striking the period at the
 17 end of subclause (II) and inserting “;
 18 or”;

19 (III) by adding at the end the
 20 following new subclause:

21 “(III) the fiscal year 2000 allot-
 22 ment, the amount specified in sub-
 23 paragraph (C)(i) (less the total of the
 24 amounts under clause (ii) for such fis-
 25 cal year), multiplied by the ratio of

1 the amount specified in subparagraph
 2 (C)(ii) for the State to the amount
 3 specified in subparagraph (C)(iii).”;

4 (iv) in subparagraph (A)(ii), by strik-
 5 ing “or 1999” and inserting “, 1999, or
 6 2000”;

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

9 (vi) in subparagraph (B)(ii)—

10 (I) by inserting “with respect to
 11 fiscal year 1998, 1999, or 2000,”
 12 after “subsection (e),”; and

13 (II) by striking “2002” and in-
 14 serting “2004”; and

15 (vii) by adding at the end the fol-
 16 lowing new subparagraph:

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

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

1 “(ii) the amount specified in this
2 clause for a State is the amount by which
3 the State’s expenditures under this title in
4 fiscal years 2000, 2001, and 2002 exceed
5 the State’s allotment for fiscal year 2000
6 under subsection (b); and

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

12 (C) CONFORMING AMENDMENTS.—Such
13 section 2104(g) is further amended—

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

17 (ii) in paragraph (3)—

18 (I) by striking “or fiscal year
19 1999” and inserting “, fiscal year
20 1999, or fiscal year 2000”; and

21 (II) by striking “or November
22 30, 2001” and inserting “November
23 30, 2001, or November 30, 2002”, re-
24 spectively.

1 (3) EXTENSION AND REVISION OF RETAINED
2 AND REDISTRIBUTED ALLOTMENTS FOR FISCAL
3 YEAR 2001.—

4 (A) PERMITTING AND EXTENDING RETEN-
5 TION OF PORTION OF FISCAL YEAR 2001 ALLOT-
6 MENT.—Paragraph (2) of such section 2104(g),
7 as amended in paragraph (2)(A)(ii), is further
8 amended—

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

11 (ii) by adding at the end of subpara-
12 graph (A) the following:

13 “(iv) FISCAL YEAR 2001 ALLOT-
14 MENT.—Of the amounts allotted to a State
15 pursuant to this section for fiscal year
16 2001 that were not expended by the State
17 by the end of fiscal year 2003, 50 percent
18 of that amount shall remain available for
19 expenditure by the State through the end
20 of fiscal year 2005.”.

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

- 1 (i) in subparagraph (A), by inserting
2 “or for fiscal year 2001 by the end of fis-
3 cal year 2003,” after “fiscal year 2002,”;
- 4 (ii) in subparagraph (A), by striking
5 “1999, or 2000” and inserting “1999,
6 2000, or 2001”;
- 7 (iii) in subparagraph (A)(i)—
- 8 (I) by striking “or” at the end of
9 subclause (II),
- 10 (II) by striking the period at the
11 end of subclause (III) and inserting “;
12 or”; and
- 13 (III) by adding at the end the
14 following new subclause:
- 15 “(IV) the fiscal year 2001 allot-
16 ment, the amount specified in sub-
17 paragraph (D)(i) (less the total of the
18 amounts under clause (ii) for such fis-
19 cal year), multiplied by the ratio of
20 the amount specified in subparagraph
21 (D)(ii) for the State to the amount
22 specified in subparagraph (D)(iii).”;
- 23 (iv) in subparagraph (A)(ii), by strik-
24 ing “or 2000” and inserting “2000, or
25 2001”;

1 (v) in subparagraph (B)—

2 (I) by striking “and” at the end
3 of clause (ii);

4 (II) by redesignating clause (iii)
5 as clause (iv); and

6 (III) by inserting after clause (ii)
7 the following new clause:

8 “(iii) notwithstanding subsection (e),
9 with respect to fiscal year 2001, shall re-
10 main available for expenditure by the State
11 through the end of fiscal year 2005; and”;
12 and

13 (vi) by adding at the end the following
14 new subparagraph:

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

18 “(i) the amount specified in this
19 clause is the amount specified in para-
20 graph (2)(B)(i)(I) for fiscal year 2001, less
21 the total amount remaining available pur-
22 suant to paragraph (2)(A)(iv);

23 “(ii) the amount specified in this
24 clause for a State is the amount by which
25 the State’s expenditures under this title in

1 fiscal years 2001, 2002, and 2003 exceed
2 the State's allotment for fiscal year 2001
3 under subsection (b); and

4 “(iii) the amount specified in this
5 clause is the sum, for all States entitled to
6 a redistribution under subparagraph (A)
7 from the allotments for fiscal year 2001, of
8 the amounts specified in clause (ii).”.

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

11 (i) in its heading, by striking “AND
12 2000” and inserting “2000, AND 2001”;
13 and

14 (ii) in paragraph (3)—

15 (I) by striking “or fiscal year
16 2000” and inserting “fiscal year
17 2000, or fiscal year 2001”; and

18 (II) by striking “or November
19 30, 2002,” and inserting “November
20 30, 2002, or November 30, 2003,”,
21 respectively.

22 (4) EFFECTIVE DATE.—This subsection, and
23 the amendments made by this subsection, shall be
24 effective as if this subsection had been enacted on
25 September 30, 2002, and amounts under title XXI

1 of the Social Security Act (42 U.S.C. 1397aa et
 2 seq.) from allotments for fiscal years 1998 through
 3 2000 are available for expenditure on and after Oc-
 4 tober 1, 2002, under the amendments made by this
 5 subsection as if this subsection had been enacted on
 6 September 30, 2002.

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

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

14 “(1) STATE OPTION.—

15 “(A) IN GENERAL.—Notwithstanding any
 16 other provision of law, with respect to allot-
 17 ments for fiscal years 1998, 1999, 2000, 2001,
 18 for fiscal years in which such allotments are
 19 available under subsections (e) and (g) of sec-
 20 tion 2104, a qualifying State (as defined in
 21 paragraph (2)) may elect to use not more than
 22 20 percent of such allotments (instead of for
 23 expenditures under this title) for payments for
 24 such fiscal year under title XIX in accordance
 25 with subparagraph (B).

1 “(B) PAYMENTS TO STATES.—

2 “(i) IN GENERAL.—In the case of a
3 qualifying State that has elected the option
4 described in subparagraph (A), subject to
5 the total amount of funds described with
6 respect to the State in subparagraph (A),
7 the Secretary shall pay the State an
8 amount each quarter equal to the addi-
9 tional amount that would have been paid
10 to the State under title XIX for expendi-
11 tures of the State for the fiscal year de-
12 scribed in clause (ii) if the enhanced
13 FMAP (as determined under subsection
14 (b)) had been substituted for the Federal
15 medical assistance percentage (as defined
16 in section 1905(b)) of such expenditures.

17 “(ii) EXPENDITURES DESCRIBED.—
18 For purposes of clause (i), the expendi-
19 tures described in this clause are expendi-
20 tures for such fiscal years for providing
21 medical assistance under title XIX to indi-
22 viduals who have not attained age 19 and
23 whose family income exceeds 150 percent
24 of the poverty line.

1 “(iii) NO IMPACT ON DETERMINATION
 2 OF BUDGET NEUTRALITY FOR WAIVERS.—
 3 In the case of a qualifying State that uses
 4 amounts paid under this subsection for ex-
 5 penditures described in clause (ii) that are
 6 incurred under a waiver approved for the
 7 State, any budget neutrality determina-
 8 tions with respect to such waiver shall be
 9 determined without regard to such
 10 amounts paid.

11 “(2) QUALIFYING STATE.—In this subsection,
 12 the term ‘qualifying State’ means a State that—

13 “(A) as of April 15, 1997, has an income
 14 eligibility standard with respect to any 1 or
 15 more categories of children (other than infants)
 16 who are eligible for medical assistance under
 17 section 1902(a)(10)(A) or under a waiver under
 18 section 1115 implemented on January 1, 1994,
 19 that is up to 185 percent of the poverty line or
 20 above; and

21 “(B) satisfies the requirements described
 22 in paragraph (3).

23 “(3) REQUIREMENTS.—The requirements de-
 24 scribed in this paragraph are the following:

1 “(A) SCHIP INCOME ELIGIBILITY.—The
2 State has a State child health plan that (wheth-
3 er implemented under title XIX or this title)—

4 “(i) as of January 1, 2001, has an in-
5 come eligibility standard that is at least
6 200 percent of the poverty line or has an
7 income eligibility standard that exceeds
8 200 percent of the poverty line under a
9 waiver under section 1115 that is based on
10 a child’s lack of health insurance;

11 “(ii) subject to subparagraph (B),
12 does not limit the acceptance of applica-
13 tions for children; and

14 “(iii) provides benefits to all children
15 in the State who apply for and meet eligi-
16 bility standards on a statewide basis.

17 “(B) NO WAITING LIST IMPOSED.—With
18 respect to children whose family income is at or
19 below 200 percent of the poverty line, the State
20 does not impose any numerical limitation, wait-
21 ing list, or similar limitation on the eligibility of
22 such children for child health assistance under
23 such State plan.

24 “(C) ADDITIONAL REQUIREMENTS.—The
25 State has implemented at least 3 of the fol-

1 lowing policies and procedures (relating to cov-
2 erage of children under title XIX and this title):

3 “(i) UNIFORM, SIMPLIFIED APPLICA-
4 TION FORM.—With respect to children who
5 are eligible for medical assistance under
6 section 1902(a)(10)(A), the State uses the
7 same uniform, simplified application form
8 (including, if applicable, permitting appli-
9 cation other than in person) for purposes
10 of establishing eligibility for benefits under
11 title XIX and this title.

12 “(ii) ELIMINATION OF ASSET TEST.—
13 The State does not apply any asset test for
14 eligibility under section 1902(l) or this title
15 with respect to children.

16 “(iii) ADOPTION OF 12-MONTH CON-
17 TINUOUS ENROLLMENT.—The State pro-
18 vides that eligibility shall not be regularly
19 redetermined more often than once every
20 year under this title or for children de-
21 scribed in section 1902(a)(10)(A).

22 “(iv) SAME VERIFICATION AND REDE-
23 TERMINATION POLICIES; AUTOMATIC REAS-
24 SESSMENT OF ELIGIBILITY.—With respect
25 to children who are eligible for medical as-

1 assistance under section 1902(a)(10)(A), the
2 State provides for initial eligibility deter-
3 minations and redeterminations of eligi-
4 bility using the same verification policies
5 (including with respect to face-to-face
6 interviews), forms, and frequency as the
7 State uses for such purposes under this
8 title, and, as part of such redetermina-
9 tions, provides for the automatic reassess-
10 ment of the eligibility of such children for
11 assistance under title XIX and this title.

12 “(v) OUTSTATIONING ENROLLMENT
13 STAFF.—The State provides for the receipt
14 and initial processing of applications for
15 benefits under this title and for children
16 under title XIX at facilities defined as dis-
17 proportionate share hospitals under section
18 1923(a)(1)(A) and Federally-qualified
19 health centers described in section
20 1905(l)(2)(B) consistent with section
21 1902(a)(55).”.

22 **SEC. 2. TECHNICAL CORRECTION.**

23 (a) TEMPORARY INCREASE OF THE MEDICAID
24 FMAP.—Section 401(a)(6)(A) of the Jobs and Growth
25 Tax Relief Reconciliation Act of 2003 (Public Law 108–

1 027) is amended by inserting “after September 2, 2003,”
2 after “(42 U.S.C. 1315))”.

3 (b) **RETROACTIVE EFFECTIVE DATE.**—The amend-
4 ment made by subsection (a) shall take effect as if in-
5 cluded in the enactment of section 401 of the Jobs and
6 Growth Tax Relief Reconciliation Act of 2003 (Public Law
7 108–027).

Passed the Senate June 26, 2003.

Attest:

Secretary.

108TH CONGRESS
1ST SESSION

S. 312

AN ACT

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.