Calendar No. 412

110TH CONGRESS 1ST SESSION

S. 2152

To amend title XXI of the Social Security Act to reauthorize the State Children's Health Insurance Program through fiscal year 2012, and for other purposes

IN THE SENATE OF THE UNITED STATES

OCTOBER 4, 2007

Mr. McConnell (for himself, Mr. Lott, Mr. Kyl, Mr. Gregg, Mr. Enzi, Mr. Bunning, Mr. Coburn, Mr. Allard, Mr. Demint, Mr. Cornyn, Mr. Inhofe, Mrs. Dole, Mr. Vitter, Mr. Burr, Mr. Bennett, Mr. Barrasso, Mr. Isakson, Mr. Cochran, and Mr. Ensign) introduced the following bill; which was read the first time

October 5, 2007

Read the second time and ordered to be placed on the calendar

A BILL

To amend title XXI of the Social Security Act to reauthorize the State Children's Health Insurance Program through fiscal year 2012, 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; TABLE OF CONTENTS.
- 4 (a) Short Title.—This Act may be cited as the
- 5 "Kids First Act".

1 (b) Table of Contents for

2 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. 5-Year reauthorization.
- Sec. 3. Allotments for the 50 States and the District of Columbia based on expenditures and numbers of low-income children.
- Sec. 4. Limitations on matching rates for populations other than low-income children or pregnant women covered through a section 1115 waiver.
- Sec. 5. Prohibition on new section 1115 waivers for coverage of adults other than pregnant women.
- Sec. 6. Standardization of determination of family income.
- Sec. 7. Grants for outreach and enrollment.
- Sec. 8. Improved State option for offering premium assistance for coverage through private plans.
- Sec. 9. Treatment of unborn children.
- Sec. 10. 50 percent matching rate for all Medicaid administrative costs.
- Sec. 11. Reduction in payments for Medicaid administrative costs to prevent duplication of such payments under TANF.
- Sec. 12. Effective date.

3 SEC. 2. 5-YEAR REAUTHORIZATION.

- 4 (a) Increase in National Allotment.—Section
- 5 2104(a) of the Social Security Act (42 U.S.C. 1397dd(a))
- 6 is amended—
- 7 (1) in paragraph (9), by striking "and" at the
- 8 end;
- 9 (2) in paragraph (10), by striking the period at
- the end and inserting a semicolon; and
- 11 (3) by adding at the end the following:
- 12 "(11) for fiscal year 2008, \$7,000,000,000;
- "(12) for fiscal year 2009, \$7,200,000,000;
- 14 "(13) for fiscal year 2010, \$7,600,000,000;
- 15 "(14) for fiscal year 2011, \$8,300,000,000; and
- "(15) for fiscal year 2012, \$8,800,000,000.".

1	(b) Continuation of Additional Allotments to
2	Territories.—Section 2104(c)(4)(B) of the Social Secu-
3	rity Act (42 U.S.C. 1397dd(c)(4)(B)) is amended—
4	(1) by striking "and" after "2006,"; and
5	(2) by inserting before the period the following:
6	", \$56,000,000 for fiscal year 2008, \$58,000,000
7	for fiscal year 2009, \$61,000,000 for fiscal year
8	2010, \$66,000,000 for fiscal year 2011, and
9	\$70,000,000 for fiscal year 2012".
10	SEC. 3. ALLOTMENTS FOR THE 50 STATES AND THE DIS-
11	TRICT OF COLUMBIA BASED ON EXPENDI-
12	TURES AND NUMBERS OF LOW-INCOME CHIL-
13	DREN.
14	(a) In General.—Section 2104 of the Social Secu-
14 15	(a) IN GENERAL.—Section 2104 of the Social Security Act (42 U.S.C. 1397dd) is amended by adding at the
15	rity Act (42 U.S.C. 1397dd) is amended by adding at the
15 16 17	rity Act (42 U.S.C. 1397dd) is amended by adding at the end the following new subsection:
15 16 17	rity Act (42 U.S.C. 1397dd) is amended by adding at the end the following new subsection: "(i) DETERMINATION OF ALLOTMENTS FOR THE 50
15 16 17 18	rity Act (42 U.S.C. 1397dd) is amended by adding at the end the following new subsection: "(i) DETERMINATION OF ALLOTMENTS FOR THE 50 STATES AND THE DISTRICT OF COLUMBIA FOR FISCAL
15 16 17 18	rity Act (42 U.S.C. 1397dd) is amended by adding at the end the following new subsection: "(i) Determination of Allotments for the 50 States and the District of Columbia for Fiscal Years 2008 Through 2012.—
115 116 117 118 119 220	rity Act (42 U.S.C. 1397dd) is amended by adding at the end the following new subsection: "(i) Determination of Allotments for the 50 states and the District of Columbia for Fiscal Years 2008 Through 2012.— "(1) In General.—Notwithstanding the pre-
15 16 17 18 19 20 21	rity Act (42 U.S.C. 1397dd) is amended by adding at the end the following new subsection: "(i) Determination of Allotments for the 50 States and the District of Columbia for Fiscal Years 2008 Through 2012.— "(1) In General.—Notwithstanding the preceding provisions of this subsection and subject to
15 16 17 18 19 20 21	rity Act (42 U.S.C. 1397dd) is amended by adding at the end the following new subsection: "(i) Determination of Allotments for the 50 States and the District of Columbia for Fiscal Years 2008 Through 2012.— "(1) In General.—Notwithstanding the preceding provisions of this subsection and subject to paragraph (3), the Secretary shall allot to each sub-

1	"(A) the amount available for allotment
2	under subsection (a) for the fiscal year, reduced
3	by the amount of allotments made under sub-
4	section (c) (determined without regard to para-
5	graph (4) thereof) for the fiscal year; and
6	"(B) the sum of the State allotment fac-
7	tors determined under paragraph (2) with re-
8	spect to the State and weighted in accordance
9	with subparagraph (B) of that paragraph for
10	the fiscal year.
11	"(2) State allotment factors.—
12	"(A) In general.—For purposes of para-
13	graph (1)(B), the State allotment factors are
14	the following:
15	"(i) The ratio of the projected expend-
16	itures for targeted low-income children
17	under the State child health plan and preg-
18	nant women under a waiver of such plan
19	for the fiscal year to the sum of such pro-
20	jected expenditures for all States for the
21	fiscal year, multiplied by the applicable
22	percentage weight assigned under subpara-
23	graph (B).
24	"(ii) The ratio of the number of low-
25	income children who have not attained age

19 with no health insurance coverage in the State, as determined by the Secretary on the basis of the arithmetic average of the number of such children for the 3 most recent Annual Social and Economic Supplements to the Current Population Survey of the Bureau of the Census available before the beginning of the calendar year before such fiscal year begins, to the sum of the number of such children determined for all States for such fiscal year, multiplied by the applicable percentage weight assigned under subparagraph (B).

"(iii) The ratio of the projected expenditures for targeted low-income children under the State child health plan and pregnant women under a waiver of such plan for the preceding fiscal year to the sum of such projected expenditures for all States for such preceding fiscal year, multiplied by the applicable percentage weight assigned under subparagraph (B).

"(iv) The ratio of the actual expenditures for targeted low-income children under the State child health plan and preg-

1	nant women under a waiver of such plan
2	for the second preceding fiscal year to the
3	sum of such actual expenditures for all
4	States for such second preceding fiscal
5	year, multiplied by the applicable percent-
6	age weight assigned under subparagraph
7	(B).
8	"(B) Assignment of Weights.—For
9	each of fiscal years 2008 through 2012, the fol-
10	lowing percentage weights shall be applied to
11	the ratios determined under subparagraph (A)
12	for each such fiscal year:
13	"(i) 40 percent for the ratio deter-
14	mined under subparagraph (A)(i).
15	"(ii) 5 percent for the ratio deter-
16	mined under subparagraph (A)(ii).
17	"(iii) 50 percent for the ratio deter-
18	mined under subparagraph (A)(iii).
19	"(iv) 5 percent for the ratio deter-
20	mined under subparagraph (A)(iv).
21	"(C) DETERMINATION OF PROJECTED AND
22	ACTUAL EXPENDITURES.—For purposes of sub-
23	paragraph (A):
24	"(i) Projected expenditures.—
25	The projected expenditures described in

1	clauses (i) and (iii) of such subparagraph
2	with respect to a fiscal year shall be deter-
3	mined on the basis of amounts reported by
4	States to the Secretary on the May 15th
5	submission of Form CMS-37 and Form
6	CMS-21B submitted not later than June
7	30th of the fiscal year preceding such year.
8	"(ii) Actual expenditures.—The
9	actual expenditures described in clause (iv)
10	of such subparagraph with respect to a
11	second preceding fiscal year shall be deter-
12	mined on the basis of amounts reported by
13	States to the Secretary on Form CMS-64
14	and Form CMS-21 submitted not later
15	than November 30 of the preceding fiscal
16	year.".
17	(b) 2-Year Availability of Allotments; Ex-
18	PENDITURES COUNTED AGAINST OLDEST ALLOT-
19	MENTS.—Section 2104(e) of the Social Security Act (42
20	U.S.C. 1397dd(e)) is amended to read as follows:
21	"(e) Availability of Amounts Allotted.—
22	"(1) In general.—Except as provided in the
23	succeeding paragraphs of this subsection, amounts
24	allotted to a State pursuant to this section—

- "(A) for each of fiscal years 1998 through 2 2007, shall remain available for expenditure by 3 the State through the end of the second suc-4 ceeding fiscal year; and
 - "(B) for each of fiscal years 2008 through 2012, shall remain available for expenditure by the State only through the end of the succeeding fiscal year for which such amounts are allotted.
 - "(2) ELIMINATION OF REDISTRIBUTION OF AL-LOTMENTS NOT EXPENDED WITHIN 3 YEARS.—Notwithstanding subsection (f), amounts allotted to a State under this section for fiscal years beginning with fiscal year 2008 that remain unexpended as of the end of the second succeeding fiscal year shall not be redistributed to other States and shall revert to the Treasury on October 1 of the third succeeding fiscal year.
 - "(3) RULE FOR COUNTING EXPENDITURES AGAINST FISCAL YEAR ALLOTMENTS.—Expenditures under the State child health plan made on or after October 1, 2007, shall be counted against allotments for the earliest fiscal year for which funds are available for expenditure under this subsection.".
- 25 (c) Conforming Amendments.—

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1	(1) Section 2104(b)(1) of the Social Security
2	Act (42 U.S.C. 1397dd(b)(1)) is amended by strik-
3	ing "subsection (d)" and inserting "the succeeding
4	subsections of this section".
5	(2) Section 2104(f) of such Act (42 U.S.C.
6	1397dd(f)) is amended by striking "The" and in-
7	serting "Subject to subsection (e)(2), the".
8	SEC. 4. LIMITATIONS ON MATCHING RATES FOR POPU-
9	LATIONS OTHER THAN LOW-INCOME CHIL-
10	DREN OR PREGNANT WOMEN COVERED
11	THROUGH A SECTION 1115 WAIVER.
12	(a) Limitation on Payments.—Section 2105(c) of
13	the Social Security Act (42 U.S.C. 1397ee(c)) is amended
14	by adding at the end the following new paragraph:
15	"(8) Limitations on matching rate for
16	POPULATIONS OTHER THAN TARGETED LOW-INCOME
17	CHILDREN OR PREGNANT WOMEN COVERED
18	THROUGH A SECTION 1115 WAIVER.—For child
19	health assistance or health benefits coverage fur-
20	nished in any fiscal year beginning with fiscal year
21	2008:
22	"(A) FMAP APPLIED TO PAYMENTS FOR
23	COVERAGE OF CHILDREN OR PREGNANT WOMEN
24	COVERED THROUGH A SECTION 1115 WAIVER
25	ENROLLED IN THE STATE CHILD HEALTH PLAN

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ON THE DATE OF ENACTMENT OF THE KIDS FIRST ACT AND WHOSE GROSS FAMILY INCOME IS DETERMINED TO EXCEED THE INCOME ELI-GIBILITY LEVEL SPECIFIED FOR A TARGETED CHILD.—Notwithstanding LOW-INCOME sections (b)(1)(B) and (d) of section 2110, in the case of any individual described in subsection (c) of section 105 of the Kids First Act who the State elects to continue to provide child health assistance for under the State child health plan in accordance with the requirements of such subsection, the Federal medical assistance percentage (as determined under section 1905(b) without regard to clause (4) of such section) shall be substituted for the enhanced FMAP under subsection (a)(1) with respect to such assistance.

"(B) FMAP APPLIED TO PAYMENTS ONLY FOR NONPREGNANT CHILDLESS ADULTS AND PARENTS AND CARETAKER RELATIVES ENROLLED UNDER A SECTION 1115 WAIVER ON THE DATE OF ENACTMENT OF THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM REAUTHORIZATION OF 2007.—The Federal medical assistance percentage (as determined under sec-

tion 1905(b) without regard to clause (4) of such section) shall be substituted for the enhanced FMAP under subsection (a)(1) with respect to payments for child health assistance or health benefits coverage provided under the State child health plan for any of the following:

"(i) PARENTS OR CARETAKER RELATIVES ENROLLED UNDER A WAIVER ON
THE DATE OF ENACTMENT OF THE STATE
CHILDREN'S HEALTH INSURANCE PROGRAM REAUTHORIZATION OF 2007.—A nonpregnant parent or a nonpregnant caretaker relative of a targeted low-income
child who is enrolled in the State child
health plan under a waiver, experimental,
pilot, or demonstration project on the date
of enactment of the Kids First Act and
whose family income does not exceed the
income eligibility applied under such waiver with respect to that population on such
date.

"(ii) Nonpregnant childless

ADULTS ENROLLED UNDER A WAIVER ON

SUCH DATE.—A nonpregnant childless

adult enrolled in the State child health

1 plan under a waiver, experimental, pilot, or 2 demonstration project described in section 6102(c)(3) of the Deficit Reduction Act of 3 2005 (42 U.S.C. 1397gg note) on the date of enactment of the Kids First Act and 6 whose family income does not exceed the 7 income eligibility applied under such waiv-8 er with respect to that population on such 9 date.

> "(iii) No REPLACEMENT ENROLL-EES.—Nothing in clauses (i) or (ii) shall be construed as authorizing a State to provide child health assistance or health benefits coverage under a waiver described in either such clause to a nonpregnant parent or a nonpregnant caretaker relative of a targeted low-income child, or a nonpregnant childless adult, who is not enrolled under the waiver on the date of enactment of the Kids First Act.

"(C) NO FEDERAL PAYMENT FOR ANY
NEW NONPREGNANT ADULT ENROLLEES OR
FOR SUCH ENROLLEES WHO NO LONGER SATISFY INCOME ELIGIBILITY REQUIREMENTS.—
Payment shall not be made under this section

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for child health assistance or other health benefits coverage provided under the State child health plan or under a waiver under section 1115 for any of the following:

"(i) Parents or caretaker relatives under a section 1115 waiver approved after the date of enactment of the state children's health insurance program reauthorization of 2007.—A nonpregnant parent or a nonpregnant caretaker relative of a targeted low-income child under a waiver, experimental, pilot, or demonstration project that is approved on or after the date of enactment of the Kids First Act.

"(ii) Parents, caretaker relatives, and nonpregnant childless adults whose family income exceeds the income eligibility level specified under a section 1115 waiver approved prior to the state children's health insurance program reauthorization of 2007.—Any nonpregnant parent or a nonpregnant caretaker relative of a targeted low-income child whose family

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income exceeds the income eligibility level referred to in subparagraph (B)(i), and any nonpregnant childless adult whose family income exceeds the income eligibility level referred to in subparagraph (B)(ii).

"(iii) Nonpregnant CHILDLESS ADULTS, PARENTS, OR CARETAKER REL-ATIVES NOT ENROLLED UNDER A SECTION 1115 WAIVER ON THE DATE OF ENACT-MENT OF THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM REAUTHORIZATION OF 2007.—Any nonpregnant parent or a nonpregnant caretaker relative of a targeted low-income child who is not enrolled in the State child health plan under a section 1115 waiver, experimental, pilot, or demonstration project referred to in subparagraph (B)(i) on the date of enactment of the Kids First Act, and any nonpregnant childless adult who is not enrolled in the State child health plan under a section 1115 waiver, experimental, pilot, or demonstration project referred to in subparagraph (B)(ii)(I) on such date.

1	"(D) DEFINITION OF CARETAKER REL-
2	ATIVE.—In this subparagraph, the term 'care-
3	taker relative' has the meaning given that term
4	for purposes of carrying out section 1931.
5	"(E) Rule of Construction.—Nothing
6	in this paragraph shall be construed as imply-
7	ing that payments for coverage of populations
8	for which the Federal medical assistance per-
9	centage (as so determined) is to be substituted
10	for the enhanced FMAP under subsection
11	(a)(1) in accordance with this paragraph are to
12	be made from funds other than the allotments
13	determined for a State under section 2104.".
14	(b) Conforming Amendment.—Section 2105(a)(1)
15	of the Social Security Act (42 U.S.C. 1397dd(a)(1)) is
16	amended, in the matter preceding subparagraph (A), by
17	inserting "or subsection $(c)(8)$ " after "subparagraph
18	(B)".
19	SEC. 5. PROHIBITION ON NEW SECTION 1115 WAIVERS FOR
20	COVERAGE OF ADULTS OTHER THAN PREG-
21	NANT WOMEN.
22	(a) In General.—Section 2107(f) of the Social Se-
23	curity Act (42 U.S.C. 1397gg(f)) is amended—
24	(1) by striking ", the Secretary" and inserting
25	'' :

1 "(1) The Secretary"; and

- 2 (2) by adding at the end the following new paragraphs:
 - "(2) The Secretary may not approve, extend, renew, or amend a waiver, experimental, pilot, or demonstration project with respect to a State after the date of enactment of the Kids First Act that would allow funds made available under this title to be used to provide child health assistance or other health benefits coverage for any other adult other than a pregnant woman whose family income does not exceed the income eligibility level specified for a targeted low-income child in that State under a waiver or project approved as of such date.
 - "(3) The Secretary may not approve, extend, renew, or amend a waiver, experimental, pilot, or demonstration project with respect to a State after the date of enactment of the Kids First Act that would waive or modify the requirements of section 2105(c)(8)."
- 21 (b) Clarification of Authority for Coverage
- 22 OF Pregnant Women.—Section 2106 of the Social Secu-
- 23 rity Act (42 U.S.C. 1397ff) is amended by adding at the
- 24 end the following new subsection:

- "(f) No Authority To Cover Pregnant Women 1 THROUGH STATE PLAN.—For purposes of this title, a 3 State may provide assistance to a pregnant woman under the State child health plan only— 5 "(1) by virtue of a waiver under section 1115; 6 or7 "(2) through the application of sections 457.10, 8 457.350(b)(2), 457.622(c)(5), and 457.626(a)(3) of 9 title 42, Code of Federal Regulations (as in effect on 10 the date of enactment of the Kids First Act).". 11 (c) Assurance of Notice to Affected Enroll-12 EES.—The Secretary of Health and Human Services shall 13 establish procedures to ensure that States provide adequate public notice for parents, caretaker relatives, and 14 15 nonpregnant childless adults whose eligibility for child health assistance or health benefits coverage under a waiver under section 1115 of the Social Security Act will be 18 terminated as a result of the amendments made by sub-19 section (a), and that States otherwise adhere to regula-20 tions of the Secretary relating to procedures for termi-
- 23 SEC. 6. STANDARDIZATION OF DETERMINATION OF FAMILY

nating waivers under section 1115 of the Social Security

24 INCOME.

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Act.

25 (a) Eligibility Based on Gross Income.—

- 1 (1) IN GENERAL.—Section 2110 of the Social
- 2 Security Act (42 U.S.C. 1397jj) is amended by add-
- 3 ing at the end the following new subsection:
- 4 "(d) STANDARDIZATION OF DETERMINATION OF
- 5 Family Income.—A State shall determine family income
- 6 for purposes of determining income eligibility for child
- 7 health assistance or other health benefits coverage under
- 8 the State child health plan (or under a waiver of such plan
- 9 under section 1115) solely on the basis of the gross income
- 10 (as defined by the Secretary) of the family.".
- 11 (2) Prohibition on Waiver of Require-
- 12 MENTS.—Section 2107(f) (42 U.S.C. 1397gg(f)), as
- amended by section 5(a), is amended by adding at
- the end the following new paragraph:
- 15 "(4) The Secretary may not approve a waiver,
- experimental, pilot, or demonstration project with re-
- spect to a State after the date of enactment of the
- 18 Kids First Act that would waive or modify the re-
- quirements of section 2110(d) (relating to deter-
- 20 mining income eligibility on the basis of gross in-
- 21 come) and regulations promulgated to carry out
- such requirements.".
- 23 (b) Regulations.—Not later than 90 days after the
- 24 date of enactment of this Act, the Secretary of Health and
- 25 Human Services shall promulgate interim final regulations

- 1 defining gross income for purposes of section 2110(d) of
- 2 the Social Security Act, as added by subsection (a).
- 3 (c) Application to Current Enrollees.—The
- 4 interim final regulations promulgated under subsection (b)
- 5 shall not be used to determine the income eligibility of any
- 6 individual enrolled in a State child health plan under title
- 7 XXI of the Social Security Act on the date of enactment
- 8 of this Act before the date on which such eligibility of the
- 9 individual is required to be redetermined under the plan
- 10 as in effect on such date. In the case of any individual
- 11 enrolled in such plan on such date who, solely as a result
- 12 of the application of subsection (d) of section 2110 of the
- 13 Social Security Act (as added by subsection (a)) and the
- 14 regulations promulgated under subsection (b), is deter-
- 15 mined to be ineligible for child health assistance under the
- 16 State child health plan, a State may elect, subject to sub-
- 17 stitution of the Federal medical assistance percentage for
- 18 the enhanced FMAP under section 2105(c)(8)(A) of the
- 19 Social Security Act (as added by section 4(a)), to continue
- 20 to provide the individual with such assistance for so long
- 21 as the individual otherwise would be eligible for such as-
- 22 sistance and the individual's family income, if determined
- 23 under the income and resource standards and methodolo-
- 24 gies applicable under the State child health plan on Sep-
- 25 tember 30, 2007, would not exceed the income eligibility

1	level applicable to the individual under the State child
2	health plan.
3	SEC. 7. GRANTS FOR OUTREACH AND ENROLLMENT.
4	(a) Grants.—Title XXI of the Social Security Act
5	(42 U.S.C. 1397aa et seq.) is amended by adding at the
6	end the following:
7	"SEC. 2111. GRANTS TO IMPROVE OUTREACH AND ENROLL-
8	MENT.
9	"(a) Outreach and Enrollment Grants; Na-
10	TIONAL CAMPAIGN.—
11	"(1) In general.—From the amounts appro-
12	priated for a fiscal year under subsection (f), subject
13	to paragraph (2), the Secretary shall award grants
14	to eligible entities to conduct outreach and enroll-
15	ment efforts that are designed to increase the enroll-
16	ment and participation of eligible children under this
17	title and title XIX.
18	"(2) 10 percent set aside for national
19	ENROLLMENT CAMPAIGN.—An amount equal to 10
20	percent of such amounts for the fiscal year shall be
21	used by the Secretary for expenditures during the
22	fiscal year to carry out a national enrollment cam-
23	paign in accordance with subsection (g).
24	"(b) Award of Grants.—

"(1) Priority for awarding.—

1	"(A) In General.—In awarding grants
2	under subsection (a), the Secretary shall give
3	priority to eligible entities that—
4	"(i) propose to target geographic
5	areas with high rates of—
6	"(I) eligible but unenrolled chil-
7	dren, including such children who re-
8	side in rural areas; or
9	"(II) racial and ethnic minorities
10	and health disparity populations, in-
11	cluding those proposals that address
12	cultural and linguistic barriers to en-
13	rollment; and
14	"(ii) submit the most demonstrable
15	evidence required under paragraphs (1)
16	and (2) of subsection (c).
17	"(B) 10 percent set aside for out-
18	REACH TO INDIAN CHILDREN.—An amount
19	equal to 10 percent of the funds appropriated
20	under subsection (f) for a fiscal year shall be
21	used by the Secretary to award grants to In-
22	dian Health Service providers and urban Indian
23	organizations receiving funds under title V of
24	the Indian Health Care Improvement Act (25

1	U.S.C. 1651 et seq.) for outreach to, and en-
2	rollment of, children who are Indians.
3	"(2) 2-YEAR AVAILABILITY.—A grant awarded
4	under this section for a fiscal year shall remain
5	available for expenditure through the end of the suc-
6	ceeding fiscal year.
7	"(c) Application.—An eligible entity that desires to
8	receive a grant under subsection (a) shall submit an appli-
9	cation to the Secretary in such form and manner, and con-
10	taining such information, as the Secretary may decide.
11	Such application shall include—
12	"(1) evidence demonstrating that the entity in-
13	cludes members who have access to, and credibility
14	with, ethnic or low-income populations in the com-
15	munities in which activities funded under the grant
16	are to be conducted;
17	"(2) evidence demonstrating that the entity has
18	the ability to address barriers to enrollment, such as
19	lack of awareness of eligibility, stigma concerns and
20	punitive fears associated with receipt of benefits,
21	and other cultural barriers to applying for and re-
22	ceiving child health assistance or medical assistance;
23	"(3) specific quality or outcomes performance
24	measures to evaluate the effectiveness of activities
25	funded by a grant awarded under this section; and

1	"(4) an assurance that the eligible entity
2	shall—
3	"(A) conduct an assessment of the effec-
4	tiveness of such activities against the perform-
5	ance measures;
6	"(B) cooperate with the collection and re-
7	porting of enrollment data and other informa-
8	tion in order for the Secretary to conduct such
9	assessments.
10	"(C) in the case of an eligible entity that
11	is not the State, provide the State with enroll-
12	ment data and other information as necessary
13	for the State to make necessary projections of
14	eligible children and pregnant women.
15	"(d) Supplement, Not Supplant.—Federal funds
16	awarded under this section shall be used to supplement,
17	not supplant, non-Federal funds that are otherwise avail-
18	able for activities funded under this section.
19	"(e) Definitions.—In this section:
20	"(1) ELIGIBLE ENTITY.—The term 'eligible en-
21	tity' means any of the following:
22	"(A) A State with an approved child health
23	plan under this title.
24	"(B) A local government.

1	"(C) An Indian tribe or tribal consortium,
2	a tribal organization, an urban Indian organiza-
3	tion receiving funds under title V of the Indian
4	Health Care Improvement Act (25 U.S.C. 1651
5	et seq.), or an Indian Health Service provider.
6	"(D) A Federal health safety net organiza-
7	tion.
8	"(E) A State, national, local, or commu-
9	nity-based public or nonprofit private organiza-
10	tion.
11	"(F) A faith-based organization or con-
12	sortia, to the extent that a grant awarded to
13	such an entity is consistent with the require-
14	ments of section 1955 of the Public Health
15	Service Act (42 U.S.C. 300x-65) relating to a
16	grant award to non-governmental entities.
17	"(G) An elementary or secondary school.
18	"(H) A national, local, or community-based
19	public or nonprofit private organization, includ-
20	ing organizations that use community health
21	workers or community-based doula programs.
22	"(2) Federal Health Safety Net Organi-
23	ZATION.—The term 'Federal health safety net orga-
24	nization' means—

1	"(A) a federally-qualified health center (as
2	defined in section 1905(l)(2)(B));
3	"(B) a hospital defined as a dispropor-
4	tionate share hospital for purposes of section
5	1923;
6	"(C) a covered entity described in section
7	340B(a)(4) of the Public Health Service Act
8	(42 U.S.C. 256b(a)(4)); and
9	"(D) any other entity or consortium that
10	serves children under a federally-funded pro-
11	gram, including the special supplemental nutri-
12	tion program for women, infants, and children
13	(WIC) established under section 17 of the Child
14	Nutrition Act of 1966 (42 U.S.C. 1786), the
15	head start and early head start programs under
16	the Head Start Act (42 U.S.C. 9801 et seq.),
17	the school lunch program established under the
18	Richard B. Russell National School Lunch Act,
19	and an elementary or secondary school.
20	"(3) Indians; indian tribe; tribal organi-
21	ZATION; URBAN INDIAN ORGANIZATION.—The terms
22	'Indian', 'Indian tribe', 'tribal organization', and
23	'urban Indian organization' have the meanings given
24	such terms in section 4 of the Indian Health Care
25	Improvement Act (25 U.S.C. 1603).

1	"(4) COMMUNITY HEALTH WORKER.—The term
2	'community health worker' means an individual who
3	promotes health or nutrition within the community
4	in which the individual resides—
5	"(A) by serving as a liaison between com-
6	munities and health care agencies;
7	"(B) by providing guidance and social as-
8	sistance to community residents;
9	"(C) by enhancing community residents'
10	ability to effectively communicate with health
11	care providers;
12	"(D) by providing culturally and linguis-
13	tically appropriate health or nutrition edu-
14	cation;
15	"(E) by advocating for individual and com-
16	munity health or nutrition needs; and
17	"(F) by providing referral and followup
18	services.
19	"(f) Appropriation.—
20	"(1) In general.—There is appropriated, out
21	of any money in the Treasury not otherwise appro-
22	priated, for the purpose of awarding grants under
23	this section—
24	"(A) \$100,000,000 for each of fiscal years
25	2008 and 2009:

1	"(B) \$75,000,000 for each of fiscal years
2	2010 and 2011; and
3	"(C) $$50,000,000$ for fiscal year 2012.
4	"(2) Grants in addition to other amounts
5	PAID.—Amounts appropriated and paid under the
6	authority of this section shall be in addition to
7	amounts appropriated under section 2104 and paid
8	to States in accordance with section 2105, including
9	with respect to expenditures for outreach activities
10	in accordance with subsections $(a)(1)(D)(iii)$ and
11	(c)(2)(C) of that section.
12	"(g) National Enrollment Campaign.—From
13	the amounts made available under subsection (a)(2) for
14	a fiscal year, the Secretary shall develop and implement
15	a national enrollment campaign to improve the enrollment
16	of underserved child populations in the programs estab-
17	lished under this title and title XIX. Such campaign may
18	include—
19	"(1) the establishment of partnerships with the
20	Secretary of Education and the Secretary of Agri-
21	culture to develop national campaigns to link the eli-
22	gibility and enrollment systems for the assistance
23	programs each Secretary administers that often
24	serve the same children;

1	"(2) the integration of information about the
2	programs established under this title and title XIX
3	in public health awareness campaigns administered
4	by the Secretary;
5	"(3) increased financial and technical support
6	for enrollment hotlines maintained by the Secretary
7	to ensure that all States participate in such hotlines;
8	"(4) the establishment of joint public awareness
9	outreach initiatives with the Secretary of Education
10	and the Secretary of Labor regarding the impor-
11	tance of health insurance to building strong commu-
12	nities and the economy;
13	"(5) the development of special outreach mate-
14	rials for Native Americans or for individuals with
15	limited English proficiency; and
16	"(6) such other outreach initiatives as the Sec-
17	retary determines would increase public awareness of
18	the programs under this title and title XIX.".
19	(b) Nonapplication of Administrative Expendi-
20	TURES CAP.—Section 2105(c)(2) of the Social Security
21	Act (42 U.S.C. $1397ee(c)(2)$) is amended by adding at the
22	end the following:
23	"(C) Nonapplication to expenditures
24	FOR OUTREACH AND ENROLLMENT.—The limi-
25	tation under subparagraph (A) shall not apply

1	with respect to expenditures for outreach activi-
2	ties under section 2102(c)(1), or for enrollment
3	activities, for children eligible for child health
4	assistance under the State child health plan or
5	medical assistance under the State plan under
6	title XIX.".
7	SEC. 8. IMPROVED STATE OPTION FOR OFFERING PRE-
8	MIUM ASSISTANCE FOR COVERAGE
9	THROUGH PRIVATE PLANS.
10	(a) In General.—Section 2105(c) of the Social Se-
11	curity Act (42 U.S.C. 1397ee(c)), as amended by section
12	4(a) is amended by adding at the end the following:
13	"(9) Additional state option for offer-
14	ING PREMIUM ASSISTANCE.—
15	"(A) In General.—Subject to the suc-
16	ceeding provisions of this paragraph, a State
17	may elect to offer a premium assistance subsidy
18	(as defined in subparagraph (C)) for qualified
19	employer sponsored coverage (as defined in sub-
20	paragraph (B)) to all targeted low-income chil-
21	dren who are eligible for child health assistance
22	under the plan and have access to such cov-
23	erage in accordance with the requirements of
24	this paragraph.

1	"(B) Qualified employer sponsored
2	COVERAGE.—
3	"(i) In General.—In this paragraph,
4	the term 'qualified employer sponsored cov-
5	erage' means a group health plan or health
6	insurance coverage offered through an em-
7	ployer that is—
8	"(I) substantially equivalent to
9	the benefits coverage in a benchmark
10	benefit package described in section
11	2103(b) or benchmark-equivalent cov-
12	erage that meets the requirements of
13	section 2103(a)(2);
14	"(II) made similarly available to
15	all of the employer's employees and
16	for which the employer makes a con-
17	tribution to the premium that is not
18	less for employees receiving a pre-
19	mium assistance subsidy under any
20	option available under the State child
21	health plan under this title or the
22	State plan under title XIX to provide
23	such assistance than the employer
24	contribution provided for all other em-
25	plovees; and

1	"(III) cost-effective, as deter-
2	mined under clause (ii).
3	"(ii) Cost-effectiveness.—A group
4	health plan or health insurance coverage
5	offered through an employer shall be con-
6	sidered to be cost-effective if—
7	"(I) the marginal premium cost
8	to purchase family coverage through
9	the employer is less than the State
10	cost of providing child health assist-
11	ance through the State child health
12	plan for all the children in the family
13	who are targeted low-income children;
14	or
15	((II) the marginal premium cost
16	between individual coverage and pur-
17	chasing family coverage through the
18	employer is not greater than 175 per-
19	cent of the cost to the State to pro-
20	vide child health assistance through
21	the State child health plan for a tar-
22	geted low-income child.
23	"(iii) High deductible health
24	PLANS INCLUDED.—The term 'qualified
25	employer sponsored coverage' includes a

high deductible health plan (as defined in section 223(c)(2) of the Internal Revenue Code of 1986) purchased through a health savings account (as defined under section 223(d) of such Code).

"(C) Premium assistance subsidy.—

"(i) IN GENERAL.—In this paragraph, the term 'premium assistance subsidy' means, with respect to a targeted low-income child, the amount equal to the difference between the employee contribution required for enrollment only of the employee under qualified employer sponsored coverage and the employee contribution required for enrollment of the employee and the child in such coverage, less any applicable premium cost-sharing applied under the State child health plan, subject to the annual aggregate cost-sharing limit applied under section 2103(e)(3)(B).

"(ii) State payment option.—Subject to clause (iii), a State may provide a premium assistance subsidy directly to an employer or as reimbursement to an employee for out-of-pocket expenditures.

"(iii) Requirement FOR DIRECT PAYMENT TO EMPLOYEE.—A State shall not pay a premium assistance subsidy di-rectly to the employee, unless the State has established procedures to ensure that the targeted low-income child on whose behalf such payments are made are actually en-rolled in the qualified employer sponsored coverage.

"(iv) Treatment as child health assistance.—Expenditures for the provision of premium assistance subsidies shall be considered child health assistance described in paragraph (1)(C) of subsection (a) for purposes of making payments under that subsection.

"(v) STATE OPTION TO REQUIRE ACCEPTANCE OF SUBSIDY.—A State may condition the provision of child health assistance under the State child health plan for a targeted low-income child on the receipt of a premium assistance subsidy for enrollment in qualified employer sponsored coverage if the State determines the provision of such a subsidy to be more cost-ef-

1	fective in accordance with subparagraph
2	(B)(ii).
3	"(vi) Not treated as income.—
4	Notwithstanding any other provision of
5	law, a premium assistance subsidy pro-
6	vided in accordance with this paragraph
7	shall not be treated as income to the child
8	or the parent of the child for whom such
9	subsidy is provided.
10	"(D) No requirement to provide sup-
11	PLEMENTAL COVERAGE FOR BENEFITS AND AD-
12	DITIONAL COST-SHARING PROTECTION PRO-
13	VIDED UNDER THE STATE CHILD HEALTH
14	PLAN.—
15	"(i) In General.—A State that
16	elects the option to provide a premium as-
17	sistance subsidy under this paragraph shall
18	not be required to provide a targeted low-
19	income child enrolled in qualified employer
20	sponsored coverage with supplemental cov-
21	erage for items or services that are not
22	covered, or are only partially covered,
23	under the qualified employer sponsored
24	coverage or cost-sharing protection other

than the protection required under section 2 2103(e)(3)(B).

"(ii) Notice of cost-sharing requirements.—A State shall provide a targeted low-income child or the parent of such a child (as appropriate) who is provided with a premium assistance subsidy in accordance with this paragraph with notice of the cost-sharing requirements and limitations imposed under the qualified employer sponsored coverage in which the child is enrolled upon the enrollment of the child in such coverage and annually thereafter.

"(iii) Record Keeping Require-Ments.—A State may require a parent of a targeted low-income child that is enrolled in qualified employer-sponsored coverage to bear the responsibility for keeping track of out-of-pocket expenditures incurred for cost-sharing imposed under such coverage and to notify the State when the limit on such expenditures imposed under section 2103(e)(3)(B) has been reached for a year

from the effective date of enrollment for such year.

> "(iv) STATE OPTION FOR REIMBURSE-MENT.—A State may retroactively reimburse a parent of a targeted low-income child for out-of-pocket expenditures incurred after reaching the 5 percent costsharing limitation imposed under section 2103(e)(3)(B) for a year.

"(E) 6-MONTH WAITING PERIOD RE-QUIRED.—A State shall impose at least a 6month waiting period from the time an individual is enrolled in private health insurance prior to the provision of a premium assistance subsidy for a targeted low-income child in accordance with this paragraph.

"(F) NON APPLICATION OF WAITING PERIOD FOR ENROLLMENT IN THE STATE MEDICAID PLAN OR THE STATE CHILD HEALTH PLAN.—A targeted low-income child provided a premium assistance subsidy in accordance with this paragraph who loses eligibility for such subsidy shall not be treated as having been enrolled in private health insurance coverage for purposes of applying any waiting period im-

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posed under the State child health plan or the State plan under title XIX for the enrollment of the child under such plan.

"(G) Assurance of special enroll-MENT PERIOD UNDER GROUP HEALTH PLANS IN CASE OF ELIGIBILITY FOR PREMIUM SUB-SIDY ASSISTANCE.—No payment shall be made under subsection (a) for amounts expended for the provision of premium assistance subsidies under this paragraph unless a State provides assurances to the Secretary that the State has in effect laws requiring a group health plan, a health insurance issuer offering group health insurance coverage in connection with a group health plan, and a self-funded health plan, to permit an employee who is eligible, but not enrolled, for coverage under the terms of the plan (or a child of such an employee if the child is eligible, but not enrolled, for coverage under such terms) to enroll for coverage under the terms of the plan if the employee's child becomes eligible for a premium assistance subsidy under this paragraph.

"(H) NO EFFECT ON PREVIOUSLY AP-PROVED PREMIUM ASSISTANCE PROGRAMS.—

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Nothing in this paragraph shall be construed as
limiting the authority of a State to offer pre-
mium assistance under section 1906, a waiver
described in paragraph (2)(B) or (3), a waiver
approved under section 1115, or other authority
in effect on June 28, 2007.
"(I) Notice of availability.—A State
shall—
"(i) include on any application or en-
rollment form for child health assistance a
notice of the availability of premium assist-
ance subsidies for the enrollment of tar-
geted low-income children in qualified em-
ployer sponsored coverage;
"(ii) provide, as part of the applica-
tion and enrollment process under the
State child health plan, information de-
scribing the availability of such subsidies
and how to elect to obtain such a subsidy;
and
"(iii) establish such other procedures
as the State determines necessary to en-
sure that parents are informed of the
availability of such subsidies under the
State child health plan.".

- 1 (b) Application to Medicaid.—Section 1906 of
- 2 the Social Security Act (42 U.S.C. 1396e) is amended by
- 3 inserting after subsection (c) the following:
- 4 "(d) The provisions of section 2105(c)(9) shall apply
- 5 to a child who is eligible for medical assistance under the
- 6 State plan in the same manner as such provisions apply
- 7 to a targeted low-income child under a State child health
- 8 plan under title XXI. Section 1902(a)(34) shall not apply
- 9 to a child who is provided a premium assistance subsidy
- 10 under the State plan in accordance with the preceding sen-
- 11 tence.".

12 SEC. 9. TREATMENT OF UNBORN CHILDREN.

- 13 (a) Codification of Current Regulations.—
- 14 Section 2110(c)(1) of the Social Security Act (42 U.S.C.
- 15 1397jj(c)(1) is amended by striking the period at the end
- 16 and inserting the following: ", and includes, at the option
- 17 of a State, an unborn child. For purposes of the previous
- 18 sentence, the term 'unborn child' means a member of the
- 19 species Homo sapiens, at any stage of development, who
- 20 is carried in the womb.".
- 21 (b) Clarifications Regarding Coverage of
- 22 Mothers.—Section 2103 (42 U.S.C. 1397cc) is amended
- 23 by adding at the end the following new subsection:
- 24 "(g) Clarifications Regarding Authority To
- 25 Provide Postpartum Services and Maternal

1	HEALTH CARE.—Any State that provides child health as-
2	sistance to an unborn child under the option described in
3	section 2110(c)(1) may—
4	"(1) continue to provide such assistance to the
5	mother, as well as postpartum services, through the
6	end of the month in which the 60-day period (begin-
7	ning on the last day of pregnancy) ends; and
8	"(2) in the interest of the child to be born, have
9	flexibility in defining and providing services to ben-
10	efit either the mother or unborn child consistent
11	with the health of both.".
12	SEC. 10. 50 PERCENT MATCHING RATE FOR ALL MEDICAID
13	ADMINISTRATIVE COSTS.
14	Section 1903(a) of the Social Security Act (42 U.S.C.
15	1396b(a)) is amended—
16	(1) by striking paragraph (2);
17	(2) by redesignating paragraph (3)(E) as para-
18	graph (2) and re-locating and indenting it appro-
19	priately;
20	(3) in paragraph (2), as so redesignated, by re-
21	designating clauses (i) and (ii) as subparagraphs (A)
22	and (B), and indenting them appropriately;
23	(4) by striking paragraphs (3) and (4);
24	(5) in paragraph (5), by striking "which are at-

1	nishing" and inserting "which are for the medical
2	assistance costs of furnishing";
3	(6) by striking paragraph (6);
4	(7) in paragraph (7), by striking "subject to
5	section $1919(g)(3)(B)$,"; and
6	(8) by redesignating paragraphs (5) and (7) as
7	paragraphs (3) and (4), respectively.
8	SEC. 11. REDUCTION IN PAYMENTS FOR MEDICAID ADMIN-
9	ISTRATIVE COSTS TO PREVENT DUPLICATION
10	OF SUCH PAYMENTS UNDER TANF.
11	Section 1903 of the Social Security Act (42 U.S.C.
12	1396b) is amended—
13	(1) in subsection (a)(7), by striking "section
14	1919(g)(3)(B)" and inserting "subsection (h)";
15	(2) in subsection (a)(2)(D) by inserting ", sub-
16	ject to subsection (g)(3)(C) of such section" after
17	"as are attributable to State activities under section
18	1919(g)"; and
19	(3) by adding after subsection (g) the following
20	new subsection:
21	"(h) Reduction in Payments for Administra-
22	TIVE COSTS TO PREVENT DUPLICATION OF PAYMENTS
23	UNDER TITLE IV.—Beginning with the calendar quarter
24	commencing October 1, 2007, the Secretary shall reduce
25	the amount paid to each State under subsection (a)(7) for

- 1 each quarter by an amount equal to ½ of the annualized
- 2 amount determined for the Medicaid program under sec-
- 3 tion 16(k)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C.
- 4 2025(k)(2)(B)).".

5 SEC. 12. EFFECTIVE DATE.

- 6 (a) IN GENERAL.—Subject to subsection (b), the
- 7 amendments made by this Act shall take effect as if en-
- 8 acted on October 1, 2007.
- 9 (b) Delay if State Legislation Required.—In
- 10 the case of a State child health plan under title XXI of
- 11 the Social Security Act or a waiver of such plan under
- 12 section 1115 of such Act which the Secretary of Health
- 13 and Human Services determines requires State legislation
- 14 (other than legislation appropriating funds) in order for
- 15 the plan or waiver to meet the additional requirements im-
- 16 posed by the amendments made by this Act, the State
- 17 child health plan or waiver shall not be regarded as failing
- 18 to comply with the requirements of such title XXI solely
- 19 on the basis of its failure to meet such additional require-
- 20 ments before the first day of the first calendar quarter
- 21 beginning after the close of the first regular session of the
- 22 State legislature that begins after the date of the enact-
- 23 ment of this Act. For purposes of the previous sentence,
- 24 in the case of a State that has a 2-year legislative session,

- 1 each year of such session shall be deemed to be a separate
- 2 regular session of the State legislature.
- 3 (c) Contingent Effective Date for SCHIP
- 4 Funding for Fiscal Year 2008.—Notwithstanding any
- 5 other provision of law, if funds are appropriated under any
- 6 law (other than this Act) to provide allotments to States
- 7 under title XXI of the Social Security Act for all (or any
- 8 portion) of fiscal year 2008—
- 9 (1) any amounts that are so appropriated that
- are not so allotted and obligated before the date of
- the enactment of this Act are rescinded; and
- 12 (2) any amount provided for such title XXI al-
- lotments to a State under this Act (and the amend-
- ments made by this Act) for such fiscal year shall
- be reduced by the amount of such appropriations so
- allotted and obligated before such date.

Calendar No. 412

110TH CONGRESS S. 2152

A BILL

To amend title XXI of the Social Security Act to reauthorize the State Children's Health Insurance Program through fiscal year 2012, and for other purposes

OCTOBER 5, 2007

Read the second time and ordered to be placed on the calendar