Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cantwell
Castle
Clinger
Coble
Collins (GA)
Combest
Cooper
Cox
Crane
Crapo
Cunningham
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Holden
Horn
Houghton
Huffington
Hughes
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lambert
Lazio
Leach
Lehman
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Lloyd
Machtley
Manzullo
McCandless
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Morella
Myers
Nussle
Oxley
Packard
Parker
Paxon
Peterson (MN)
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Tauzin
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—2

Hayes
Henry

So the resolution was agreed to.

A motion to reconsider the vote whereby said resolution was agreed to was, by unanimous consent, laid on the table.

¶63.10 BUDGET RECONCILIATION

The SPEAKER pro tempore, Mr. MCNULTY, pursuant to House Resolution 186 and rule XXIII, declared the House resolved into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 2264) to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994.

The SPEAKER pro tempore, Mr. MCNULTY, by unanimous consent, designated Mr. MURTHA as Chairman of the Committee of the Whole; and after some time spent therein,

¶63.11 CALL IN COMMITTEE

On motion of Mr. SABO, by unanimous consent, a call of the Committee was ordered.

Mr. MURTHA, Chairman, directed the Members to record their presence by electronic device, and the following-named Members responded—

¶63.12 [Roll No. 197]

ANSWERED ''PRESENT''—423

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Everett
Ewing
Faleomavaega (AS)
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Foley
Ford (MI)
Fowler
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hayes
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Meyers
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Watt
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

Thereupon Mr. MURTHA, Chairman, announced that 423 Members had been recorded, a quorum.

The Committee resumed its business.

After some further time,

¶63.13 RECORDED VOTE

A recorded vote by electronic device was ordered in the Committee of the Whole on the following amendment in the nature of a substitute submitted by Mr. KASICH:

Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Omnibus Budget Reconciliation Act of 1993''.

SEC. 2. TABLE OF CONTENTS.

The table of contents is as follows:

TITLE I—COMMITTEE ON AGRICULTURE

TITLE II—COMMITTEE ON ARMED SERVICES

TITLE III—COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

TITLE IV—COMMITTEE ON EDUCATION AND LABOR

TITLE V—COMMITTEE ON ENERGY AND COMMERCE

TITLE VI—COMMITTEE ON THE JUDICIARY

TITLE VII—COMMITTEE ON MERCHANT MARINE AND FISHERIES

TITLE VIII—COMMITTEE ON NATURAL RESOURCES

TITLE IX—COMMITTEE ON POST OFFICE AND CIVIL SERVICE

TITLE X—COMMITTEE ON PUBLIC WORKS

TITLE XI—COMMITTEE ON VETERANS' AFFAIRS

TITLE XII—COMMITTEE ON WAYS AND MEANS—SAVINGS

TITLE XIII—COMMITTEE ON WAYS AND MEANS—REVENUES

TITLE XIV—BUDGET PROCESS

TITLE I—COMMITTEE ON AGRICULTURE

SEC. 1001. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the ''Agricultural Reconciliation Act of 1993''.

(b) TABLE OF CONTENTS.—The table of contents of this title is as follows:

Sec. 1001. Short title and table of contents.

Subtitle A—Commodity Programs

Sec. 1101. Wheat program.
Sec. 1102. Feed grain program.
Sec. 1103. Upland cotton program.
Sec. 1104. Rice program.
Sec. 1105. Dairy program.
Sec. 1106. Tobacco program.
Sec. 1107. Sugar program.
Sec. 1108. Oilseeds program.
Sec. 1109. Peanut program.
Sec. 1110. Honey program.
Sec. 1111. Wool and mohair program.
Sec. 1112. Conforming amendments to continue deficit reduction activities in crop years after 1995.

Subtitle B—Miscellaneous Provisions

Sec. 1121. Maximum expenditures under market promotion program for fiscal years 1994 through 1998.
Sec. 1122. Admission, entrance, and recreation fees.
Sec. 1123. Additional program changes to meet reconciliation requirements.
Sec. 1124. Environmental conservation acreage reserve program amendments.
Sec. 1125. Exemption of triple base acreage from certain conservation requirements.
Sec. 1126. Elimination of malting barley assessment.
Sec. 1127. Reform of the payment limitation provisions of the Food Security Act of 1985.
Sec. 1128. Uniform food stamps reimbursement rates.

Subtitle A—Commodity Programs

SEC. 1101. WHEAT PROGRAM.

(a) FIVE PERCENT REDUCTION IN PAYMENT ACRES.—

(1) REDUCTION.—Subsection (c)(1)(C)(ii) of section 107B of the Agricultural Act of 1949 (7 U.S.C. 1445b-3a) is amended by striking ''85 percent'' and inserting ''80 percent''.

(2) APPLICATION OF AMENDMENT.—The amendment made by paragraph (1) shall apply beginning with the 1994 crop of wheat.

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—

(1) AGRICULTURAL ACT OF 1949.—Section 107B of the Agricultural Act of 1949 (7 U.S.C. 1445b–3a) is further amended—

(A) in the section heading, by striking ''**1995**'' and inserting ''**1998**'';

(B) in subsections (a)(1), (a)(4)(C), (b)(1), (c)(1)(A), (c)(1)(B)(iii), (e)(1)(G), (e)(3)(A), (e)(3)(C)(iii), (f)(1), and (q), by striking ''1995'' each place it appears and inserting ''1998'';

(C) in the heading of subsection (c)(1)(B)(ii), by striking ''AND 1995'' and inserting ''THROUGH 1998'';

(D) in subsection (c)(1)(B)(ii), by striking ''and 1995'' and inserting ''through 1998''; and

(E) in the heading of subsection (e)(1)(G), by striking ''1995'' and inserting ''1998''; and

(F) in subsection (g)(1), by striking ''and 1995'' and inserting ''through 1998''.

(2) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—Title III of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 3382) is amended—

(A) in section 302 (7 U.S.C. 1379d note), by striking ''May 31, 1996'' and inserting ''May 31, 1999'';

(B) in section 303 (7 U.S.C. 1331 note), by striking ''1995'' and inserting ''1998'';

(C) in section 304 (7 U.S.C. 1340 note), by striking ''1995'' and inserting ''1998''; and

(D) in section 305 (7 U.S.C. 1445a note)—

(i) in the section heading, by striking ''**1995**'' and inserting ''**1998**''; and

(ii) by striking ''1995'' and inserting ''1998''.

(3) FOOD SECURITY WHEAT RESERVE.—Section 302(i) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f–1(i)) is amended by striking ''1995'' both places it appears and inserting ''1998''.

SEC. 1102. FEED GRAIN PROGRAM.

(a) FIVE PERCENT REDUCTION IN PAYMENT ACRES.—

(1) REDUCTION.—Subsection (c)(1)(C)(ii) of section 105B of the Agricultural Act of 1949 (7 U.S.C. 1444f) is amended by striking ''85 percent'' and inserting ''80 percent''.

(2) APPLICATION OF AMENDMENT.—The amendment made by paragraph (1) shall apply beginning with the 1994 crop of feed grains.

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—

(1) AGRICULTURAL ACT OF 1949.—Section 105B of the Agricultural Act of 1949 (7 U.S.C. 1444f) is further amended—

(A) in the section heading, by striking ''**1995**'' and inserting ''**1998**'';

(B) in subsections (a)(1), (a)(4)(C), (a)(6), (b)(1), (c)(1)(A), (c)(1)(B)(iii)(I), (c)(1)(B)(iii)(III), (e)(1)(G), (e)(1)(H), (e)(2)(H), (e)(3)(A), (e)(3)(C)(iii), (f)(1), (p)(1), (q)(1), and (r), by striking ''1995'' each place it appears and inserting ''1998'';

(C) in the heading of subsection (c)(1)(B)(ii), by striking ''AND 1995'' and inserting ''THROUGH 1998'';

(D) in subsection (c)(1)(B)(ii), by striking ''and 1995'' and inserting ''through 1998'';

(E) in the headings of subsections (e)(1)(G) and (e)(1)(H), by striking ''**1995**'' both places it appears and inserting ''**1998**''; and

(F) in subsection (g)(1), by striking ''and 1995'' and inserting ''through 1998''.

(2) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—Section 402 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1444b note) is amended—

(A) in the section heading, by striking ''**1995**'' and inserting ''**1998**''; and

(B) by striking ''1995'' and inserting ''1998''.

(3) RECOURSE LOAN PROGRAM FOR SILAGE.—Section 403 of the Food Security Act of 1985 (7 U.S.C. 1444e–1) is amended by striking ''1996'' and inserting ''1999''.

SEC. 1103. UPLAND COTTON PROGRAM.

(a) FIVE PERCENT REDUCTION IN PAYMENT ACRES.—

(1) REDUCTION.—Subsection (c)(1)(C)(ii) of section 103B of the Agricultural Act of 1949 (7 U.S.C. 1444-2) is amended by striking ''85 percent'' and inserting ''80 percent''.

(2) APPLICATION OF AMENDMENT.—The amendment made by paragraph (1) shall apply beginning with the 1994 crop of upland cotton.

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—

(1) AGRICULTURAL ACT OF 1949.—(A) Section 103(h)(16) of the Agricultural Act of 1949 (7 U.S.C. 1444(h)(16)) is amended by striking ''1996'' and inserting ''1999''.

(B) Section 103B of such Act (7 U.S.C. 1444–2) is further amended—

(i) in the section heading, by striking ''**1995**'' and inserting ''**1998**'';

(ii) in subsections (a)(1), (b)(1), (c)(1)(A), (c)(1)(B)(ii), (e)(3)(A), (f)(1), and (o), by striking ''1995'' each place it appears and inserting ''1998''; and

(iii) in subparagraphs (B)(i), (D)(i), (E)(i), and (F)(i) of subsection (a)(5), by striking ''1996'' each place it appears and inserting ''1999''.

(C) Section 203(b) of such Act (7 U.S.C. 1446d(b)) is amended by striking ''1995'' and inserting ''1998''.

(2) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Section 374(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1374(a)) is amended by striking ''1995'' each place it appears and inserting ''1998''.

(3) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—Title V of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 3421) is amended—

(A) in section 502 (7 U.S.C. 1342 note), by striking ''1995'' and inserting ''1998'';

(B) in section 503 (7 U.S.C. 1444 note), by striking ''1995'' and inserting ''1998''; and

(C) in section 505 (7 U.S.C. 1342 note)—

(i) in the section heading, by striking ''**1996**'' and inserting ''**1999**''; and

(ii) by striking ''1996'' and inserting ''1999''.

SEC. 1104. RICE PROGRAM.

(a) FIVE PERCENT REDUCTION IN PAYMENT ACRES.—

(1) REDUCTION.—Subsection (c)(1)(C)(ii) of section 101B of the Agricultural Act of 1949 (7 U.S.C. 1441-2) is amended by striking ''85 percent'' and inserting ''80 percent''.

(2) APPLICATION OF AMENDMENT.—The amendment made by paragraph (1) shall apply beginning with the 1994 crop of rice.

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—Such section is further amended—

(1) in the section heading, by striking ''**1995**'' and inserting ''**1998**'';

(2) in subsections (a)(1), (a)(3), (b)(1), (c)(1)(A), (c)(1)(B)(iii), (e)(3)(A), (f)(1), and (n), by striking ''1995'' each place it appears and inserting ''1998'';

(3) in subsection (a)(5)(D)(i), by striking ''1996'' and inserting ''1999'';

(4) in the heading of subsection (c)(1)(B)(ii), by striking ''AND 1995'' and inserting ''THROUGH 1998''; and

(5) in subsection (c)(1)(B)(ii), by striking ''and 1995'' and inserting ''through 1998''.

SEC. 1105. DAIRY PROGRAM.

(a) ALLOCATION OF PURCHASE PRICES FOR BUTTER AND NONFAT DRY MILK.—

(1) IN GENERAL.—Subsection (c)(3) of section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) is amended—

(A) in the first sentence of subparagraph (A), by striking ''The Secretary'' and inserting ''Subject to subparagraph (B), the Secretary'';

(B) by redesignating subparagraph (B) as subparagraph (C); and

(C) by inserting after subparagraph (A) the following new subparagraph:

''(B) GUIDELINES.—In allocating the rate of price support between the purchase prices of butter and nonfat dry milk under this paragraph, the Secretary may not—

''(i) offer to purchase butter for more than $0.65 per pound; or

''(ii) offer to purchase nonfat dry milk for less than $1.034 per pound.''.

(2) APPLICATION OF AMENDMENTS.—The amendments made by paragraph (1) shall apply with respect to purchases of butter and nonfat dry milk that are made by the Secretary of Agriculture under section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) on or after the date of the enactment of this Act.

(b) REDUCTION IN PRICE RECEIVED.—Subsection (h)(2) of such section is amended—

(1) by striking ''and'' at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(C) during each of the calendar years 1996 through 1998, 10 cents per hundredweight of milk marketed, which rate shall be adjusted on or before May 1 of each of the calendar years 1996 through 1998 in the manner provided in subparagraph (B).''.

(c) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN FISCAL YEARS AFTER 1995.—

(1) IN GENERAL.—Section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) is further amended—

(A) in the section heading, by striking ''**1995**'' and inserting ''**1998**'';

(B) in subsections (a), (b), (d)(1)(A), (d)(2)(A), (d)(3), (f), (g)(1), and (k), by striking ''1995'' each place it appears and inserting ''1998''; and

(C) in subsection (g)(2), by striking ''1994'' and inserting ''1997''.

(2) TRANSFER TO MILITARY AND VETERANS HOSPITALS.—Subsections (a) and (b) of section 202 of such Act (7 U.S.C. 1446a) are amended by striking ''1995'' both places it appears and inserting ''1998''.

(3) FEDERAL MILK MARKETING ORDERS.—Section 101(b) of the Agriculture and Food Act of 1981 (7 U.S.C. 608c note) is amended by striking ''1995'' and inserting ''1998''.

(4) DAIRY INDEMNITY PROGRAM.—Section 3 of Public Law 90–484 (7 U.S.C. 450*l*) is amended by striking ''1995'' and inserting ''1998''.

(5) FOOD SECURITY ACT OF 1985.—The Food Security Act of 1985 is amended—

(A) in section 153 (15 U.S.C. 713a–14), by striking ''1995'' and inserting ''1998''; and

(B) in section 1163 (7 U.S.C. 1731 note), by striking ''1995'' each place it appears and inserting ''1998''.

SEC. 1106. TOBACCO PROGRAM.

(a) TEN PERCENT INCREASE IN MARKETING ASSESSMENT.—Subsection (g)(1) of section 106 of the Agricultural Act of 1949 (7 U.S.C. 1445) is amended by striking ''equal to'' and all that follows through the period and inserting the following: ''equal to—

''(A) in the case of the 1991 through 1993 crops of tobacco, .5 percent of the national average price support level for each such crop as otherwise provided for in this section; and

''(B) in the case of the 1994 through 1998 crops of tobacco, .55 percent of the national average price support level for each such crop as otherwise provided for in this section.''.

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN FISCAL YEARS AFTER 1995.—Such subsection is further amended by striking ''1995'' and inserting ''1998''.

(c) ACREAGE-POUNDAGE QUOTAS FOR TOBACCO.—

(1) DEFINITIONS.—Subsection (a) of section 317 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314c) is amended—

(A) by inserting ''DEFINITIONS.—'' after ''(a)''; and

(B) by striking paragraphs (2), (3), (4), (5), (6), (7), and (8) and inserting the following new paragraphs:

''(2) FARM ACREAGE ALLOTMENT.—The term 'farm acreage allotment' for a tobacco farm, other than a new tobacco farm, means the acreage allotment determined by dividing the farm marketing quota by the farm yield.

''(3) FARM YIELD.—The term 'farm yield' means the yield per acre for a farm determined according to regulations issued by the Secretary and which would be expected to result in a quality of tobacco acceptable to the tobacco trade.

''(4) FARM MARKETING QUOTA.—

''(A) IN GENERAL.—The term 'farm marketing quota' for a farm for a marketing year means a number that is equal to the number of pounds of tobacco determined by multiplying—

''(i) the farm marketing quota for the farm for the previous marketing year (prior to any adjustment for undermarketing or overmarketing); by

''(ii) the national factor.

''(B) ADJUSTMENT.—The farm marketing quota determined under subparagraph (A) for a marketing year shall be increased for undermarketing or decreased for overmarketing by the number of pounds by which marketings of tobacco from the farm during the immediate preceding marketing year (if marketing quotas were in effect for that year under the program established by this section) is less than or exceeds the farm marketing quota for such year. Notwithstanding the preceding sentence, the farm marketing quota for a marketing year shall not be increased under this subparagraph for undermarketing by an amount in excess of the farm marketing quota determined for the farm for the immediately preceding year prior to any increase for undermarketing or decrease for overmarketing. If due to excess marketing in the preceding marketing year the farm marketing quota for the marketing year is reduced to zero pounds without reflecting the entire reduction required, the additional reduction shall be made for the subsequent marketing year or years.

''(5) NATIONAL FACTOR.—The term 'national factor' for a marketing year means a number obtained by dividing—

''(A) the national marketing quota (less the reserve provided for under subsection (e)); by

''(B) the sum of the farm marketing quotas (prior to any adjustments for undermarketing or overmarketing) for the immediate preceding marketing year for all farms for which marketing quotas for the kind of tobacco involved will be determined for such succeeding marketing year.''.

(2) CONFORMING AMENDMENTS.—Such section is further amended—

(A) in the first sentence of subsection (b), by striking ''and the national acreage allotment and national average yield goal for the 1965 crop of Flue-cured tobacco,'';

(B) in the first sentence of subsection (c), by striking ''and at the same time announce the national acreage allotment and national average yield goal'';

(C) in subsection (d)—

(i) in the sixth sentence, by striking '', national acreage allotment, and national average yield goal'';

(ii) in the eighth sentence, by striking '', national acreage allotment and national average yield goal''; and

(iii) in the ninth sentence, by striking '', national acreage allotment, and national average goal are'' and inserting ''is'';

(D) in subsection (e)—

(i) in the first sentence, by striking ''No farm acreage allotment or farm yield shall be established'' and inserting ''A farm marketing quota and farm yield shall not be established'';

(ii) in the second sentence, by striking ''acreage allotment'' both places it appears and inserting ''marketing quota'';

(iii) in the second sentence, by striking ''acreage allotments'' both places it appears and inserting ''marketing quotas''; and

(iv) in the last sentence, by striking ''acreage allotment'' and inserting ''marketing quota''; and

(E) in subsection (g)—

(i) in paragraph (1), by striking ''paragraph (a)(8)'' and inserting ''subsection (a)(4)''; and

(ii) in paragraph (3), by striking ''subsection (a)(8)'' and inserting ''subsection (a)(4)''.

(3) FARM MARKETING QUOTA REDUCTIONS.—Subsection (f) of such section is amended to read as follows:

''(f) CAUSES FOR FARM MARKETING QUOTA REDUCTIONS.—(1) When an acreage-poundage program is in effect for any kind of tobacco under this section, the farm marketing quota next established for a farm shall be reduced by the amount of such kind of tobacco produced on the farm—

''(A) which was marketed as having been produced on a different farm;

''(B) for which proof of disposition is not furnished as required by the Secretary;

''(C) on acreage equal to the difference between the acreage reported by the farm operator or a duly authorized representative and the determined acreage for the farm; and

''(D) as to which any producer on the farm files, or aids, or acquiesces, in the filing of any false report with respect to the production or marketing of tobacco.

''(2) If the Secretary, through the local committee, finds that no person connected with a farm caused, aided, or acquiesced in any irregularity described in paragraph (1), the next established farm marketing quota shall not be reduced under this subsection.

''(3) The reduction required under this subsection shall be in addition to any other adjustments made pursuant to this section.

''(4) In establishing farm marketing quotas for other farms owned by the owner displaced by acquisition of the owner's land by any agency, as provided in section 378 of this Act, increases or decreases in such farm marketing quotas as provided in this section shall be made on account of marketings below or in excess of the farm marketing quota for the farm acquired by the agency.

''(5) Acreage allotments and farm marketing quotas determined under this section may (except in the case of kinds of tobacco not subject to section 316) be leased and sold under the terms and conditions in section 316 of this Act, except that any credit for undermarketing or charge for overmarketing shall be attributed to the farm to which transferred.''.

SEC. 1107. SUGAR PROGRAM.

(a) TEN PERCENT INCREASE IN MARKETING ASSESSMENT.—Subsection (i) of section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g) is amended—

(1) in paragraph (1), by striking ''equal to'' and all that follows through the period and inserting the following: ''equal to—

''(A) in the case of marketings during fiscal years 1992 and 1993, .18 cents per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing); and

''(B) in the case of marketings during fiscal years 1994 through 1999, .198 cents per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).''; and

(2) in paragraph (2), by striking ''equal to'' and all that follows through the period and inserting the following: ''equal to—

''(A) in the case of marketings during fiscal years 1992 and 1993, .193 cents per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed; and

''(B) in the case of marketings during fiscal years 1994 through 1999, .2123 cents per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed.''.

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—

(1) AGRICULTURAL ACT OF 1949.—Section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g) is further amended—

(A) in the section heading, by striking ''**1995**'' and inserting ''**1998**'';

(B) in subsections (a), (c), (d)(1), and (j), by striking ''1995'' each place it appears and inserting ''1998''; and

(C) in paragraphs (1) and (2) of subsection (i), as amended by subsection (a), by striking ''1996'' both places it appears and inserting ''1999''.

(2) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Section 359b(a)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb(a)(1)) is amended by striking ''1996'' and inserting ''1999''.

SEC. 1108. OILSEEDS PROGRAM.

(a) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—Section 205 of the Agricultural Act of 1949 (7 U.S.C. 1446f) is amended—

(1) in the section heading, by striking ''**1995**'' and inserting ''**1998**''; and

(2) in subsections (b), (c), (e)(1), and (n), by striking ''1995'' each place it appears and inserting ''1998''.

SEC. 1109. PEANUT PROGRAM.

(a) ASSESSMENT TO COVER UNANTICIPATED LOSSES IN ADMINISTERING THE PROGRAM.—

(1) ADDITIONAL ASSESSMENT.—Section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c–3) is amended—

(A) by redesignating subsection (h) as subsection (i); and

(B) by inserting after subsection (g) the following new subsection:

''(h) ADDITIONAL MARKETING ASSESSMENT.—

''(1) TWO PERCENT ASSESSMENT.—In addition to the marketing assessment required by subsection (g), the Secretary shall also provide for a nonrefundable marketing assessment applicable to each of the 1993 through 1998 crops of peanuts and collected and paid in accordance with this subsection. The assessment shall be on a per pound basis in an amount equal to 2 percent of the national average quota or additional peanut support rate per pound, as applicable, for the applicable crop. No peanuts shall be assessed more than 2 percent of the applicable support rate under this subsection.

''(2) FIRST PURCHASERS.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

''(A) collect from the producer a marketing assessment equal to 1 percent of the applicable national average support rate times the quantity of peanuts acquired;

''(B) pay, in addition to the amount collected under subparagraph (A), a marketing assessment in an amount equal to 1 percent of the applicable national average support rate times the quantity of peanuts acquired; and

''(C) remit the amounts required under subparagraphs (A) and (B) to the Commodity Credit Corporation in a manner specified by the Secretary.

''(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment under this subsection and shall remit the assessment by such time as is specified by the Secretary.

''(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this section, ½ of the assessment under this subsection shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts as provided in subparagraph (B) of paragraph (2). For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds under this subsection shall be treated as having been paid to the producer.

''(5) RESERVE ACCOUNT.—

''(A) ESTABLISHMENT.—The Secretary shall establish in the Commodity Credit Corporation a reserve account to be administered by the Secretary for purposes of this section. There shall be deposited in the reserve account for each crop of peanuts an amount equal to—

''(i) the total amount remitted to the Commodity Credit Corporation under paragraphs (2) and (3) as the payment of the marketing assessment applicable to that crop of peanuts under this subsection; and

''(ii) the total amount deducted from the proceeds of a price support loan or paid by first purchasers under paragraph (4) as the payment of the marketing assessment applicable to that crop of peanuts under this subsection.

''(B) USE OF RESERVE ACCOUNT.—The Secretary shall use amounts in the reserve account established in this paragraph to cover losses incurred by the Commodity Credit Corporation on the sale or disposal of peanuts.

''(6) APPLICATION OF OTHER PROVISIONS.—Paragraphs (2)(B), (5), and (6) of subsection (g) shall apply with respect to the marketing assessment required by this subsection.''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect 15 days after the date of the enactment of this Act.

(b) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—

(1) AGRICULTURAL ACT OF 1949.—Section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c–3) is further amended—

(A) in the section heading, by striking ''**1995**'' and inserting ''**1998**'';

(B) in subsections (a)(1), (a)(2), (b)(1), and (g)(1), by striking ''1995'' each place it appears and inserting ''1998''; and

(C) in subsection (i) (as redesignated by subsection (a)(1)(A)), by striking ''1995'' and inserting ''1998''.

(2) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking ''**1995**'' and inserting ''**1998**''; and

(ii) in subsections (a)(1), (b)(1)(A), (b)(1)(B), (b)(2)(A), (b)(2)(C), (b)(3), and (f), by striking ''1995'' each place it appears and inserting ''1998'';

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking ''**1995**'' and inserting ''**1998**''; and

(ii) in subsection (c), by striking ''1995'' and inserting ''1998'';

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking ''1995'' and inserting ''1998''; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking ''**1995**'' and inserting ''**1998**''; and

(ii) in subsection (i), by striking ''1995'' and inserting ''1998''.

(3) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—Title VIII of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 3459) is amended—

(A) in section 801 (104 Stat. 3459), by striking ''1995'' and inserting ''1998'';

(B) in section 807 (104 Stat. 3478), by striking ''1995'' and inserting ''1998''; and

(C) in section 808 (7 U.S.C. 1441 note), by striking ''1995'' and inserting ''1998''.

(c) ASSESSMENT UNDER PEANUT MARKETING AGREEMENT.—Section 8b(b)(1) of the Agricultural Adjustment Act (7 U.S.C. 608b(b)(1)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) by striking ''and'' at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(C) any assessment imposed under such agreement shall apply to peanut handlers (as that term is defined by the Secretary) who have not entered into such an agreement with the Secretary in addition to those handlers who have entered into such agreement.''.

(d) CUSTOMS TREATMENT OF CERTAIN PEANUT PRODUCTS.—

(1) TEMPORARY ADDITIONAL DUTIES.—Subchapter I of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical order the following new headings:

''9901.11.10	Peanut paste (provided for in subheading 2007.99.65)	55¢/kg	No change	55¢/kg	On or before 7/31/96
9901.11.12	Peanut butter (provided for in subheading 2008.11.00)	55¢/kg	No change	55¢/kg	On or before 7/31/96''.

(2) INCLUSION OF PEANUT BUTTER IN QUOTA.—Heading 9904.20.20 of the Harmonized Tariff Schedule of the United States is amended by striking out ''(except peanut butter)''.

(3) EFFECTIVE DATES.—

(A) TEMPORARY ADDITIONAL DUTIES.—The amendment made by paragraph (1) applies with respect to entries and withdrawals from warehouse for consumption made on or after the 15th day after the date of the enactment of this Act.

(B) QUOTA AMENDMENT.—The amendment made by paragraph (2) applies with respect to entries and withdrawals from warehouse for consumption made after July 31, 1996.

SEC. 1110. HONEY PROGRAM.

(a) REDUCED SUPPORT RATE.—Subsection (a) of section 207 of the Agricultural Act of 1949 (7 U.S.C. 1446h) is amended by striking ''53.8 cents'' and inserting ''50 cents''.

(b) PAYMENT LIMITATIONS.—Subsection (e)(1) of such section is amended—

(1) by striking ''and'' at the end of subparagraph (C);

(2) by striking subparagraph (D); and

(3) by adding at the end the following new subparagraphs:

''(D) $125,000 in the 1994 crop year;

''(E) $100,000 in the 1995 crop year;

''(F) $75,000 in the 1996 crop year; and

''(G) $50,000 in each of the 1997 and subsequent crop years.''.

(c) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES.—Subsections (a), (c)(1), and (j) of such section are amended by striking ''1995'' each place it appears and inserting ''1998''.

(d) TERMINATION OF ASSESSMENT.—Subsection (i)(1) of such section is amended by striking ''1995'' and inserting ''1993''.

SEC. 1111. WOOL AND MOHAIR PROGRAM.

(a) PAYMENT LIMITATIONS.—Section 704(b)(1) of the National Wool Act of 1954 (7 U.S.C. 1783(b)(1)) is amended—

(1) by striking ''and'' at the end of subparagraph (C);

(2) by striking subparagraph (D); and

(3) by adding at the end the following new subparagraphs:

''(D) $125,000 for the 1994 marketing year;

''(E) $100,000 for the 1995 marketing year;

''(F) $75,000 for 1996 marketing year; and

''(G) $50,000 for each of the 1997 and subsequent marketing years.''.

(b) MARKETING CHARGES.—Section 706 of National Wool Act of 1954 (7 U.S.C. 1785) is

amended by inserting after the second sentence the following new sentence: ''In determining the net sales proceeds and national payment rates for shorn wool and shorn mohair the Secretary shall not deduct marketing charges for commissions, coring, or grading.''.

(c) CONTINUATION OF DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.—Subsections (a) and (b)(2) of section 703 of the National Wool Act of 1954 (7 U.S.C. 1782) are amended by striking ''1995'' both places it appears and inserting ''1998''.

(d) TERMINATION OF MARKETING ASSESSMENT.—Section 704(c) of the National Wool Act of 1954 (7 U.S.C. 1783(c)) is amended by striking ''1995'' and inserting ''1992''.

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) POLICY OF CONGRESS.—Section 702 of the National Wool Act of 1954 (7 U.S.C. 1781) is amended—

(A) by striking '', strategic,'' in the first sentence; and

(B) by striking ''as a measure of national security and to promote'' and inserting ''that as a method to promote''.

(2) ELIMINATION OF OBSOLETE PROVISION.—Section 703(b) of the National Wool Act of 1954 (7 U.S.C. 1782(b)) is amended—

(A) in paragraph (1), by striking ''paragraphs (2) and (3)'' and inserting ''paragraph (2)'';

(B) in paragraph (2), by striking ''Except as provided in paragraph (3), for'' and inserting ''For''; and

(C) by striking paragraph (3).

(3) ADVERTISING AND SALES PROMOTION PROGRAMS.—Section 708 of the National Wool Act of 1954 (7 U.S.C. 1787) is amended—

(A) by inserting ''(a)'' after ''SEC. 708.''; and

(B) by adding at the end the following new subsection:

''(b)(1) Except as provided in paragraph (2), to the extent that the Secretary determines that the amount of funds that would otherwise be made available under subsection (a) in any marketing year for agreements entered into under such subsection is less than the amount made available under such subsection in the previous marketing year, the difference in such amounts shall be provided from amounts available to support the prices of wool and mohair under section 703 of this title. Any amount provided under this subsection shall be considered to be an expenditure made in connection with payments to producers under this title for purposes of section 705 of this title.

''(2) Paragraph (1) shall not apply if the Secretary determines that any portion of the difference between the amounts made available under subsection (a) between two consecutive marketing years is the result of a per unit reduction in the amount of the assessment imposed under the agreements entered into under such subsection.''.

SEC. 1112. CONFORMING AMENDMENTS TO CONTINUE DEFICIT REDUCTION ACTIVITIES IN CROP YEARS AFTER 1995.

(a) SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY.—Section 113 of the Agricultural Act of 1949 (7 U.S.C. 1445h) is amended by striking ''1995'' and inserting ''1998''.

(b) DEFICIENCY AND LAND DIVERSION PAYMENTS.—Subsections (a)(1), (b), and (c) of section 114 of the Agricultural Act of 1949 (7 U.S.C. 1445j) are amended by striking ''1995'' each place it appears and inserting ''1998''.

(c) DISASTER PAYMENTS.—Section 208 of the Agricultural Act of 1949 (7 U.S.C. 1446i) is amended—

(1) in the section heading, by striking ''**1995**'' and inserting ''**1998**'';

(2) in subsection (d), by striking ''1995'' and inserting ''1998''.

(d) MISCELLANEOUS.—Title IV of the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) is amended—

(1) in section 402(b) (7 U.S.C. 1422(b)), by striking ''1995'' and inserting ''1998'';

(2) in section 403(c) (7 U.S.C. 1423(c)), by striking ''1995'' and inserting ''1998'';

(3) in section 406(b) (7 U.S.C. 1426(b))—

(A) by striking ''1995'' each place it appears and inserting ''1998''; and

(B) by striking ''1996'' each place it appears and inserting ''1999''; and

(4) in section 408(k)(3) (7 U.S.C. 1428(k)(3)), by striking ''1995'' and inserting ''1998''.

(e) ACREAGE BASE AND YIELD SYSTEM.—Title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended—

(1) in subsections (c)(3) and (h)(2)(A) of section 503 (7 U.S.C. 1463), by striking ''1995'' each place it appears and inserting ''1998'';

(2) in subsections (b)(1) and (b)(2) of section 505 (7 U.S.C. 1465), by striking ''1995'' each place it appears and inserting ''1998''; and

(3) in section 509 (7 U.S.C. 1469), by striking ''1995'' and inserting ''1998''.

(f) NORMALLY PLANTED ACREAGE.—Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is amended in subsections (a), (b)(1), and (c) by striking ''1995'' each place it appears and inserting ''1998''.

(g) AGRICULTURE AND FOOD ACT OF 1981.—Section 1014 of the Agriculture and Food Act of 1981 (7 U.S.C. 4110) is amended by striking ''1995'' and inserting ''1998''.

(h) FOOD SECURITY ACT OF 1985.—The Food Security Act of 1985 (Public Law 99–198; 99 Stat. 1354) is amended—

(1) in section 902(c)(2)(A) (7 U.S.C. 1446 note), by striking ''1995'' and inserting ''1998'';

(2) in paragraphs (1)(A), (1)(B), and (2)(A) of section 1001 (7 U.S.C. 1308), by striking ''1995'' each place it appears and inserting ''1998'';

(3) in section 1001C(a) (7 U.S.C. 1308–3(a)), by striking ''1995'' both places it appears and inserting ''1998'';

(4) in section 1017(b) (7 U.S.C. 1385 note), by striking ''1995'' and inserting ''1998''; and

(5) in section 1019 (7 U.S.C. 1310a), by striking ''1995'' and inserting ''1998''.

(i) OPTIONS PILOT PROGRAM.—The Options Pilot Program Act of 1990 (subtitle E of title XI of Public Law 101–624; 104 Stat. 3518; 7 U.S.C. 1421 note) is amended—

(1) in subsections (a) and (b) of section 1153, by striking ''1995'' each place it appears and inserting ''1998''; and

(2) in section 1154(b)(1)(A), by striking ''1995'' both places it appears and inserting ''1998''.

(j) READJUSTMENT OF SUPPORT LEVELS.—Section 1302 of the Agricultural Reconciliation Act of 1990 (7 U.S.C. 1421 note) is amended in subsections (b)(1), (b)(3), and (d)(1)(C) by striking ''1995'' each place it appears and inserting ''1998''.

Subtitle B—Miscellaneous Provisions

SEC. 1121. MAXIMUM EXPENDITURES UNDER MARKET PROMOTION PROGRAM FOR FISCAL YEARS 1994 THROUGH 1998.

(a) LIMITATION.—Section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)) is amended by striking ''not less than $200,000,000 for each of the fiscal years 1991 through 1995'' and inserting ''an amount equal to $147,734,000 for each of the fiscal years 1991 through 1998''.

(b) APPLICATION OF AMENDMENTS.—The amendment made by this section shall apply with respect to fiscal years beginning after September 30, 1993.

SEC. 1122. ADMISSION, ENTRANCE, AND RECREATION FEES.

(a) AUTHORITY TO IMPOSE FEES.—

(1) ENTRANCE AND ADMISSION FEES.—The Secretary of Agriculture may charge admission or entrance fees at National Monuments, National Volcanic Monuments, National Scenic Areas, and areas of concentrated public use administered by the Secretary.

(2) RECREATION USE FEES.—The Secretary may charge recreation use fees at lands administered by the Secretary in connection with the use of specialized outdoor recreation sites, equipment, services, or facilities, including visitors' centers, picnic tables, boat launching facilities, or campgrounds.

(b) AMOUNT OF FEES.—The amount of the admission, entrance, and recreation fees authorized to be imposed under this section shall be determined by the Secretary.

(c) DEFINITIONS.—For purposes of this section:

(1) The term ''area of concentrated public use'' means an area administered by the Secretary that meets each of the following criteria:

(A) The area is managed primarily for outdoor recreation purposes.

(B) Facilities and services necessary to accommodate heavy public use are provided in the area.

(C) The area contains at least one major recreation attraction.

(D) Public access to the area is provided in such a manner that admission fees can be efficiently collected at one or more centralized locations.

(2) The term ''boat launching facility'' includes any boat launching facility regardless of whether specialized facilities or services, such as mechanical or hydraulic boat lifts or facilities, are provided.

(3) The term ''campground'' means any campground where a majority of the following amenities are provided, as determined by the Secretary:

(A) Tent or trailer spaces.

(B) Drinking water.

(C) An access road.

(D) Refuse containers.

(E) Toilet facilities.

(F) The personal collection of recreation use fees by an employee or agent of the Secretary.

(G) Reasonable visitor protection.

(H) If campfires are permitted in the campground, simple devices for containing the fires.

(4) The term ''Secretary'' means the Secretary of Agriculture.

SEC. 1123. ADDITIONAL PROGRAM CHANGES TO MEET RECONCILIATION REQUIREMENTS.

The Secretary of Agriculture shall consolidate personnel and field, regional, and national offices of agencies within the Department of Agriculture in order to reduce personnel and duplicative overhead expenses as a result of the consolidation such that Department expenditures are reduced by—

(1) $90,000,000 in fiscal year 1995;

(2) $97,000,000 in fiscal year 1996;

(3) $135,000,000 in fiscal year 1997; and

(4) $178,000,000 in fiscal year 1998.

SEC. 1124. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM AMENDMENTS.

(a) ENROLLMENT REQUIREMENT.—

(1) CONSERVATION RESERVE PROGRAM.—

(A) IN GENERAL.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended—

(i) by striking ''the amount of acres specified in section 1230(b)'' and inserting ''a total of not more than 38,000,000 acres during the 1986 through 1995 calendar years''; and

(ii) by striking ''each of calendar years 1994 and 1995'' and inserting ''the 1995 calendar year''.

(B) CONFORMING AMENDMENT.—Section 1230(b) of such Act (16 U.S.C. 3830(b)) is amended by striking ''to place in'' and all that follows through ''acres''.

(2) WETLANDS RESERVE PROGRAM.—

(A) IN GENERAL.—Section 1237(b) of such Act (16 U.S.C. 3837(b)) is amended to read as follows:

''(b) MINIMUM ENROLLMENT.—The Secretary shall enroll into the wetlands reserve program—

''(1) a total of not less than 330,000 acres by the end of the 1995 calendar year; and

''(2) a total of not less than 975,000 acres during the 1991 through 2000 calendar years.''.

(B) CONFORMING AMENDMENT.—Section 1237(c) of such Act (16 U.S.C. 3837(c)) is amended by striking ''1995'' and inserting ''2000''.

(b) USE OF COMMODITY CREDIT CORPORATION.—Section 1241 of such Act (16 U.S.C. 3841) is amended—

(1) in subsection (a)—

(A) by striking ''(a)(1) During each of the fiscal years ending September 30, 1986, and September 30, 1987'' and inserting ''(a) During each of the fiscal years 1994 through 2000''; and

(B) by striking paragraph (2); and

(2) in subsection (b), by striking ''(A) through (E)'' and inserting ''A through E''.

SEC. 1125. EXEMPTION OF TRIPLE BASE ACREAGE FROM CERTAIN CONSERVATION REQUIREMENTS.

(a) HIGHLY ERODIBLE LAND CONSERVATION.—Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) is amended by adding at the end the following new subsection:

''(i) Notwithstanding any other provision of law, the producers on a farm—

''(1) may designate the specific acres on the farm that are in a quantity equal to the crop acreage base for a crop on the farm less the quantity of payment acres for the crop under section 107B(c)(1)(C)(ii), 105B(c)(1)(C)(ii), 103B(c)(1)(C)(ii), or 101B(c)(1)(C)(ii) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3a(c)(1)(C)(ii), 1444f(c)(1)(C)(ii), 1444-2(c)(1)(C)(ii), or 1441-2(c)(1)(C)(ii)); and

''(2) shall be exempt from the requirements of this subtitle with respect to the specific acres that are designated under paragraph (1).''.

(b) WETLAND CONSERVATION.—Section 1222 of such Act (16 U.S.C. 3822) is amended by adding at the end the following new subsection:

''(k) PRODUCTION ON TRIPLE BASE ACREAGE.—Notwithstanding any other provision of law, the producers on a farm—

''(1) may designate the specific acres on the farm that are in a quantity equal to the crop acreage base for a crop on the farm less the quantity of payment acres for the crop under section 107B(c)(1)(C)(ii), 105B(c)(1)(C)(ii), 103(c)(1)(C)(ii), or 101B(c)(1)(C)(ii) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3a(c)(1)(C)(ii), or 1444f(c)(1)(C)(ii), 1444-2(c)(1)(C)(ii), or 1441-2(c)(1)(C)(ii)); and

''(2) shall be exempt from the requirements of this subtitle with respect to the specific acres that are designated under paragraph (1).''.

(c) CROPS.—The amendments made by this section shall be effective only for the 1994 through 1998 crops of wheat, feed grains, upland cotton, and rice.

SEC. 1126. ELIMINATION OF MALTING BARLEY ASSESSMENT.

(a) ELIMINATION OF ASSESSMENT.—Section 105B of the Agricultural Act of 1949 (7 U.S.C. 1444f) is amended by striking subsection (p).

(b) EFFECT ON CALCULATION OF TARGET PRICE FOR BARLEY.—Subsection (c)(1)(B)(iii)(IV)(bb) of such section is amended—

(1) by striking ''clause (i)(I)'' and inserting ''clause (ii)(I);

(2) by striking ''primarily''; and

(3) by inserting before the period the following: ''or malting purposes''.

(c) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply beginning with the 1994 crop year for barley.

SEC. 1127. REFORM OF THE PAYMENT LIMITATION PROVISIONS OF THE FOOD SECURITY ACT OF 1985.

(a) REPEAL OF THREE-ENTITY RULE.—Section 1001A(a)(1) of the Food Security Act of 1985 (7 U.S.C. 1308–1(a)(1) is amended—

(1) in the first sentence by—

(A) striking ''substantial beneficial interests in more than two entities'' and inserting ''a substantial beneficial interest in any other entity''; and

(B) striking ''receive such payments as separate persons'' and insert ''receives such payments as a separate person''; and

(2) by striking the second sentence.

(b) ATTRIBUTION OF PAYMENTS MADE TO CORPORATIONS AND OTHER ENTITIES.—(1) Section 1001(5)(C) of the Food Security Act of 1985 (7 U.S.C. 1308(5)(C)) is amended to read as follows:

''(C) In the case of corporations and other entities included in subparagraph (B), and partnerships, the Secretary shall attribute payments to individuals in proportion to their ownership interests in an entity and in any other entity, or partnership, which owns or controls the entity, or partnership, receiving such payment.''.

(2) Section 609 of the Agricultural Act of 1949 (7 U.S.C. 1471g) is amended by striking subsections (c) and (d) and inserting the following:

''(c) In the case of corporations and other entities included in section 1001(5)(B) of the Food Security Act of 1985, and partnerships, the Secretary shall attribute payments to individuals in proportion to their ownership interests in such entities and partnerships.''.

(c) TRACKING PAYMENTS USING SOCIAL SECURITY NUMBERS.—Section 1001(5)(A) of the Food Security Act of 1985 (7 U.S.C. 1308(5)(A)) is amended—

(1) by striking ''and'' at the end of subparagraph (i);

(2) by redesignating subparagraph (ii) as subparagraph (iii); and

(3) by inserting after subparagraph (i) the following new subparagraph:

''(ii) providing for the tracking of payments made or attributed to an individual on the basis of the Social Security number of the individual; and''.

SEC. 1128. UNIFORM FOOD STAMPS REIMBURSEMENT RATES.

(a) AMENDMENTS.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended—

(1) in subsection (a)—

(A) by striking ''and (5)'' and inserting ''(5)'';

(B) by inserting before the colon the following—

'', (6) automated data processing and information retrieval systems subject to the conditions set forth in subsection (g), (7) food stamp program investigations and prosecutions, and (8) implementing and operating the immigration status verification system under section 1137(d) of the Social Security Act (42 U.S.C. 1320b-7(d))''; and

(C) in the proviso by inserting after ''75 per centum'' the following:

''through June 30, 1994, 70 percent for the 1-year period beginning July 1, 1994, 60 percent for the 1-year period beginning July 1, 1995, and 50 percent for any subsequent period,'';

(2) in subsection (g)—

(A) by inserting ''through June 30, 1995, equal to 60 percent for the 1-year period beginning July 1, 1995, and 50 percent effective July 1, 1996,'' after ''1991,''; and

(B) by striking ''automatic'' and inserting ''automated''; and

(3) in subsection (j) by inserting after ''100 per centum'' the following:

''through June 30, 1994, 70 percent for the 1-year period beginning July 1, 1994, 60 percent for the 1-year period beginning July 1, 1995, and 50 percent for any subsequent period,''.

(b) APPLICATION OF AMENDMENTS.—The reductions in enhanced Federal match rates for administration resulting from the amendments made by subsection (a) shall apply to payments to States for expenditures incurred only after—

(A) the end of the State fiscal year that ends during 1994; or

(B) in the case of a State with a State legislature which is not scheduled to have a regular legislative session in 1994, the end of the State fiscal year that ends during 1995;

without regard to whether or not final regulations to carry out such amendments have been promulgated by the Secretary before the end of either of such State fiscal years.

TITLE II—COMMITTEE ON ARMED SERVICES

SEC. 2001. DEFERRAL OF COST-OF-LIVING ADJUSTMENTS FOR MILITARY RETIREES UNTIL AGE 62.

Section 1401a(b)(1) of title 10, United States Code, is amended by adding at the end the following new sentence: ''In the case of a member or former member under age 62 (other than a member retired under chapter 61 of this title), such increase shall not become payable as part of the retired pay of the member or former member until the month in which the member or former member becomes 62 years of age.''.

TITLE III—COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

SEC. 3001. NATIONAL DEPOSITOR PREFERENCE.

(a) IN GENERAL.—Section 11(d)(11) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)(11)) is amended to read as follows:

''(11) DEPOSITOR PREFERENCE.—

''(A) IN GENERAL.—Subject to section 5(e)(2)(C), amounts realized from the liquidation or other resolution of any insured depository institution by any receiver appointed for such institution shall be distributed to pay claims (other than secured claims to the extent of any such security) in the following order of priority:

''(i) Administrative expenses of the receiver.

''(ii) Any deposit liability of the institution.

''(iii) Any claim of an employee of the institution, other than a senior executive officer (as defined by the Corporation pursuant to section 32(f)), for pay accrued but unpaid as of the date the receiver was appointed for the institution.

''(iv) Any other general or senior liability of the institution (which is not a liability described in clause (v) or (vi)).

''(v) Any obligation subordinated to depositors or other general creditors (which is not an obligation described in clause (vi)).

''(vi) Any obligation to shareholders arising as a result of their status as shareholders (including any depository institution holding company or any shareholder or creditor of such company).

''(B) EFFECT ON STATE LAW.—

''(i) IN GENERAL.—The provisions of subparagraph (A) shall not supersede the law of any State except to the extent such law is inconsistent with the provisions of such subparagraph, and then only to the extent of the inconsistency.

''(ii) PROCEDURE FOR DETERMINATION OF INCONSISTENCY.—Upon the Corporation's own motion or upon the request of any person with a claim described in subparagraph (A)(i) or any State which is submitted to the Corporation in accordance with procedures which the Corporation shall prescribe, the Corporation shall determine whether any provision of the law of any State is inconsistent with any provision of subparagraph (A) and the extent of any such inconsistency.

''(iii) JUDICIAL REVIEW.—The final determination of the Corporation under clause (ii) shall be subject to judicial review under chapter 7 of title 5, United States Code.

''(C) ACCOUNTING REPORT.—Any distribution by the Corporation in connection with any claim described in subparagraph (A)(vi) shall be accompanied by the accounting report required under paragraph (15)(B).''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 11(c)(13) of the Federal Deposit Insurance Act (12 U.S.C. 1821(c)(13)) is amended—

(A) in subparagraph (A), by striking ''subject to subparagraph (B),'';

(B) by inserting ''and'' after the semicolon at the end of subparagraph (A);

(C) by striking subparagraph (B); and

(D) by redesignating subparagraph (C) as subparagraph (B).

(2) Section 11(g)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1921(g)(4)) is amended by striking ''If the Corporation'' and inserting ''Subject to subsection (d)(11), if the Corporation''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to insured depository institutions for which a receiver is appointed after the date of the enactment of this Act.

SEC. 3002. TRANSFER OF FEDERAL RESERVE SURPLUSES.

(a) IN GENERAL.—The 1st undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 289) is amended to read as follows:

''(a) DIVIDENDS AND SURPLUS FUNDS OF RESERVE BANKS.—

''(1) STOCKHOLDER DIVIDENDS.—

''(A) IN GENERAL.—After all necessary expenses of a Federal reserve bank have been paid or provided for, the stockholders of the bank shall be entitled to receive an annual dividend of 6 percent on paid-in capital stock.

''(B) DIVIDEND CUMULATIVE.—The entitlement to dividends under subparagraph shall be cumulative.

''(2) DEPOSIT OF NET EARNINGS IN SURPLUS FUND.—That portion of net earnings of each Federal reserve bank which remains after dividend claims under subparagraph (A) have been fully met shall be deposited in the surplus fund of the bank.

''(3) PAYMENT TO TREASURY.—During fiscal years 1994 through 1998, any amount in the surplus fund of any Federal reserve bank in excess of the amount equal to 3 percent of the total paid-in capital and surplus of the member banks of such bank shall be transferred to the Board for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury.''.

(b) ADDITIONAL TRANSFERS FOR FISCAL YEARS 1997 AND 1998.—

(1) IN GENERAL.—In addition to the amounts required to be transferred from the surplus funds of the Federal reserve banks pursuant to section 7(a)(3) of the Federal Reserve Act, the Federal reserve banks shall transfer from such surplus funds to the Board of Governors of the Federal Reserve System for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury, a total amount of $106,000,000 in fiscal year 1997 and a total amount of $107,000,000 in fiscal year 1998.

(2) ALLOCATION BY FED.—Of the total amount required to be paid by the Federal reserve banks under paragraph (1) for fiscal year 1997 or 1998, the Board of Governors of the Federal Reserve System shall determine the amount each such bank shall pay in such fiscal year.

(3) REPLENISHMENT OF SURPLUS FUND PROHIBITED.—No Federal reserve bank may replenish such bank's surplus fund by the amount of any transfer by such bank under paragraph (1) during the fiscal year for which such transfer is made.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The penultimate undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 290) is amended by striking ''The net earnings derived'' and inserting ''(b) USE OF EARNINGS TRANSFERRED TO THE TREASURY.—The net earnings derived''.

(2) The last undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 531) is amended by striking ''Federal reserve banks'' and inserting ''(c) EXEMPTION FROM TAXATION.—Federal reserve banks''.

SEC. 3003. USE OF RETURN DATA FOR INCOME VERIFICATION UNDER CERTAIN HOUSING ASSISTANCE PROGRAMS.

Section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 3544) is amended as follows:

(1) CONSENT FORMS.—In subsection (b)—

(A) in the matter preceding paragraph (1), by inserting ''(including the Indian housing program under title II of the United States Housing Act of 1937)'' before the 1st comma;

(B) in paragraph (1), by striking ''and'' at the end;

(C) in paragraph (2), by striking the period at the end and inserting ''; and'';

(D) by inserting after paragraph (2) the following new paragraph:

''(3) sign a consent form approved by the Secretary authorizing the Secretary to request the Commissioner of Social Security and the Secretary of the Treasury to release information pursuant to section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 with respect to such applicant or participant for the sole purpose of the Secretary verifying income information pertinent to the applicant's or participant's eligibility or level of benefits.''; and

(E) in the last sentence, by striking ''This'' and inserting the following: ''Except as provided in this subsection, this''.

(2) APPLICANT AND PARTICIPANT PROTECTIONS.—In subsection (c)(2)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i)—

(I) by inserting after ''compensation law'' the following: ''or pursuant to section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 from the Commissioner of Social Security or the Secretary of the Treasury''; and

(II) by inserting ''(in the case of information obtained pursuant to such section 303(i))'' before ''representatives''; and

(ii) in clause (ii), by inserting ''or public housing agency'' after ''owner'' each place it appears;

(B) in subparagraph (B), by inserting after ''wages'' each place it appears the following: '', other earnings or income,''; and

(C) in subparagraph (C), by inserting before the second comma the following: ''at a hearing that provides the basic elements of due process''.

(3) PENALTY.—In subsection (c)(3)—

(A) in subparagraph (A), by inserting ''or section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986'' after ''Social Security Act''; and

(B) in the first sentence of subparagraph (B)—

(i) by striking clause (i) and inserting the following: ''(i) a negligent or knowing disclosure of information referred to in this section, section 303(i) of the Social Security Act, or section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 about such person by an officer or employee of any public housing agency or owner (or employee thereof), which disclosure is not authorized by this section, such section 303(i), such section 6103(l)(7)(D)(ix), or any regulation implementing this section, such section 303(i), or such section 6103(l)(7)(D)(ix), or''; and

(ii) in clause (ii), by inserting ''such section 6103(l)(7)(D)(ix),'' after ''303(i),''.

(4) CONFORMING AMENDMENT.—The heading of subsection (c) of section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 is amended by striking ''STATE EMPLOYMENT''.

SEC. 3004. GNMA REMIC GUARANTEE FEES.

Section 306(g)(3) of the National Housing Act (12 U.S.C. 1721(g)(3)) is amended by adding at the end the following new subparagraph:

''(E)(i) Notwithstanding subparagraphs (A) through (D), fees charged for the guaranty of, or commitment to guaranty, multiclass securities backed by a trust or pool of securities or notes guarantied by the Association under this subsection and other related fees shall be charged by the Association in an amount not to exceed the value, as determined by the Association, of the guarantee or commitment to guarantee. The Association shall take such action as may be necessary to reasonably assure that such portion of the value of the guaranties or commitments to guaranty as the Association determines is appropriate accrues to the benefit of mortgagors under mortgages executed after the date of the enactment of this subparagraph by or upon which such securities or notes are backed.

''(ii) For each Federal fiscal year, the Association shall submit a report to the Congress describing any activities of the Association with respect to guarantying and making commitments to guaranty multiclass securities described in clause (i). The report shall be submitted not later than 90 days after the end of the fiscal year for which the report is made and shall identify the extent of such activities during the fiscal year, the size of each transaction closed during the fiscal year involving such securities, the number of mortgages involved in each such transaction, the amount of the fees charged and earned by the Association for such transactions, and any persons receiving payments for any services provided with respect to any such transactions and the amounts of such payments, and shall include an estimate of the portion of the value of the guarantee or commitment to guarantee accruing to the benefit of mortgagors and a description of any action taken by the Association to ensure such accrual.

''(iii) The Association shall provide for the initial implementation of the program for which fees are charged under the first sentence of clause (i) by notice published in the Federal Register. The notice shall be effective upon publication and shall provide an opportunity for public comment. Not later than 12 months after publication of the notice, the Association shall issue regulations for such program based on the notice, comments received, and the experience of the Association in carrying out the program during such period.''.

SEC. 3005. MUTUAL MORTGAGE INSURANCE FUND PREMIUMS.

To improve the actuarial soundness of the Mutual Mortgage Insurance Fund under the National Housing Act, the Secretary of Housing and Urban Development shall increase the rate at which the Secretary earns the single premium payment collected at the time of insurance of a mortgage that is an obligation of such Fund (with respect to the rate in effect on the date of the enactment of this Act). In establishing such increased rate, the Secretary shall consider any current audit findings and reserve analyses and information regarding the expected average duration of mortgages that are obligations of such Fund and may consider any other information that the Secretary determines to be appropriate.

SEC. 3006. ADMINISTRATIVE FEES FOR SECTION 8 CERTIFICATE AND VOUCHER PROGRAMS.

(a) IN GENERAL.—Section 8(q)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(q)(1)) is amended—

(1) by striking the 2d sentence and inserting the following new sentences: ''In fiscal year 1994, the amount of the fee for each month for which a dwelling unit is covered by an assistance contract shall be 7.25 percent of the fair market rental established under subsection (c)(1) for a 2-bedroom existing rental dwelling unit in the market area of the public housing agency. After fiscal year 1994, the Secretary may decrease the amount of the fee at such times and in such amounts as the Secretary considers appropriate, except that (A) the fee may not be less than 6.0 percent of such fair market rental at any time, and (B) in fiscal year 1998 and in each fiscal year thereafter, the fee shall be 6.0 percent of such fair market rental.''; and

(2) in the last sentence, by striking ''fee'' and inserting ''amount of the fee established under this paragraph, for certain programs,''.

(b) EFFECTIVE DATE AND APPLICABILITY.—

(1) EFFECTIVE DATE.—The amendments under subsection (a) shall be made and shall take effect on October 1, 1993.

(2) APPLICABILITY.—The amendments made by this section shall apply to any dwelling units covered by an assistance contract under section 8 of the United States Housing Act of 1937 in effect on October 1, 1993, and any units covered by such a contract entered into or renewed on or after such date.

TITLE IV—EDUCATION AND LABOR

SEC. 4000. TABLE OF CONTENTS.

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TITLE IV—EDUCATION AND LABOR

Sec. 4000. Table of contents.

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Subtitle A—Higher Education Programs

SEC. 4001. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This subtitle may be cited as the ''Student Loan Reconciliation Amendments of 1993''.

(b) REFERENCE.—References in this subtitle to ''the Act'' are references to the Higher Education Act of 1965.

SEC. 4002. SIMPLIFIED FEDERALLY GUARANTEED STUDENT LOAN PROGRAM.

(a) IN GENERAL.—Part B of title IV of the Act is amended—

(1) by redesignating section 427, and all references thereto, as section 426A; and

(2) by inserting after section 426A (as redesignated by paragraph (1)), the following new section:

''SEC. 427. FEDERALLY GUARANTEED STUDENT AND PARENT LOANS.

''(a) FEDERALLY GUARANTEED STUDENT LOAN PROGRAM AUTHORIZED.—The Secretary shall, in accordance with the provisions of this part, carry out a federally guaranteed student loan program for—

''(1) insured loans for eligible students, as required by section 484, who qualify on the basis of need under part F for interest subsidies in accordance with section 428 or who qualify under subsection (c) of this section; and

''(2) insured loans for eligible students, as required by section 484, who do not qualify for interest subsidies under section 428, in accordance with the provisions of this section.

''(b) TERMS, CONDITIONS, AND BENEFITS.—

''(1) IN GENERAL.—Loans made to students described in paragraph (1) of subsection (a) shall have the terms, conditions, and benefits as described in this section and section 428 of this title. Loans made to students described in paragraph (2) of subsection (a) shall have the terms, conditions, and benefits described in paragraph (3) of this subsection.

''(2) APPLICABLE RATES OF INTEREST.—Interest on loans made pursuant to subsection (a) shall be at the applicable rate of interest provided in section 427A(e).

''(3) SPECIAL RULES FOR UNSUBSIDIZED LOANS FOR STUDENT BORROWERS.—

''(A) ELIGIBLE BORROWER.—Any student meeting the requirements for student eligibility under section 484 shall be entitled to borrow an unsubsidized Stafford Loan. Such student shall provide to the lender a statement from the eligible institution at which the student has been accepted for enrollment, or at which the student is in attendance, which—

''(i) sets forth such student's estimated cost of attendance (as determined under section 472);

''(ii) sets forth such student's estimated financial assistance, including a loan which qualifies for subsidy payments under section 428; and

''(iii) certifies the eligibility of the student to receive a loan under this section and the amount of the loan for which such student is eligible, in accordance with subparagraph (B).

''(B) DETERMINATION OF AMOUNT OF LOAN.—The determination of the amount of a loan by an eligible institution under subparagraph (A) shall be calculated by subtracting from the estimated cost of attendance at the eligible institution any estimated financial assistance reasonably available to such student. An eligible institution may not, in carrying out the provisions of subparagraph (A) of this paragraph, provide a statement which certifies the eligibility of any student to receive any loan under this section in excess of the amount calculated under the preceding sentence.

''(C) LOAN LIMITS.—The annual and aggregate limits for loans under this section shall be the same as those established under section 428(b)(1), less any amount received by such student pursuant to the subsidized loan program established under section 428.

''(D) PAYMENT OF PRINCIPAL AND INTEREST.—

''(i) COMMENCEMENT OF REPAYMENT.—Repayment of principal on loans made under this section shall commence 6 months after the month in which the student ceases to carry at least one-half the normal full-time workload as determined by the institution.

''(ii) CAPITALIZATION OF INTEREST.—Interest on loans made under this section for which payments of principal are not required during the in-school and grace periods or for which payments are deferred under sections 427(a)(2)(C) and 428(b)(1)(M) shall, if agreed upon by the borrower and the lender (I) be paid monthly or quarterly, or (II) be added to the principal amount of the loan not more frequently than quarterly by the lender. Such capitalization of interest shall not be deemed to exceed the annual insurable limit on account of the student.

''(E) SUBSIDIES PROHIBITED.—No payments to reduce interest costs shall be paid pursuant to section 428(a) of this part on loans made pursuant to this section.

''(F) APPLICABLE RATE OF INTEREST.—Interest on loans made pursuant to this paragraph shall be at the applicable rate of interest provided in section 427A(a).

''(G) INSURANCE PREMIUM.—

''(i) AMOUNT OF ORIGINATION FEE/INSURANCE PREMIUM.—The lender shall charge the borrower a combined origination fee and insurance premium in the amount of 6.5 percent of the principal amount of the loan, to be deducted proportionately from each installment payment of the proceeds of the loan prior to payment to the borrower. A guaranty agency may not charge an insurance premium on any loan made under this paragraph.

''(ii) RELATION TO APPLICABLE INTEREST.—Such combined fee and premium shall not be taken into account for purposes of determining compliance with section 427A.

''(iii) DISCLOSURE REQUIRED.—The lender shall disclose to the borrower the amount and method of calculating the combined origination fee and insurance premium.

''(iv) USE OF INSURANCE PREMIUM TO OFFSET DEFAULT COSTS.—Each lender making loans under this paragraph shall transmit all combined origination fee and insurance premiums authorized to be collected from borrowers to the Secretary, who shall use such fees and premiums to pay the Federal costs of default claims paid for loans under this paragraph and to reduce the cost of special allowances paid thereon, if any, under section 438(b).

''(v) REVIEW OF INSURANCE PREMIUM.—In fiscal year 1995, the Secretary is directed to analyze the risk rates of borrowers who have participated in this program in the 2 previous fiscal years. If the Secretary finds, that as a result of this review, the projected defaults and special allowance costs of the unsubsidized program do not exceed the 6.5 percent insurance premium, the Secretary is directed to lower the insurance premium accordingly.

''(H) SINGLE APPLICATION FORM.—A guaranty agency shall use a single application form prescribed by the Secretary for subsidized Federal Stafford loans made pursuant to section 428 and for unsubsidized Federal Stafford Loans made pursuant to this paragraph. The Secretary shall take such steps as may be necessary to incorporate such application form into the single form required by section 483(a).

''(I) SINGLE PROMISSORY NOTE FORM.—A lender of any loan under this section shall use a single standard promissory note prescribed by the Secretary by regulation.

''(c) ADDITIONAL RULES AND LOAN LIMITS FOR GRADUATE, PROFESSIONAL, AND CERTAIN UNDERGRADUATE INDEPENDENT STUDENTS.—

''(1) STUDENT ELIGIBILITY.—Graduate and professional students (as defined by regulations of the Secretary) and undergraduate

independent students shall be eligible to borrower funds under this subsection in amounts specified in paragraphs (3) through (6) and, unless otherwise specified in paragraphs (7) and (8) under this subsection, shall have the same terms, conditions, and benefits as all other loans made under this part. In addition, undergraduate dependent students shall be eligible to borrow funds under this subsection if the financial aid administrator determines, after review of the financial information submitted by the student and considering the debt burden of the student, that exceptional circumstances will likely preclude the student's parents from borrowing under subsection (d) for purposes of the expected family contribution and that the student's family is otherwise unable to provide such expected family contribution. If the financial aid administrator makes such a determination, appropriate documentation of such determination shall be maintained in the institution's records to support such determination. No student shall be eligible to borrow funds under this subsection until such student has obtained a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate.

''(2) INSTITUTIONAL ELIGIBILITY.—Funds may not be borrowed under this subsection by any undergraduate student who is enrolled at any institution during any fiscal year if the cohort default rate for such institution, for the most recent fiscal year for which such rates are available, equals or exceeds 30 percent. The Secretary shall notify institutions to which such restriction applies annually, and specify the fiscal year covered by the restriction. The Secretary shall afford any institution to which such restriction applies an opportunity to present evidence contesting the accuracy of the calculation of the cohort default rate for such institution.

''(3) ANNUAL LIMIT.—Subject to paragraphs (4) and (5), the maximum amount a student may borrow in any academic year is:

''(A) In the case of student at an eligible institution who has not successfully completed the first year of a program of undergraduate education—

''(i) $4,000, if such student is enrolled in a program whose length is at least one academic year in length (as determined under section 481);

''(ii) $2,500, if such student is enrolled in a program whose length is less than one academic year, but at least ⅔ of such an academic year; and

''(iii) $1,500, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of such an academic year.

''(B) In the case of a student at an eligible institution who has successfully completed such first year but has not successfully completed the remainder of a program of undergraduate study, $4,000.

''(C) In the case of a student at an eligible institution who has successfully completed the first and second year of such a program but has not successfully completed the remainder of such a program, $5,000.

''(D) In the case of a graduate or profession student (as defined in regulations of the Secretary) at an eligible institution, $10,000.

''(4) AGGREGATE LIMIT.—The aggregate insured principal amount of insured loans made to any student under this subsection, minus any interest capitalized under paragraphs (7) and (8) shall not exceed—

''(A) $23,000, in the case of any student who has not successfully completed a program of undergraduate education; and

''(B) $73,000, in the case of any graduate or professional student, as such terms are defined by regulations issued by the Secretary, including any loans which are insured by the Secretary under this section, or by a guaranty agency, made to such student before the student became a graduate or professional student.

''(5) LIMITATION BASED ON NEED.—Any loan under this subsection may be counted as part of the expected family contribution in the determination of need under this title, but no loan may be made to any student under this section for any academic year in excess of (A) the student's estimated cost of attendance, minus (B) the total of (i) any loan for which the student is eligible under section 428, and (ii) other financial aid is certified by the eligible institution under section 428(a)(2)(A). The annual insurable limit on account of the student shall not be deemed to be exceeded by a line of credit under which actual payments to the borrower will not be made in any year in excess of the annual limit.

''(6) DISBURSEMENT.—A loan under this subsection shall be disbursed in the manner required by section 428G.

''(7) COMMENCEMENT OF REPAYMENT.—Repayment of principal on loans made under this subsection shall commence not later than 60 days after the date such loan is disbursed by the lender or, if the loan is disbursed in multiple installments, not later than 60 days after the disbursement of the last such installment, subject to deferral pursuant to sections 427(a)(2)(C) and 428(b)(1)(M). In the case of a borrower under this subsection who is also a borrower under a program of student loan insurance covered by an agreement under section 428(b), the lender shall notify the borrower of the option to defer the commencement of the repayment for 6 months after the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload, as determined by the institution, except that interest shall begin to accrue, and shall be paid in accordance with paragraph (8), notwithstanding such delay in the commencement of repayment. The lender shall also notify the borrower of the borrower's option to commence repayment earlier than the beginning of such repayment period and the difference in total cost to the borrower.

''(8) CAPITALIZATION OF INTEREST.—(A) Interest on loans made under this subsection—

''(i) which are disbursed in installments,

''(ii) for which payments of principal are deferred under sections 427(a)(2)(C)(i) and 428(b)(1)(M)(i), or

''(iii) for which the commencement of the repayment period is delayed in accordance with paragraph (1) to coincide with the commencement of the repayment period of a loan made under section 427 or 428,

shall, if agreed upon by the borrower and the lender—

''(I) be paid monthly or quarterly, or

''(II) be added to the principal amount of the loan not more frequently than quarterly by the lender.

''(B) Such capitalization of interest shall not be deemed to exceed the annual insurable limit on account of the student.

''(9) SUBSIDIES PROHIBITED.—No payments to reduce interest costs shall be paid pursuant to section 428(a) of this part on loans made pursuant to this subsection.

''(10) APPLICABLE RATES OF INTEREST.—Interest on loans made pursuant to this subsection shall be at the applicable rate of interest provided in section 427(e).

''(11) AMORTIZATION.—The amount of the periodic payment and the repayment scheduled for any loan made pursuant to this subsection shall be established by assuming an interest rate equal to the applicable rate of interest at the time the repayment of the principal amount of the loan commences. At the option of the lender, the note or other written evidence of the loan may require that—

''(A) the amount of the periodic payment will be adjusted annually, or

''(B) the period of repayment of principal will be lengthened or shortened,

in order to reflect adjustments in interest rates occurring as a consequence of section 427A.

''(12) REPAYMENT PERIOD.—For purposes of calculating the 10–year repayment period under section 428(b)(1)(D), such period shall commence at the time the first payment of principal is due from the borrower.

''(d) FEDERAL PARENT LOANS.—

''(1) AUTHORITY TO BORROW.—Parents of a dependent student, who do not have an adverse credit history as determined pursuant to regulations of the Secretary, shall be eligible to borrow funds under this subsection in amounts specified in paragraph (2), an unless otherwise specified in paragraphs (3), (4), and (5), such loans shall have the same terms, conditions and benefits as all other loans made under this part. Whenever necessary to carry out the provisions of this subsection, the terms 'student' and 'borrower' as used in this part shall include a parent borrower under this subsection.

''(2) LIMITATION BASED ON NEED.—Any loan under this subsection may be counted as part of the expected family contribution in the determination of need under this title, but no loan may be made to any parent under this subsection for any academic year in excess of (A) the student's estimated cost of attendance, minus (B) other financial aid as certified by the eligible institution under section 428(a)(2)(A). The annual insurable limit on account of any student shall not be deemed to be exceeded by the line of credit under which actual payments to the borrower will not be made in any year in excess of the annual limit.

''(3) PARENT LOAN DISBURSEMENT.—All loans made under this subsection shall be disbursed in accordance with section 428G.

''(4) PAYMENT OF PRINCIPAL AND INTEREST.—

''(A) COMMENCEMENT OF REPAYMENT.—Repayment of principal on loans made under this subsection shall commence not later than 60 days after the date such loan is disbursed by the lender, or if the loan is disbursed in multiple installments not later than 60 days after the disbursement of the last such installment, subject to deferral during any period during which the parent meets the conditions required for a deferral under section 427(a)(2)(C) or 428(b)(1)(M).

''(B) CAPITALIZATION OF INTEREST.—Interest on loans made under this subsection for which payments of principal are deferred pursuant to paragraph (1) of this subsection shall, if agreed upon by the borrower and the lender (A) be paid monthly or quarterly, or (B) be added to the principal amount of the loan not more frequently than quarterly by the lender. Such capitalization of interest shall not be deemed to exceed the annual insurable limit on account of the borrower.

''(C) SUBSIDIES PROHIBITED.—No payments to reduce interest costs shall be paid pursuant to section 428(a) of this part on loans made pursuant to this subsection.

''(D) AMORTIZATION.—The amount of the periodic payment and the repayment schedule for any loan made pursuant to this subsection shall be established by assuming an interest rate equal to the applicable rate of interest at the time the repayment of the principal amount of the loan commences. At the option of the lender, the note or other written evidence of the loan may require that—

''(i) the amount of the periodic payment will be adjusted annually, or

''(ii) the period of repayment of principal will be lengthened or shortened,

in order to reflect adjustments in interest rates occurring as a consequence of section 427A.''.

(b) TERMINATION OF AUTHORITY.—

(1) TERMINATION OF THE FISL PROGRAM.—(A) Section 424 of the Act is amended by adding at the end thereof the following new subsection:

''(c) TERMINATION OF AUTHORITY.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may not exercise the authority contained in the provisions of this section after September 30, 2000.

''(2) EXCEPTION.—Whenever the Secretary determines that the objectives of this part require it, the Secretary may extend the termination date contained in paragraph (1) for 5 years.''.

(B) Section 426A of the Act (as redesignated by subsection (a)(1) of this section) is amended by adding at the end thereof the following new subsection:

''(d) The Secretary may not exercise the authority contained in the provisions of this section after September 30, 1998.''.

(2) TERMINATION OF AUTHORITY TO GUARANTEE LOANS UNDER SECTION 428A.—Section 428A of the Act is amended by adding at the end thereof the following new subsection:

''(e) TERMINATION OF AUTHORITY.—The Secretary may not issue loan guarantees for loans made or insured under this section after September 30, 1998.''.

(3) TERMINATION OF AUTHORITY TO GUARANTEE LOANS UNDER SECTION 428B.—Section 428B of the Act is amended by adding at the end thereof the following new subsection:

''(f) TERMINATION OF AUTHORITY.—The Secretary may not issue loan guarantees for loans made or insured under this section after September 30, 1998.''.

(4) TERMINATION OF AUTHORITY TO GUARANTEE LOANS UNDER SECTION 428H.—Section 428H of the Act is amended by adding at the end thereof the following new subsection:

''(h) TERMINATION OF AUTHORITY.—The Secretary may not issue loan guarantees for loans made or insured under this section after September 30, 1998.''.

(c) SINGLE APPLICATION TO CONFORM TO NEW SECTION 427.—Section 432(m)(1)(B) of the Act is amended by adding at the end thereof the new flush sentence: ''The form prescribed by the Secretary shall conform to the provisions of section 427 of this part as amended by the Student Loan Reconciliation Amendments of 1993.''.

(d) LINE OF CREDIT PROVISION TO AVOID REAPPLICATION.—Section 438B(1) of the Act is amended—

(1) by inserting ''(A)'' after the paragraph designation; and

(2) by adding after paragraph (1) the following new subparagraph:

''(B) In order to carry out the objective of subparagraph (A), the Secretary shall, within 240 days after the date of enactment of the Student Assistance Reform and Savings Amendments of 1993, develop and promulgate regulations to authorize eligible lenders to establish a line of credit for student borrowers after the applicable eligible institution has determined the continued eligibility of the student borrower under this part. The determination described in the previous sentence shall be considered a reapplication on the part of the student borrower for any purpose under this part.''.

(e) CONFORMING AMENDMENTS.—(1) Section 433(e) of the Act is amended by striking out ''section'' and inserting ''sections 427(b)(3), 427(c), 427(d),''.

(2) Section 435(d)(1)(G) of the Act is amended by striking out ''428A(d), and 428B(d),''.

(3) Section 435(m)(2)(D) of the Act is amended by inserting ''section 427(c) or'' before ''section 428A'' each time it appears in subparagraph (D).

(4)(A) Section 437(b) of the Act is amended by inserting ''section 427,'' before ''subparagraph''.

(5) Section 437(d) of the Act is amended by inserting ''427(d) or'' before ''428B''.

(6) Section 437A of the Act is amended by inserting ''427(d) or'' before ''428B''.

(7)(A) Section 438(b)(2)(C)(ii) of the Act is amended by inserting ''section 427(c) or 427(d), or'' before ''section 428A''.

(B) Section 438(b)(5)(A)(ii) of the Act is amended by inserting ''427,'' before ''428A''.

(8)(A) Section 438(c)(2) of the Act is amended by inserting ''427(c), 427(d),'' before ''428A''.

(B) Section 438(c)(6) of the Act is amended by inserting ''427(c), 427(d),'' before ''428A''.

(C) Section 438(c)(7) of the Act is amended by inserting ''427(c), 427(d),'' before ''428A''.

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect with respect to loans for which the first disbursement is made after September 30, 1993.

SEC. 4003. FEDERAL INTEREST SUBSIDIES.

Section 427A of the Higher Education Act of 1965 (20 U.S.C. 1077a), hereinafter in this subtitle referred to as ''the Act'', is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection:

''(i) IN-SCHOOL AND GRACE PERIOD INTEREST RATES.—

''(1) APPLICABLE RATE.—Notwithstanding any other provision of this section, with respect to any loan for which the first disbursement is made on or after October 1, 1993, the applicable rate of interest for interest which accrues—

''(A) prior to the beginning of the repayment period of the loan, or

''(B) during the period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in subsection (b)(1)(M) of this section or in section 427(a)(2)(C),

shall not exceed the rate determined under paragraph (2).

''(2) METHOD OF CALCULATION.—For purposes of paragraph (1) the rate determined under this paragraph shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

''(A) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction prior to such June 1; plus

''(B) 2.6 percent.''.

SEC. 4004. GUARANTY AGENCY AND LENDER RISK SHARING.

(a) AMENDMENTS.—

(1) LENDER INSURANCE PERCENTAGE.—Section 428(b)(1)(G) of the Act (20 U.S.C. 1087(b)(1)(G)) is amended—

(A) by striking ''not less than 100 percent'' and inserting ''95 percent''; and

((B) by inserting before the semicolon at the end the following: ''except that in the case of loans to students attending institutions whose cohort default rate exceeds 20 percent, such program insures 100 percent of the unpaid principal amount''.

(2) GUARANTY AGENCY REINSURANCE PERCENTAGE.—Section 428(c)(1) of the Act is amended—

(A) in subparagraph (A), by striking ''100 percent'' and inserting ''95 percent'';

(B) in subparagraph (B)(i), by striking ''90 percent'' and inserting ''85 percent'';

(C) in subparagraph (B)(ii), by striking ''80 percent'' and inserting ''75 percent''; and

(D) by adding at the end the following new subparagraph:

''(E) For the purposes of calculating the amount of reimbursement and the amount of loans insured under clauses (i) and (ii) of subparagraph (A), the Secretary shall exclude reimbursements and amounts of loans attributable to loans made to students for attendance at institutions of higher education with cohort default rates that exceed 20 percent.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) of this section shall apply with respect to any loan for which the first disbursement is made on or after October 1, 1993.

SEC. 4005. MASTER CHECKS.

Section 428(b)(1)(N) of the Act (20 U.S.C. 1078) is amended by inserting ''(including a consolidated check combining the funds of more than one student)'' after ''to the institution by check''.

SEC. 4006. LOAN TRANSFER FEES.

Section 428(b)(2) of the Act (20 U.S.C. 1078(b)(2)) is amended—

(1) by striking ''and'' at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting ''; and''; and

(3) by adding at the end thereof the following new subparagraph:

''(G) provide that, if a lender or holder, on or after October 1, 1993, sells, transfers, or assigns a loan under this part, then the transferee shall pay to the Secretary a transfer fee in an amount equal to 0.25 percent the principle and accrued unpaid interest of the loan.''.

SEC. 4007. SECRETARY'S EQUITABLE SHARE.

(a) AMENDMENT.—Section 428(c)(6)(A)(ii) of the Act (20 U.S.C. 1078(c)(6)(A)(ii)) is amended by striking out ''30 percent'' and inserting ''25 percent''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) of this section shall apply with respect to determinations of the Secretary's equitable share of payments made by borrowers on or after October 1, 1993.

SEC. 4008. ADMINISTRATIVE COST ALLOWANCE.

Section 428(f) of the Act is repealed.

SEC. 4009. SUPPLEMENTAL PRECLAIMS ASSISTANCE.

Section 428(l)(2) of the Act (20 U.S.C. 1078(l)(2)) is amended by striking the second sentence and inserting the following: ''For each loan on which such assistance is performed and for which a default claim is not presented to the guaranty agency by the lender on or before the 150th day after the loan becomes 120 days delinquent, such payment shall be equal to one percent of the total of the unpaid principle and the accrued unpaid interest of the loan.''.

SEC. 4010. PLUS LOAN AMOUNTS AND DISBURSEMENTS.

(a) LOAN AMOUNTS.—Section 428B(b) of the Act (20 U.S.C. 1078-2(b)) is amended to read as follows:

''(b) LIMITATIONS ON AMOUNTS OF LOANS.—

''(1) ANNUAL LIMIT.—Subject to paragraph (2), the maximum amount parents may borrow for one student in any academic year or its equivalent (as defined by regulation of the Secretary) is $10,000.

''(2) LIMITATION BASED ON NEED.—Any loan under this section may be counted as part of the expected family contribution in the determination of need under this title, but no loan may be made to any parent under this section for any academic year in excess of (A) the student's estimated cost of attendance, minus (B) other financial aid as certified by the eligible institution under section 428(a)(2)(A). The annual insurable limit on account of any student shall not be deemed to be exceeded by a line of credit under which actual payments to the borrower will not be made in any year in excess of the annual limit.''.

(b) MULTIPLE DISBURSEMENT REQUIRED.—

(1) AMENDMENT.—Section 428B(c) of the Act is amended by inserting after ''under this section'' the following: ''shall be disbursed in accordance with the requirements of section 428G and''.

(2) CONFORMING AMENDMENTS—Section 428G(e) of the Act (20 U.S.C. 1078-7(e) is amended—

(A) by striking ''PLUS, CONSOLIDATION,'' and inserting ''CONSOLIDATION''; and

(B) by striking ''section 428B or 428C'' and inserting ''section 428C''.

(3) FISL AMENDMENT.—Section 427(b)(2) of the Act (20 U.S.C. 1077(b)(2)) is amended by striking ''section 428B or 428C'' and inserting ''section 428B''.

SEC. 4011. CONSOLIDATION LOAN INTEREST RATES AND FEES.

(a) AMENDMENTS.—Section 428C(c) of the Act (20 U.S.C. 1078-3(c)) is amended—

(1) by striking subparagraph (B) of paragraph (1) and inserting the following:

''(B) Except as provided in subparagraph (C), a consolidation loan shall bear interest at annual rate that, during any 12-month period beginning on July 1 and ending on June 30, shall be determined on the preceding June 1 and be equal to—

''(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

''(ii) 3.1 percent.''; and

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

''(6) INSURANCE FEE FROM LENDERS.—Each lender shall pay to the Secretary, by monthly installments, an annual amount equal to 0.5 percent of the average principal amount outstanding on loans under this section held by the lender, as determined in accordance with such regulations as the Secretary shall prescribe.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to loans made pursuant to section 428C on or after October 1, 1993.

SEC. 4012. SPECIAL ALLOWANCE PAYMENTS WITH RESPECT TO TAX-EXEMPT LOAN FUNDS.

(a) AMENDMENT.—Section 438(b)(2)(B) of the Act (20 U.S.C. 1087-1(b)(2)(B)) is amended—

(1) by striking out division (ii); and

(2) by redesignating division (iii) as division (ii).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) of this section shall apply with respect to the determination of the quarterly rate of the special allowance for holders of loans which were made or purchased with funds obtained by the holder from the issuance of obligations on or after May 1, 1993.

SEC. 4013. LENDER ORIGINATION FEES.

Section 438 of the Act (20 U.S.C. 1087-1) is amended—

(1) in the heading of subsection (c) by inserting ''FROM STUDENTS'' after ''ORIGINATION FEES'';

(2) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(3) by inserting after subsection (c) the following new subsection:

''(d) ORIGINATION FEES FROM LENDERS.—

''(1) DEDUCTION FROM INTEREST AND SPECIAL ALLOWANCE SUBSIDIES.—Notwithstanding subsection (b), the total amount of interest and special allowance payable under section 428(a)(3)(A) and subsection (b) of this section, respectively, to any holder shall be reduced by the Secretary by an origination fee in an amount determined in accordance with paragraph (2) of this subsection. If the total amount of interest and special allowance payable under section 428(a)(3)(A) and subsection (b) of this section, respectively, is less than the amount of such origination fee, the Secretary shall deduct such excess amount from subsequent quarters' payments until the total amount has been deducted.

''(2) AMOUNT OF ORIGINATION FEES.—Subject to paragraph (3) of this subsection,] with respect to any loan (other than loans made under sections 428A, 428B, 428C, and 439(o)) for which a completed note or other written evidence of the loan was sent or delivered to the borrower for signing on or after October 1, 1993, the amount of the origination fee which shall be deducted under paragraph (1) shall be equal to 1 percent of the principal amount of the loan.

''(3) SLS AND PLUS LOANS.—With respect to any loans made under section 428A or 428B on or after October 1, 1993, each eligible lender under this part shall pay to the Secretary an origination fee of 1 percent of the principal amount of the loan.

''(4) DISTRIBUTION OF ORIGINATION FEES.—All origination fees collected pursuant to this section on loans authorized under section 428A or 428B shall be paid to the Secretary by the lender and deposited in the fund authorized under section 431 of this part.''.

SEC. 4014. LENDER-OF-LAST-RESORT REQUIREMENT.

Section 439(q)(1)(A) of the Act (20 U.S.C. 1087-2) is amended by ''may begin'' and inserting ''shall begin''.

SEC. 4015. INCOME CONTINGENT REPAYMENT OPTION.

(a) RULEMAKING REQUIRED.—Not later than 120 days after the date of enactment of this Act, the Secretary shall, pursuant to section 428(b)(1)(E) of the Act, promulgate one or more income contingent repayment schedules for use in connection with loans made under part B of title IV of the Act (including loans made pursuant to sections 428A, 428B, 428C, 428H, and 439(o)). Such schedule or schedule shall—

(1) result in no increase in Federal costs associated with the payment of interest or special allowance benefits to holders of loans under this part;

(2) not include negative amortization;

(3) allow for the use of data received from the Internal Revenue Service; and

(4) include provisions to apply in cases where the borrowers income data is either not provided by the borrower or is otherwise unavailable.

(b) LENDERS TO OFFER OPTIONS.—Not later than 270 days after the publication of an income contingent repayment schedule or schedule pursuant to subsection (a), all eligible lenders shall offer eligible borrowers the option to repay loans under the income contingent repayment schedules prescribed under subsection (a).

(c) AVAILABILITY.—The income contingent repayment option available under the regulations required by this section shall apply to loans made to borrowers after the publication of a schedule or schedule under subsection (b) and may, at the option of the lender, be offered on any outstanding loan.

(d) FORMS AND PROCEDURES.—The Secretary shall promulgate and publish all necessary forms and procedures necessary under this section.

(e) WAIVER OF REPAYMENT PERIOD LIMITS.—Subject to the requirement of subsection (a)(1), the Secretary may waive the 10-year limit on the repayment period for loans made under part B of title IV of the Act.

Subtitle B—Cost Sharing by States

SEC. 4101. COST SHARING BY STATES.

(a) AMENDMENT.—Section 428 of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended by adding at the end thereof the following new subsection:

''(n) STATE SHARE OF DEFAULT COSTS.—(1) In the case of any State in which there are located any institutions of higher education with cohort default rates that exceed 20 percent, such State shall pay to the Secretary an amount equal to—

''(A) the new loan volume attributable to all institutions in the State for the current fiscal year, multiplied by

''(B) the percentage specified in paragraph (2), multiplied by

''(C) the quotient of—

''(i) the sum of the amounts calculated under paragraph (3) for each such institution in the State; divided by

''(ii) the total amount of loan volume attributable to current and former students of institutions located in that State entering repayment in the period used to calculate the cohort default rate.

''(2) For purposes of paragraph (1)(B), the percentage used shall be—

''(A) 12.5 percent for fiscal year 1995;

''(B) 20 percent for fiscal year 1996; and

''(C) 50 percent for fiscal year 1997 and succeeding fiscal years.

''(3) For purposes of paragraph (1)(C)(i), the amount shall be determined by calculating for each institution the amount by which—

''(A) the amount of the loans received for attendance by its current and former students who (i) enter repayment during the fiscal year used for the calculation of the cohort default rate, and (ii) default before the end of the following fiscal year; exceeds

''(B) 20 percent of the loans received for attendance by all the current and former students who enter repayment during the fiscal year used for the calculation of the cohort default rate.

''(4) A State may charge a fee to an institution of higher education that participates in the program under this part and is located in that State according to a fee structure, approved by the Secretary, that is based on the institution's cohort default rate and the State's risk of loss under this subsection. Such fee structure shall include a process by which an institution with a high cohort default rate is exempt from any fees under this paragraph if such institution demonstrates to the satisfaction of the State that exceptional mitigating circumstances, as determined by the State and approved by the Secretary, contributed to its cohort default rate.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective on October 1, 1994.

Subtitle C—ERISA Amendments Relating to Group Health Plans

SEC. 4201. COORDINATION OF ERISA PREEMPTION RULES WITH TITLE XIX PROVISIONS PROVIDING FOR LIABILITY OF THIRD PARTIES.

(a) IN GENERAL.—Paragraph (8) of section 514(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144(b)(8)) is amended to read as follows:

''(8)(A) Subsection (a) of this section shall not apply to any State law to the extent necessary to permit the State to comply with the following requirements for the receipt of Federal financial assistance under title XIX of the Social Security Act:

''(i) subparagraphs (A), (B), and (H) of section 1902(a)(25) of such Act (relating to third-party liability) and section 1903(o) of such Act (relating to medicaid as secondary payor), as in effect on October 1, 1993; and

''(ii) sections 1902(a)(45) and 1912 of such Act (relating to assignment of rights of payment), as in effect on May 12, 1993.

''(B) Paragraph (2)(B) shall not apply to any State law to the extent necessary to permit the compliance of the State with any of the requirements described in subparagraph (A).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 1993.

SEC. 4202. CONTINUED COVERAGE OF COSTS OF A PEDIATRIC VACCINE UNDER GROUP HEALTH PLANS.

(a) IN GENERAL.—Part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1161 et seq.) is amended by adding at the end the following new section:

''SEC. 609. CONTINUED COVERAGE OF COSTS OF A PEDIATRIC VACCINE UNDER GROUP HEALTH PLANS.

''A group health plan may not reduce its coverage of the costs of pediatric vaccines

(as defined under section 2162 of the Public Health Service Act) below the coverage it provided as of May 1, 1993.''.

(b) CONFORMING AMENDMENT.—The table of contents in section 1 of such Act is amended by adding after the iem relating to section 608 the following new item:

''Sec. 609. Continued coverage of costs of a pediatric vaccine under group health plans.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning after the date of the enactment of this Act.

SEC. 4203. TEMPORARY RULES GOVERNING PREEMPTION OF CERTAIN STATE LAWS.

Paragraph (5) of section 514(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144(b)(5)) is amended to read as follows:

''(5)(A)(i) Except as provided in clauses (ii) and (iii), subsection (a) shall not apply to the Hawaii Prepaid Health Care Act (Haw. Rev. Stat. §§393-1 through 393-51).

''(ii) Nothing in clause (i) shall be construed to exempt from subsection (a) any State tax law relating to employee benefit plans.

''(iii) Notwithstanding clause (i), parts 1 and 4 of this subtitle, and the preceding sections of this part to the extent they govern matters which are governed by the provisions of such parts 1 and 4, shall supersede the Hawaii Prepaid Health Care Act (as in effect on or after January 14, 1983), but the Secretary may enter into cooperative arrangements under this subparagraph and section 506 with officials of the State of Hawaii to assist them in effectuating the policies of provisions of such Act which are superseded by such parts 1 and 4 and the preceding sections of this part.

''(B)(i) Except as provided in clauses (ii) and (iii), subsection (a) shall not apply to subtitle 2 of title 19 of the Annotated Code of Maryland (relating to the Health Services Cost Review Commission).

''(ii) Nothing in clause (i) shall be construed to exempt from subsection (a)—

''(I) any State tax law relating to employee benefit plans, or

''(II) any amendment of the provision referred to in clause (i) enacted on or after May 12, 1993, to the extent it provides for more than the effective administration of such Act as in effect on such date.

''(iii) Notwithstanding clause (i), parts 1 and 4 of this subtitle, and the preceding sections of this part to the extent they govern matters which are governed by the provisions of such parts 1 and 4, shall supersede the provision referred to in clause (i) (as in effect on or after May 12, 1993), but the Secretary may enter into cooperative arrangements under this subparagraph and section 506 with officials of the State of Maryland to assist them in effectuating the policies of such provision which are superseded by such parts 1 and 4 and the preceding sections of this part.

''(C)(i) Except as provided in clauses (ii) and (iii), subsection (a) shall not apply to the following provisions of the law of the State of Minnesota:

''(I) section 295.52, Minnesota Statutes, as amended in May 1993 by House File 1178 (relating to receipts tax on providers);

''(II) section 19 of article 9 of the Minnesota Health Right Act, as amended in May 1993 by House File 1178 (relating to passthrough of 2 percent gross receipts tax on providers); and

''(III) subdivision 2 of section 3 of article 1 of such Act, article 7 of such Act, and section 1 of article 3 of Minnesota House File 1178 and section 4 and all that follows through the end of such article 3, as enacted in May 1993 (relating to data collection).

''(ii) Nothing in clause (i) shall be construed to exempt from subsection (a)—

''(I) any State tax law relating to employee benefit plans (other than a provision described in clause (i)), and

''(II) any amendment of any provision referred to in clause (i) enacted on or after May 12, 1993, to the extent it provides for more than the effective administration of such provision as in effect on such date.

''(iii) Notwithstanding clause (i), parts 1 and 4 of this subtitle, and the preceding sections of this part to the extent they govern matters which are governed by the provisions of such parts 1 and 4, shall supersede the provisions described in clause (i) (as in effect on or after May 12, 1993), but the Secretary may enter into cooperative arrangements under this subparagraph and section 506 with officials of the State of Minnesota to assist them in effectuating the policies of such provisions which are superseded by such parts 1 and 4 and the preceding sections of this part.

''(D)(i) Except as provided in clauses (ii), (iv), (v), and (vii), subsection (a) shall not apply to the following provisions of the law of the State of New York:

''(I) subdivisions 1(b) and 4(e) of section 2807-c of the Public Health Law (relating to 13 percent surcharge);

''(II) subdivision 1(c) of section 2807-c of the Public Health Law (relating to uniform hospital charges);

''(III) subdivision 2-a of section 2807-c of the Public Health Law (relating to the variable surcharge for HMOs);

''(IV) subdivision 14 of section 2807-c of the Public Health Law (relating to basic percentage allowances for bad debt and charity care);

''(V) subdivision 14-b of section 2807-c of the Public Health Law (relating to health care services allowances);

''(VI) subdivision 14-c of section 2807-c of the Public Health Law (relating to further allowances for financially distressed hospitals); and

''(VII) section 18 of chapter 266 of the laws of 1986, as amended (relating to excess malpractice insurance adjustments).

''(ii) Except as provided in clause (iii), nothing in clause (i) shall be construed to exempt from subsection (a)—

''(I) any State tax law relating to employee benefit plans, or

''(II) any provision referred to in clause (i) to the extent that any law of the State of New York appropriates amounts based on amounts collected by the State under such provision for any purpose other than carrying out the programs established under the provisions described in clause (i).

''(iii) Notwithstanding clause (ii), subsection (a) shall not apply to any provision of the law of the State of New York to the extent that such provision constitutes—

''(I) an HMO surcharge of the type provided for under subdivision 2-a of such section 2807-c (as in effect on February 2, 1993), or

''(II) an allowance, of the type provided for under the provisions referred to in clause (i) (as so in effect), for bad debts, charity care, health care services, or excess malpractice insurance,

but only if the law of such State appropriates amounts based on and equivalent to amounts collected by the State under such provision solely for the purpose of carrying out one or more programs established under the provisions described in clause (i).

''(iv) Subsection (a) shall apply to any provision of the law of the State of New York to the extent that such provision constitutes a surcharge of the type provided for under subdivisions 1(b) and 4(e) of section 2807-c of the Public Health Law of the State of New York (as in effect on February 2, 1993) unless such provision provides for use of amounts collected under such provision solely for the purpose of carrying out one or more programs established under the provisions described in clause (i).

''(v) Nothing in clause (i) shall be construed to exempt from subsection (a) any amendment of any provision referred to in clause (i) enacted on or after February 2, 1993, to the extent it provides for more than the effective administration of such provisions as in effect on such date, unless such amendment constitutes only a change in the methodology of determining payments to hospitals and would result in—

''(I) a surcharge described in clause (iii)(I) of not more than 9 percent with respect to which the requirements of clause (iii) are met,

''(II) an allowance described in clause (iii)(II) which does not exceed in the aggregate a Statewide average of not more than 10 percent and with respect to which the requirements of clause (iii) are met, or

''(III) a surcharge described in clause (iv) of not more than 13 percent with respect to which the requirements of clause (iv) are met.

''(vi) Subsection (a) shall not apply to any amendment to chapter 2 of the laws of 1988 of the State of New York, as amended, to the extent that such amendment extends the period for which the provisions referred to in clause (i) are in effect.

''(vii) Notwithstanding clause (i), parts 1 and 4 of this subtitle, and the preceding sections of this part to the extent they govern matters which are governed by the provisions of such parts 1 and 4, shall supersede the provisions described in clause (i) (as in effect on or after February 2, 1993), but the Secretary may enter into cooperative arrangements under this subparagraph and section 506 with officials of the State of New York to assist them in effectuating the policies of such provisions which are superseded by such parts 1 and 4 and the preceding sections of this part.

''(viii) The provisions of this subparagraph shall be effective as of February 2, 1993.

''(E) This paragraph shall cease to be effective as of May 12, 1995.''.

TITLE V—COMMITTEE ON ENERGY AND COMMERCE

Subtitle A—Medicare Program

SEC. 5000. REFERENCES IN SUBTITLE; TABLE OF CONTENTS OF SUBTITLE.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this subtitle an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(b) REFERENCES TO OBRA.—In this subtitle, the terms ''OBRA–1986'', ''OBRA–1987'', ''OBRA–1989'', and ''OBRA–1990'' refer to the Omnibus Budget Reconciliation Act of 1986 (Public Law 99–509), the Omnibus Budget Reconciliation Act of 1987 (Public Law 100–203), the Omnibus Budget Reconciliation Act of 1989 (Public Law 101–239), and the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508), respectively.

(c) TABLE OF CONTENTS OF SUBTITLE.—The table of contents of this subtitle is as follows:

TITLE V—COMMITTEE ON ENERGY AND COMMERCE

Subtitle A—Medicare Program

Sec. 5000. References in subtitle; table of contents of subtitle.

CHAPTER 1—PROVISIONS RELATING TO PART B
SUBCHAPTER A—PHYSICIANS' SERVICES
Sec. 5001. Reduction in performance standard rate of increase and increase in maximum reduction permitted in default update.
Sec. 5002. Classification of primary care services as a separate category of services.
Sec. 5003. Phased-in reduction in practice expense relative value units for certain services.
Sec. 5004. Limitation on payment for the anesthesia care team.
Sec. 5005. Basing payments for anesthesia services on actual time.
Sec. 5006. Separate payment for interpretation of electrocardiograms.
Sec. 5007. Payments for new physicians and practitioners.
Sec. 5008. Extra-billing limits.
Sec. 5009. Relative values for pediatric services.
Sec. 5010. Antigens under physician fee schedule.
Sec. 5011. Administration of claims relating to physicians' services.
Sec. 5012. Miscellaneous and technical corrections.
SUBCHAPTER B—OUTPATIENT HOSPITAL SERVICES AND AMBULATORY SURGICAL SERVICES
Sec. 5021. Extension of 10 percent reduction in payments for capital-related costs of outpatient hospital services.
Sec. 5022. Extension of cap on payments for intraocular lenses.
Sec. 5023. Miscellaneous and technical corrections.
SUBCHAPTER C—DURABLE MEDICAL EQUIPMENT
Sec. 5031. Revisions to payment rules for durable medical equipment.
Sec. 5032. Payment for parenteral and enteral nutrients, supplies, and equipment during 1994.
Sec. 5033. Treatment of nebulizers and aspirators.
Sec. 5034. Certification of suppliers.
Sec. 5035. Prohibition against carrier forum shopping.
Sec. 5036. Restrictions on certain marketing and sales activities.
Sec. 5037. Kickback clarification.
Sec. 5038. Beneficiary liability for noncovered services.
Sec. 5039. Adjustments for inherent reasonableness.
Sec. 5040. Payment for surgical dressings.
Sec. 5041. Payments for tens devices.
Sec. 5042. Miscellaneous and technical corrections.
SUBCHAPTER D—PART B PREMIUM
Sec. 5051. Part b premium.
SUBCHAPTER E—OTHER PROVISIONS
Sec. 5061. Treatment of inpatients and provision of diagnostic and therapeutic X-ray services by rural health clinics and Federally qualified health centers.
Sec. 5062. Application of mammography certification requirements.
Sec. 5063. Oral cancer drugs.
Sec. 5064. Miscellaneous and technical corrections.
CHAPTER 2—PROVISIONS RELATING TO PARTS A AND B
Sec. 5071. Elimination of add-on for overhead of hospital-based home health agencies.
Sec. 5072. Study and report on medicare GME payments.
Sec. 5073. Medicare as secondary payer.
Sec. 5074. Medicare hospital agreements with organ procurement organizations.
Sec. 5075. Extension of waiver for Watts Health Foundation.
Sec. 5076. Improved outreach for qualified medicare beneficiaries.
Sec. 5077. Peer review organizations.
Sec. 5078. Hospice information to home health beneficiaries.
Sec. 5079. Health maintenance organizations.
Sec. 5080. Miscellaneous and technical corrections.

CHAPTER 1—PROVISIONS RELATING TO PART B

Subchapter A—Physicians' Services

SEC. 5001. REDUCTION IN PERFORMANCE STANDARD RATE OF INCREASE AND INCREASE IN MAXIMUM REDUCTION PERMITTED IN DEFAULT UPDATE.

(a) REDUCTION IN PERFORMANCE STANDARD FACTOR.—Section 1848(f)(2)(B) (42 U.S.C. 1395w–4(f)(2)(B)) is amended—

(1) by striking ''and'' at the end of clause (ii), and

(2) by striking clause (iii) and inserting the following:

''(iii) for 1993 is 2 percentage points,

''(iv) for 1994 is 3½ percentage points, and

''(v) for each succeeding year is 4 percentage points.''.

(b) INCREASE IN MAXIMUM REDUCTION PERMITTED IN DEFAULT UPDATE.—Section 1848(d)(3)(B)(ii) (42 U.S.C. 1395w–4(d)(3)(B)(ii)) is amended—

(1) in subclause (II), by striking ''or 1995'', and

(2) in subclause (III), by striking ''3'' and inserting ''5''.

SEC. 5002. CLASSIFICATION OF PRIMARY CARE SERVICES AS A SEPARATE CATEGORY OF SERVICES.

(a) IN GENERAL.—Section 1848(j)(1) (42 U.S.C. 1395w–4(j)(1)) is amended by inserting '', primary care services (as defined in section 1842(i)(4)),'' after ''Secretary)''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply—

(1) to volume performance standard rates of increase established under section 1848(f) of the Social Security Act for fiscal years beginning with fiscal year 1994, and

(2) to updates in the conversion factors for physicians' services established under section 1848(d) of such Act for physicians' services to be furnished in calendar years beginning with 1996.

SEC. 5003. PHASED-IN REDUCTION IN PRACTICE EXPENSE RELATIVE VALUE UNITS FOR CERTAIN SERVICES.

(a) IN GENERAL.—Section 1848(c)(2) (42 U.S.C. 1395w–4(c)(2)) is amended by adding at the end the following new subparagraph:

''(E) REDUCTION IN PRACTICE EXPENSE RELATIVE VALUE UNITS FOR CERTAIN SERVICES.—

''(i) IN GENERAL.—Subject to clause (ii), the Secretary shall reduce the practice expense relative value units applied to services described in clause (iii) furnished in—

''(I) 1994, by 25 percent of the number by which the number of practice expense relative value units (determined for 1994 without regard to this subparagraph) exceeds the number of work relative value units determined for 1994,

''(II) 1995, by an additional 25 percent of such excess, and

''(III) 1996 and subsequent years, by an additional 25 percent of such excess.

''(ii) FLOOR ON REDUCTIONS.—The practice expense relative value units for a physicians' service shall not be reduced under this subparagraph to a number less than 110 percent of the number of work relative value units.

''(iii) SERVICES COVERED.—For purposes of clause (i), the services described in this clause are physicians' services that are not described in clause (iv) and for which—

''(I) there are work relative value units, and

''(II) the number of practice expense relative value units (determined for 1994) exceeds 110 percent of the number of work relative value units (determined for such year).

''(iv) EXCLUDED SERVICES.—For purposes of clause (iii), the services described in this clause are—

''(I) anesthesia services,

''(II) radiology services, and

''(III) services which the Secretary determines at least 75 percent of which are provided under this title in an office setting.''.

(b) DEVELOPMENT OF RESOURCE-BASED METHODOLOGY FOR PRACTICE EXPENSES.—

(1) The Secretary of Health and Human Services shall develop a methodology for implementing in 1997 a resource-based system for determining practice expense relative value units for each physician's service.

(2) The Secretary shall transmit a report by June 30, 1996, on the methodology developed under paragraph (1) to the Committees on Ways and Means and Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate. The report shall include a presentation of data utilized in developing the methodology and an explanation of the methodology.

SEC. 5004. LIMITATION ON PAYMENT FOR THE ANESTHESIA CARE TEAM.

(a) LIMIT ON PAYMENT TO A PHYSICIAN FOR MEDICAL DIRECTION.—

(1) IN GENERAL.—Section 1848(a) (42 U.S.C. 1395w–4(a)) is amended by adding at the end the following new paragraph:

''(5) SPECIAL RULE FOR MEDICAL DIRECTION.—

''(A) IN GENERAL.—With respect to physicians' services furnished on or after January 1, 1994, and consisting of medical direction of two, three, or four concurrent anesthesia cases, the fee schedule amount to be applied shall not exceed one-half of the amount described in subparagraph (B).

''(B) AMOUNT.—The amount described in this subparagraph, for a physician's medical direction of the performance of anesthesia services, is the following percentage of the fee schedule amount otherwise applicable under this section if the anesthesia services were personally performed by the physician alone:

''(i) For services furnished during 1994, 120 percent.

''(ii) For services furnished during 1995, 115 percent.

''(iii) For services furnished during 1996, 110 percent.

''(iv) For services furnished during 1997, 105 percent.

''(v) For services furnished after 1997, 100 percent.''.

(2) ELIMINATION OF REDUCTION FOR MEDICAL DIRECTION OF MULTIPLE NURSE ANESTHETISTS.—Section 1842(b) (42 U.S.C. 1395u(b)) is amended by striking paragraph (13).

(b) PAYMENT TO A CERTIFIED REGISTERED NURSE ANESTHETIST FOR MEDICALLY DIRECTED SERVICES.—Subparagraph (B) of section 1833(l)(4) (42 U.S.C. 1395l(l)(4)) is amended—

(1) in clause (i), by inserting ''and before January 1, 1994,'' after ''1991,'';

(2) in clause (ii)—

(A) by adding ''and'' at the end of subclause (II),

(B) by striking the comma at the end of subclause (III) and inserting a period, and

(C) by striking subclauses (IV) through (VII); and

(3) by adding at the end the following new clause:

''(iii) In the case of services of a certified registered nurse anesthetist who is medically directed by a physician and that are furnished on or after January 1, 1994, the fee schedule amount shall be one-half of the amount described in section 1848(a)(5)(B) with respect to the physician.''.

SEC. 5005. BASING PAYMENTS FOR ANESTHESIA SERVICES ON ACTUAL TIME.

(a) PHYSICIANS' SERVICES.—Section 1848(b)(2)(B) (42 U.S.C. 1395w–4(b)(2)(B)) is amended by adding at the end the following: ''For anesthesia services furnished on or after January 1, 1994, the Secretary may not modify the methodology in effect as of January 1, 1993, for determining the amount of time that may be billed for such services under this section.''.

(b) SERVICES OF CERTIFIED REGISTERED NURSE ANESTHETISTS.—Section 1833(l)(1)(B) (42 U.S.C. 1395l(l)(1)(B)) is amended by adding at the end the following: ''For anesthesia services furnished on or after January 1, 1994, the Secretary may not modify the methodology in effect as of January 1, 1993, for determining the amount of time that may be billed for such services under this section.''.

SEC. 5006. SEPARATE PAYMENT FOR INTERPRETATION OF ELECTROCARDIOGRAMS.

(a) IN GENERAL.—Paragraph (3) of section 1848(b) (42 U.S.C. 1395w–4(b)) is amended to read as follows:

''(3) TREATMENT OF INTERPRETATION OF ELECTROCARDIOGRAMS.—The Secretary—

''(A) shall make separate payment under this section for the interpretation of electrocardiograms performed or ordered to be performed as part of or in conjunction with a visit to or a consultation with a physician, and

''(B) shall adjust the relative values established for visits and consultations under subsection (c) so as not to include relative value units for interpretations of electrocardiograms in the relative value for visits and consultations.''.

(b) ASSURING BUDGET NEUTRALITY.—Section 1848(c)(2) (42 U.S.C. 1395w–4(c)(2)) is amended by adding at the end the following new subparagraph:

''(E) BUDGET NEUTRALITY ADJUSTMENTS.—The Secretary—

''(i) shall reduce the relative values for all services (other than anesthesia services) established under this paragraph (and, in the case of anesthesia services, the conversion factor established by the Secretary for such services) by such percentage as the Secretary determines to be necessary so that, beginning in 1996, the amendment made by section 5007(a) of the Omnibus Budget Reconciliation Act of 1993 would not result in expenditures under this section that exceed the amount of such expenditures that would have been made if such amendment had not been made, and

''(ii) shall reduce the amounts determined under subsection (a)(2)(B)(ii)(I) by such percentage as the Secretary determines to be required to assure that, taking into account the reductions made under clause (i), the amendment made by section 5007(a) of the Omnibus Budget Reconciliation Act of 1993 would not result in expenditures under this section in 1994 that exceed the amount of such expenditures that would have been made if such amendment had not been made.''.

(c) CONFORMING AMENDMENTS.—Section 1848 (42 U.S.C. 1395w–4) is amended—

(1) in subsection (a)(2)(B)(ii)(I), by inserting ''and as adjusted under subsection (c)(2)(E)(ii)'' after ''for 1994'';

(2) in subsection (c)(2)(A)(i), by adding at the end the following: ''Such relative values are subject to adjustment under subparagraph (E)(i).''; and

(3) in subsection (i)(1)(B), by adding at the end ''including adjustments under subsection (c)(2)(E),''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after January 1, 1994.

SEC. 5007. PAYMENTS FOR NEW PHYSICIANS AND PRACTITIONERS.

(a) EQUAL TREATMENT OF NEW PHYSICIANS AND PRACTITIONERS.—(1) Section 1848(a) (42 U.S.C. 1395w–4(a)) is amended by striking paragraph (4).

(2) Section 1842(b)(4) (42 U.S.C. 1395u(b)(4)) is amended by striking subparagraph (F).

(b) BUDGET NEUTRALITY ADJUSTMENT.—Notwithstanding any other provision of law, the Secretary of Health and Human Services shall reduce the following values and amounts for 1994 (to be applied for that year and subsequent years) by such uniform percentage as the Secretary determines to be required to assure that the amendments made by subsection (a) will not result in expenditures under part B of title XVIII of the Social Security Act in 1994 that exceed the amount of such expenditures that would have been made if such amendments had not been made:

(1) The relative values established under section 1848(c) of such Act for services (other than anesthesia services) and, in the case of anesthesia services, the conversion factor established under section 1848 of such Act for such services.

(2) The amounts determined under section 1848(a)(2)(B)(ii)(I) of such Act.

(3) The prevailing charges or fee schedule amounts to be applied under such part for services of a health care practitioner (as defined in section 1842(b)(4)(F)(ii)(I) of such Act, as in effect before the date of the enactment of this Act).

(c) CONFORMING AMENDMENTS.—Section 1848 (42 U.S.C. 1395w–4), as amended by section 5006(c), is amended—

(1) in subsection (a)(2)(B)(ii)(I), by inserting ''and section 5008(b) of the Omnibus Budget Reconciliation Act of 1993'' after ''for 1994'';

(2) in subsection (c)(2)(A)(i), by inserting ''and section 5008(b) of the Omnibus Budget Reconciliation Act of 1993'' after ''under subparagraph (E)(i)''; and

(3) in subsection (i)(1)(B), by inserting ''and section 5008(b) of the Omnibus Budget Reconciliation Act of 1993'' after ''under subsection (c)(2)(E)''.

(d) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to services furnished on or after January 1, 1994.

SEC. 5008. EXTRA-BILLING LIMITS.

(a) ENFORCEMENT AND UNIFORM APPLICATION.—

(1) ENFORCEMENT.—Paragraph (1) of section 1848(g) (42 U.S.C. 1395w–4(g)) is amended to read as follows:

''(1) LIMITATION ON ACTUAL CHARGES.—

''(A) IN GENERAL.—In the case of a nonparticipating physician or nonparticipating supplier or other person (as defined in section 1842(i)(2)) who does not accept payment on an assignment-related basis for a physician's service furnished with respect to an individual enrolled under this part, the following rules apply:

''(i) APPLICATION OF LIMITING CHARGE.—No person may bill or collect an actual charge for the service in excess of the limiting charge described in paragraph (2) for such service.

''(ii) NO LIABILITY FOR EXCESS CHARGES.—No person is liable for payment of any amounts billed for the service in excess of such limiting charge.

''(iii) CORRECTION OF EXCESS CHARGES.—If such a physician, supplier, or other person bills, but does not collect, an actual charge for a service in violation of clause (i), the physician, supplier, or other person shall reduce on a timely basis the actual charge billed for the service to an amount not to exceed the limiting charge for the service.

''(iv) REFUND OF EXCESS COLLECTIONS.—If such a physician, supplier, or other person collects an actual charge for a service in violation of clause (i), the physician, supplier, or other person shall provide on a timely basis a refund to the individual charged in the amount by which the amount collected exceeded the limiting charge for the service. The amount of such a refund shall be reduced to the extent the individual has an outstanding balance owed by the individual to the physician.

''(B) SANCTIONS.—If a physician, supplier, or other person—

''(i) knowingly and willfully bills or collects for services in violation of subparagraph (A)(i) on a repeated basis, or

''(ii) fails to comply with clause (iii) or (iv) of subparagraph (A) on a timely basis,

the Secretary may apply sanctions against the physician, supplier, or other person in accordance with paragraph (2) of section 1842(j). In applying this subparagraph, paragraph (4) of such section applies in the same manner as such paragraph applies to such section and any reference in such section to a physician is deemed also to include a reference to a supplier or other person under this subparagraph.

''(C) TIMELY BASIS.—For purposes of this paragraph, a correction of a bill for an excess charge or refund of an amount with respect to a violation of subparagraph (A)(i) in the case of a service is considered to be provided 'on a timely basis', if the reduction or refund is made not later than 30 days after the date the physician, supplier, or other person is notified by the carrier under this part of such violation and of the requirements of subparagraph (A).''.

(2) UNIFORM APPLICATION OF EXTRA-BILLING LIMITS TO PHYSICIANS' SERVICES.—

(A) IN GENERAL.—Section 1848(g)(2)(C) (42 U.S.C. 1395w–4(g)(2)(C)) is amended by inserting ''or for nonparticipating suppliers or other persons'' after ''nonparticipating physicians''.

(B) CONFORMING DEFINITION.—Section 1842(i)(2) (42 U.S.C. 1395u(i)(2)) is amended—

(i) by striking '', and the term'' and inserting ''; the term'', and

(ii) by inserting before the period at the end the following: ''; and the term 'nonparticipating supplier or other person' means a supplier or other person (excluding a provider of services) that is not a participating physician or supplier (as defined in subsection (h)(1))''.

(3) ADDITIONAL CONFORMING AMENDMENTS.—Section 1848 (42 U.S.C. 1395w–4) is amended—

(A) in subsection (a)(3)—

(i) by inserting ''AND SUPPLIERS'' after ''PHYSICIANS'',

(ii) by inserting ''or a nonparticipating supplier or other person'' after ''nonparticipating physician'', and

(iii) by adding at the end the following: ''In the case of physicians' services (including services which the Secretary excludes pursuant to subsection (j)(3)) of a nonparticipating physician, supplier, or other person for which payment is made under this part on a basis other than the fee schedule amount, the payment shall be based on 95 percent of the payment basis for such services furnished by a participating physician, supplier, or other person.'';

(B) in subsection (g)(1)(A), as amended by subsection (a), in the matter before clause (i), by inserting ''(including services which the Secretary excludes pursuant to subsection (j)(3))'' after ''a physician's service'';

(C) in subsection (g)(2)(D), by inserting ''(or, if payment under this part is made on a basis other than the fee schedule under this section, 95 percent of the other payment basis)'' after ''subsection (a)'';

(D) in subsection (g)(3)(B)—

(i) by inserting after the first sentence the following: '' No person is liable for payment

of any amounts billed for such a service in violation of the previous sentence.'', and

(ii) in the last sentence, by striking ''previous sentence'' and inserting ''first sentence'';

(E) in subsection (h)—

(i) by inserting ''or nonparticipating supplier or other person furnishing physicians' services (as defined in section 1848(j)(3))'' after ''physician'' the first place it appears,

(ii) by inserting '', supplier, or other person'' after ''physician'' the second place it appears, and

(iii) by inserting '', suppliers, and other persons'' after ''physicians'' the second place it appears; and

(F) in subsection (j)(3), by inserting '', except for purposes of subsections (a)(3), (g), and (h)'' after ''tests and''.

(b) CLARIFICATION OF MANDATORY ASSIGNMENT RULES FOR CERTAIN PRACTITIONERS.—

(1) IN GENERAL.—Section 1842(b) (42 U.S.C. 1395u(b)) is amended by adding at the end the following new paragraph:

''(19)(A) Payment for any service furnished by a practitioner described in subparagraph (C) and for which payment may be made under this part on a reasonable charge or fee schedule basis may only be made under this part on an assignment-related basis.

''(B) A practitioner described in subparagraph (C) or other person may not bill (or collect any amount from) the individual or another person for any service described in subparagraph (A), except for deductible and coinsurance amounts applicable under this part. No person is liable for payment of any amounts billed for such a service in violation of the previous sentence. If a practitioner or other person knowingly and willfully bills (or collects an amount) for such a service in violation of such sentence, the Secretary may apply sanctions against the practitioner or other person in the same manner as the Secretary may apply sanctions against a physician in accordance with section 1842(j)(2) in the same manner as such section applies with respect to a physician. Paragraph (4) of section 1842(j) shall apply in this subparagraph in the same manner as such paragraph applies to such section.

''(C) A practitioner described in this subparagraph is any of the following:

''(i) A physician assistant, nurse practitioner, or clinical nurse specialist (as defined in section 1861(aa)(5)).

''(ii) A certified registered nurse anesthetist (as defined in section 1861(bb)(2)).

''(iii) A certified nurse-midwife (as defined in section 1861(gg)(2)).

''(iv) A clinical social worker (as defined in section 1861(hh)(1)).

''(v) A clinical psychologist (as defined by the Secretary for purposes of section 1861(ii)).

''(D) For purposes of this paragraph, a service furnished by a practitioner described in subparagraph (C) includes any services and supplies furnished as incident to the service as would otherwise be covered under this part if furnished by a physician or as incident to a physician's service.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 1833 (42 U.S.C. 1395l) is amended—

(i) in subsection (l)(5), by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B);

(ii) by striking subsection (p); and

(iii) in subsection (r), by striking paragraph (3) and redesignating paragraph (4) as paragraph (3).

(B) Section 1842(b)(12) (42 U.S.C. 1395u(b)(12)) is amended by striking subparagraph (C).

(c) INFORMATION ON EXTRA-BILLING LIMITS.—

(1) PART OF EXPLANATION OF MEDICARE BENEFITS.—Section 1842(h)(7) (42 U.S.C. 1395u(h)(7)) is amended—

(A) by striking ''and'' at the end of subparagraph (B),

(B) in subparagraph (C), by striking ''shall include'',

(C) in subparagraph (C), by striking the period at the end and inserting '', and'', and

(D) by adding at the end the following new subparagraph:

''(D) in the case of services for which the billed amount exceeds the limiting charge imposed under section 1848(g), information regarding such applicable limiting charge (including information concerning the right to a refund under section 1848(g)(1)(A)(iv)).''.

(2) DETERMINATIONS BY CARRIERS.—Subparagraph (G) of section 1842(b)(3) (42 U.S.C. 1395u(b)(3)) is amended to read as follows:

''(G) will, for a service that is furnished with respect to an individual enrolled under this part, that is not paid on an assignment-related basis, and that is subject to a limiting charge under section 1848(g)—

''(i) determine, prior to making payment, whether the amount billed for such service exceeds the limiting charge applicable under section 1848(g)(2);

''(ii) notify the physician, supplier, or other person periodically (but not less often than once every 30 days) of determinations that amounts billed exceeded such applicable limiting charges; and

''(iii) provide for prompt response to inquiries of physicians, suppliers, and other persons concerning the accuracy of such limiting charges for their services;''.

(d) REPORT ON CHARGES IN EXCESS OF LIMITING CHARGE.—Section 1848(g)(6)(B) (42 U.S.C. 1395w–4(g)(6)(B)) is amended by inserting ''the extent to which actual charges exceed limiting charges, the number and types of services involved, and the average amount of excess charges and'' after ''report to the Congress''.

(e) MISCELLANEOUS AND TECHNICAL AMENDMENTS.—Section 1833 (42 U.S.C. 1395l) is amended—

(1) in subsection (a)(1), as amended by section 5064(e)(2)—

(A) by striking ''and'' before ''(O)'', and

(B) by inserting before the semicolon at the end the following: '', and (P) with respect to services described in clauses (i), (ii) and (iv) of section 1861(s)(2)(K), the amounts paid are subject to the provisions of section 1842(b)(12)''; and

(2) in subsection (h)(5)(D)—

(A) by striking ''paragraphs (2) and (3)'' and by inserting ''paragraph (2)'', and

(B) by adding at the end the following: ''Paragraph (4) of such section shall apply in this subparagraph in the same manner as such paragraph applies to such section.''.

(f) EFFECTIVE DATES.—

(1) ENFORCEMENT AND UNIFORM APPLICATION; MISCELLANEOUS AND TECHNICAL AMENDMENTS.—The amendments made by subsections (a) and (e) shall apply to services furnished on or after the date of the enactment of this Act; except that the amendments made by subsection (a) shall not apply to services of a nonparticipating supplier or other person furnished before January 1, 1994.

(2) PRACTITIONERS.—The amendments made by subsection (b) shall apply to services furnished on or after January 1, 1994.

(3) EOMBS.—The amendments made by subsection (c)(1) shall apply to explanations of benefits provided on or after January 1, 1994.

(4) CARRIER DETERMINATIONS.—The amendments made by subsection (c)(2) shall apply to contracts as of January 1, 1994.

(5) REPORT.—The amendment made by subsection (d) shall apply to reports for years beginning with 1994.

SEC. 5009. RELATIVE VALUES FOR PEDIATRIC SERVICES.

(a) IN GENERAL.—The Secretary of Health and Human Services shall fully develop, by not later than July 1, 1994, relative values for the full range of pediatric physicians' services which are consistent with the relative values developed for other physicians' services under section 1848(c) of the Social Security Act. In developing such values, the Secretary shall conduct such refinements as may be necessary to produce appropriate estimates for such relative values.

(b) STUDY.—

(1) IN GENERAL.—The Secretary shall conduct a study of the relative values for pediatric and other services to determine whether there are significant variations in the resources used in providing similar services to different populations. In conducting such study, the Secretary shall consult with appropriate organizations representing pediatricians and other physicians and physical and occupational therapists.

(2) REPORT.—Not later than July 1, 1994, the Secretary shall submit to Congress a report on the study conducted under paragraph (1). Such report shall include any appropriate recommendations regarding needed changes in coding or other payment policies to ensure that payments for pediatric services appropriately reflect the resources required to provide these services.

SEC. 5010. ANTIGENS UNDER PHYSICIAN FEE SCHEDULE.

(a) IN GENERAL.—Section 1848(j)(3) (42 U.S.C. 1395w–4(j)(3)) is amended by inserting ''(2)(G),'' after ''(2)(D),''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after January 1, 1994.

SEC. 5011. ADMINISTRATION OF CLAIMS RELATING TO PHYSICIANS' SERVICES.

(a) LIMITATION ON CARRIER USER FEES.—Section 1842(c) (42 U.S.C. 1395u(c)) is amended by adding at the end the following new paragraph:

''(4) Neither a carrier nor the Secretary may impose a fee under this title—

''(A) for the filing of claims related to physicians' services,

''(B) for an error in filing a claim relating to physicians' services or for such a claim which is denied,

''(C) for any appeal under this title with respect to physicians' services,

''(D) for applying for (or obtaining) a unique identifier under subsection (r), or

''(E) for responding to inquiries respecting physicians' services or for providing information with respect to medical review of such services.''.

(b) CLARIFICATION OF PERMISSIBLE SUBSTITUTE BILLING ARRANGEMENTS.—

(1) IN GENERAL.—Clause (D) of section 1842(b)(6) (42 U.S.C. 1395u(b)(6)) is amended to read as follows: ''(D) payment may be made to a physician for physicians' services (and services furnished incident to such services) furnished by a second physician to patients of the first physician if (i) the first physician is unavailable to provide the services; (ii) the services are furnished pursuant to an arrangement between the two physicians that (I) is informal and reciprocal, or (II) involves per diem or other fee-for-time compensation for such services; (iii) the services are not provided by the second physician over a continuous period of more than 60 days; and (iv) the claim form submitted to the carrier for such services includes the second physician's unique identifier (provided under the system established under subsection (r)) and indicates that the claim meets the requirements of this clause for payment to the first physician''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to services

furnished on or after the first day of the first month beginning more than 60 days after the date of the enactment of this Act.

SEC. 5012. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) OVERVALUED PROCEDURES (SECTION 4101 OF OBRA–1990).—(1) Section 1842(b)(16)(B)(iii) (42 U.S.C. 1395u(b)(16)(B)(iii)) is amended—

(A) by striking '', simple and subcutaneous'',

(B) by striking ''; small'' and inserting ''and small'',

(C) by striking ''treatments;'' the first place it appears and inserting ''and'',

(D) by striking ''lobectomy;'',

(E) by striking ''enterectomy; colectomy; cholecystectomy;'',

(F) by striking ''; transurerethral resection'' and inserting ''and resection'', and

(G) by striking ''sacral laminectomy;''.

(2) Section 4101(b)(2) of OBRA–1990 is amended—

(A) in the matter before subparagraph (A), by striking ''1842(b)(16)'' and inserting ''1842(b)(16)(B)'', and

(B) in subparagraph (B)—

(i) by striking '', simple and subcutaneous'',

(ii) by striking ''(HCPCS codes 19160 and 19162)'' and inserting ''(HCPCS code 19160)'', and

(iii) by striking all that follows ''(HCPCS codes 92250'' and inserting ''and 92260).''.

(b) RADIOLOGY SERVICES (SECTION 4102 OF OBRA–1990).—(1) Section 1834(b)(4) (42 U.S.C. 1395m(b)(4)) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively.

(2) Section 1834(b)(4)(D) (42 U.S.C. 1395m(b)(4)(D)) is amended—

(A) in the matter before clause (i), by striking ''shall be determined as follows:'' and inserting ''shall, subject to clause (vii), be reduced to the adjusted conversion factor for the locality determined as follows:'',

(B) in clause (iv), by striking ''LOCAL ADJUSTMENT.—Subject to clause (vii), the conversion factor to be applied to'' and inserting ''ADJUSTED CONVERSION FACTOR.—The adjusted conversion factor for'',

(C) in clause (vii), by striking ''under this subparagraph'', and

(D) in clause (vii), by inserting ''reduced under this subparagraph by'' after ''shall not be''.

(3) Section 4102(c)(2) of OBRA–1990 is amended by striking ''radiology services'' and all that follows and inserting ''nuclear medicine services''.

(4) Section 4102(d) of OBRA–1990 is amended by striking ''new paragraph'' and inserting ''new subparagraph''.

(5) Section 1834(b)(4)(E) (42 U.S.C. 1395m(b)(4)(E)) is amended by inserting ''RULE FOR CERTAIN SCANNING SERVICES.—'' after ''(E)''.

(6) Section 1848(a)(2)(D)(iii) (42 U.S.C. 1395w–4(a)(2)(D)(iii)) is amended by striking ''that are subject to section 6105(b) of the Omnibus Budget Reconciliation Act of 1989'' and by striking ''provided under such section'' and inserting ''provided under section 6105(b) of the Omnibus Budget Reconciliation Act of 1989''.

(c) ANESTHESIA SERVICES (SECTION 4103 OF OBRA–1990).—(1) Section 4103(a) of OBRA–1990 is amended by striking ''REDUCTION IN FEE SCHEDULE'' and inserting ''REDUCTION IN PREVAILING CHARGES''.

(2) Section 1842(q)(1)(B) (42 U.S.C. 1395u(q)(1)(B)) is amended—

(A) in the matter before clause (i), by striking ''shall be determined as follows:'' and inserting ''shall, subject to clause (iv), be reduced to the adjusted prevailing charge conversion factor for the locality determined as follows:'', and

(B) in clause (iii), by striking ''Subject to clause (iv), the prevailing charge conversion factor to be applied in'' and inserting ''The adjusted prevailing charge conversion factor for''.

(d) ASSISTANTS AT SURGERY (SECTION 4107 OF OBRA–1990).—(1) Section 4107(c) of OBRA–1990 is amended by inserting ''(a)(1)'' after ''subsection''.

(2) Section 4107(a)(2) of OBRA–1990 is amended by adding at the end the following: ''In applying section 1848(g)(2)(D) of the Social Security Act for services of an assistant-at-surgery furnished during 1991, the recognized payment amount shall not exceed the maximum amount specified under section 1848(i)(2)(A) of such Act (as applied under this paragraph in such year).''.

(e) TECHNICAL COMPONENTS OF DIAGNOSTIC SERVICES (SECTION 4108 OF OBRA–1990).—Section 1842(b) (42 U.S.C. 1395u(b)) is amended by redesignating paragraph (18), as added by section 4108(a) of OBRA–1990, as paragraph (17) and, in such paragraph, by inserting '', tests specified in paragraph (14)(C)(i),'' after ''diagnostic laboratory tests''.

(f) STATEWIDE FEE SCHEDULES (SECTION 4117 OF OBRA–1990).—Section 4117 of OBRA–1990 is amended—

(1) in subsection (a)—

(A) by striking ''IN GENERAL.—'', and

(B) by striking '', if the'' and all that follows through ''1991, ''; and

(2) by striking subsections (b), (c), and (d).

(g) STUDY OF AGGREGATION RULE FOR CLAIMS OF SIMILAR PHYSICIAN SERVICES (SECTION 4113 OF OBRA–1990).—Section 4113 of OBRA–1990 is amended—

(1) by inserting ''of the Social Security Act'' after ''1869(b)(2)''; and

(2) by striking ''December 31, 1992'' and inserting ''December 31, 1993''.

(h) OTHER MISCELLANEOUS AND TECHNICAL AMENDMENTS.—(1) The heading of section 1834(f) (42 U.S.C. 1395m(f)) is amended by striking ''FISCAL YEAR''.

(2)(A) Section 4105(b) of OBRA–1990 is amended—

(i) in paragraph (2), by striking ''amendments'' and inserting ''amendment'', and

(ii) in paragraph (3), by striking ''amendments made by paragraphs (1) and (2)'' and inserting ''amendment made by paragraph (1)''.

(B) Section 1848(f)(2)(C) (42 U.S.C. 1395w–4(f)(2)(C)) is amended by inserting ''PERFORMANCE STANDARD RATES OF INCREASE FOR FISCAL YEAR 1991.—'' after ''(C)''.

(C) Section 4105(d) of OBRA–1990 is amended by inserting ''PUBLICATION OF PERFORMANCE STANDARD RATES.—'' after ''(d)''.

(3) Section 1842(b)(4)(F) (42 U.S.C. 1395u(b)(4)(F)) is amended—

(A) in clause (i), by striking ''prevailing charge'' the first place it appears and inserting ''customary charge''; and

(B) in clause (ii)(III), by striking ''second, third, and fourth'' and inserting ''first, second, and third''.

(4) Section 1842(b)(4)(F)(ii)(I) (42 U.S.C. 1395u(b)(4)(F)(ii)(I)) is amended by striking ''respiratory therapist,''.

(5) Section 4106(c) of OBRA–1990 is amended by inserting ''of the Social Security Act'' after ''1848(d)(1)(B)''.

(6) Section 4114 of OBRA–1990 is amended by striking ''patients'' the second place it appears.

(7) Section 1848(e)(1)(C) (42 U.S.C. 1395w–4(e)(1)(C)) is amended by inserting ''date of the'' after ''since the''.

(8) Section 4118(f)(1)(D) of OBRA–1990 is amended by striking ''is amended''.

(9) Section 4118(f)(1)(N)(ii) of OBRA–1990 is amended by striking ''subsection (f)(5)(A)'' and inserting ''subsection (f)(5)(A))''.

(10) Section 1845(e) (42 U.S.C. 1395w–1(e)) is amended—

(A) by striking paragraph (2); and

(B) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4).

(11) Section 4118(j)(2) of OBRA–1990 is amended by striking ''In section'' and inserting ''Section''.

(12)(A) Section 1848(i)(3) (42 U.S.C. 1395w–4(i)(3)) is amended by striking the space before the period at the end.

(B) Section 1834(a)(10)(B) (42 U.S.C. 1395m(a)(10)(B)) is amended by striking ''as such provisions apply to physicians' services and physicians and a reasonable charge under section 1842(b)''.

(i) OTHER CORRECTIONS.—(1) Effective on the date of the enactment of this Act, section 6102(d)(4) of OBRA–1989 is amended by striking all that follows the first sentence.

(2) Effective for payments for fiscal years beginning with fiscal year 1994, section 1842(c)(1) (42 U.S.C. 1395u(c)(1)) is amended—

(A) in subparagraph (A), by striking ''(A) Any contract'' and inserting ''Any contract''; and

(B) by striking subparagraph (B).

(j) EFFECTIVE DATE.—Except as provided in subsection (i), the amendments made by this section and the provisions of this section shall take effect as if included in the enactment of OBRA–1990.

Subchapter B—Outpatient Hospital Services and Ambulatory Surgical Services

SEC. 5021. EXTENSION OF 10 PERCENT REDUCTION IN PAYMENTS FOR CAPITAL-RELATED COSTS OF OUTPATIENT HOSPITAL SERVICES.

Section 1861(v)(1)(S)(ii)(I) (42 U.S.C. 1395x(v)(1)(S)(ii)(I)) is amended by striking ''fiscal year 1992, 1993, 1994, or 1995'' and inserting ''fiscal years 1992 through 1998''.

SEC. 5022. EXTENSION OF CAP ON PAYMENTS FOR INTRAOCULAR LENSES.

(a) IN GENERAL.—Section 4151(c)(3) of OBRA–1990 is amended by striking ''December 31, 1992'' and inserting ''December 31, 1994''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective as if included in the enactment of OBRA–1990.

SEC. 5023. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) PAYMENT AMOUNTS FOR SERVICES FURNISHED IN AMBULATORY SURGICAL CENTERS.—(1)(A) Section 1833(i)(2)(A)(i) (42 U.S.C. 1395l(i)(2)(A)(i)) is amended by striking the comma at the end and inserting the following: '', as determined in accordance with a survey (based upon a representative sample of procedures and facilities) taken not later than January 1, 1995, and every 5 years thereafter, of the actual audited costs incurred by such centers in providing such services,''.

(B) Section 1833(i)(2) (42 U.S.C. 1395l(i)(2)) is amended—

(i) in the second sentence of subparagraph (A) and the second sentence of subparagraph (B), by striking ''and may be adjusted by the Secretary, when appropriate,''; and

(ii) by adding at the end the following new subparagraph:

''(C) Notwithstanding the second sentence of subparagraph (A) or the second sentence of subparagraph (B), if the Secretary has not updated amounts established under such subparagraphs with respect to facility services furnished during a fiscal year (beginning with fiscal year 1996), such amounts shall be increased by the percentage increase in the consumer price index for all urban consumers (U.S. city average) as estimated by the Secretary for the 12-month period ending with the midpoint of the fiscal year involved.''.

(C) The second sentence of section 1833(i)(1) (42 U.S.C. 1395l(i)(1)) is amended by striking the period and inserting the following: '', in consultation with appropriate trade and professional organizations.''.

(2) Section 4151(c)(3) of OBRA–1990 is amended by striking ''for the insertion of an intraocular lens'' and inserting ''for an intraocular lens inserted''.

(b) ADJUSTMENTS TO PAYMENT AMOUNTS FOR NEW TECHNOLOGY INTRAOCULAR LENSES.—(1) Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services (in this subsection referred to as the ''Secretary'') shall develop and implement a process under which interested parties may request review by the Secretary of the appropriateness of the reimbursement amount provided under section 1833(i)(2)(A)(iii) of the Social Security Act with respect to a class of new technology intraocular lenses. For purposes of the preceding sentence, an intraocular lens may not be treated as a new technology lens unless it has been approved by the Food and Drug Administration.

(2) In determining whether to provide an adjustment of payment with respect to a particular lens under paragraph (1), the Secretary shall take into account whether use of the lens is likely to result in reduced risk of intraoperative or postoperative complication or trauma, accelerated postoperative recovery, reduced induced astigmatism, improved postoperative visual acuity, more stable postoperative vision, or other comparable clinical advantages.

(3) The Secretary shall publish notice in the Federal Register from time to time (but no less often than once each year) of a list of the requests that the Secretary has received for review under this subsection, and shall provide for a 30-day comment period on the lenses that are the subjects of the requests contained in such notice. The Secretary shall publish a notice of his determinations with respect to intraocular lenses listed in the notice within 90 days after the close of the comment period.

(4) Any adjustment of a payment amount (or payment limit) made under this subsection shall become effective not later than 30 days after the date on which the notice with respect to the adjustment is published under paragraph (3).

(c) BLEND AMOUNTS FOR AMBULATORY SURGICAL CENTER PAYMENTS.—

(1) IN GENERAL.—Subclauses (I) and (II) of section 1833(i)(3)(B)(ii) (42 U.S.C. 1395l(i)(3)(B)(ii)) are each amended—

(A) by striking ''for reporting'' and inserting ''for portions of cost reporting''; and

(B) by striking ''and on or before'' and inserting ''and ending on or before''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect as if included in the enactment of OBRA–1990.

Subchapter C—Durable Medical Equipment

SEC. 5031. REVISIONS TO PAYMENT RULES FOR DURABLE MEDICAL EQUIPMENT.

(a) BASING NATIONAL PAYMENT LIMITS ON MEDIAN OF LOCAL PAYMENT AMOUNTS.—

(1) INEXPENSIVE AND ROUTINELY PURCHASED ITEMS; ITEMS REQUIRING FREQUENT AND SUBSTANTIAL SERVICING.—(A) Paragraphs (2)(C)(i)(II) and (3)(C)(i)(II) of section 1834(a) (42 U.S.C. 1395m(a)) are each amended—

(i) by striking ''1992'' the first place it appears and inserting ''1992, 1993, and 1994''; and

(ii) by striking ''1992'' the second place it appears and inserting ''the year''.

(B) Paragraphs (2)(C)(ii) and (3)(C)(ii) of section 1834(a) (42 U.S.C. 1395m(a)) are each amended—

(i) by striking ''and'' at the end of subclause (I);

(ii) by redesignating subclause (II) as (IV); and

(iii) by inserting after subclause (I) the following new subclauses:

''(II) for 1992 and 1993, the amount determined under this clause for the preceding year increased by the covered item update for such subsequent year,

''(III) for 1994, the local payment amount determined under clause (i) for such item or device for that year, except that the national limited payment amount may not exceed 100 percent of the median of all local payment amounts determined under such clause for such item for that year and may not be less than 85 percent of the median of all local payment amounts determined under such clause for such item or device for that year, and''.

(2) MISCELLANEOUS DEVICES AND ITEMS.—Section 1834(a)(8) (42 U.S.C. 1395m(a)(8)) is amended—

(A) in subparagraph (A)(ii)(III), by striking ''1992'' and inserting ''1992, 1993, and 1994''; and

(B) in subparagraph (B)—

(i) by striking ''and'' at the end of clause (i),

(ii) by redesignating clause (ii) as (iv), and

(iii) by inserting after clause (i) the following new clauses:

''(ii) for 1992 and 1993, the amount determined under this subparagraph for the preceding year increased by the covered item update for such subsequent year;

''(iii) for 1994, the local purchase price computed under subparagraph (A)(ii) for the item for the year, except that such national limited purchase price may not exceed 100 percent of the median of all local purchase prices computed for the item under such subparagraph for the year and may not be less than 85 percent of the median of all local purchase prices computed under such subparagraph for the item for the year; and''.

(3) OXYGEN AND OXYGEN EQUIPMENT.—Section 1834(a)(9) (42 U.S.C. 1395m(a)(9)) is amended—

(A) in subparagraph (A)(ii)(II), by striking ''1991 and 1992'' and inserting ''1991, 1992, 1993, and 1994''; and

(B) in subparagraph (B)—

(i) by striking ''and'' at the end of clause (i),

(ii) by redesignating clause (ii) as (iv), and

(iii) by inserting after clause (i) the following new clauses:

''(ii) for 1992 and 1993, the amount determined under this subparagraph for the preceding year increased by the covered item update for such subsequent year;

''(iii) for 1994, the local monthly payment rate computed under subparagraph (A)(ii) for the item for the year, except that such national limited monthly payment rate may not exceed 100 percent of the median of all local monthly payment rates computed for the item under such subparagraph for the year and may not be less than 85 percent of the median of all local monthly payment rates computed for the item under such subparagraph for the year; and''.

(b) PAYMENT FOR PROSTHETIC DEVICES AND ORTHOTICS AND PROSTHETICS.—

(1) IN GENERAL.—Section 1834(h)(2) (42 U.S.C. 1395m(h)(2)) is amended—

(A) in subparagraph (A)(ii)(II), by striking ''1992 or 1993'' and inserting ''1992, 1993, or 1994'';

(B) in subparagraph (B)(ii), by striking ''each subsequent year'' and inserting ''1993'';

(C) in subparagraph (C)(iv), by striking ''regional purchase price computed under subparagraph (B)'' and inserting ''national limited purchase price computed under subparagraph (E)'';

(D) in subparagraph (D)(ii), by striking ''a subsequent year'' and inserting ''1993''; and

(E) by adding at the end the following new subparagraph:

''(E) COMPUTATION OF NATIONAL LIMITED PURCHASE PRICE.—With respect to the furnishing of a particular item in a year, the Secretary shall compute a national limited purchase price—

''(i) for 1994, equal to the local purchase price computed under subparagraph (A)(ii)(II) for the item for the year, except that such national limited purchase price may not exceed 100 percent of the median of all local purchase prices for the item computed under such subparagraph for the year, and may not be less than 85 percent of the median of all local purchase prices for the item computed under such subparagraph for the year; and

''(ii) for each subsequent year, equal to the amount determined under this subparagraph for the preceding year increased by the applicable percentage increase for such subsequent year.''.

(2) EXCEPTION FOR CERTAIN ITEMS.—Section 1834(h) (42 U.S.C. 1395m(h)), as amended by paragraph (1), is further amended—

(A) in paragraph (1)(B), by striking ''subparagraph (C),'' and inserting ''subparagraphs (C) and (F),''; and

(B) by adding at the end of paragraph (2) the following new subparagraph:

''(F) EXCEPTION FOR CERTAIN ITEMS.—Payment for ostomy supplies, tracheostomy supplies, and urologicals shall be made in accordance with subparagraphs (B) and (C) of section 1834(a)(2).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 5032. PAYMENT FOR PARENTERAL AND ENTERAL NUTRIENTS, SUPPLIES, AND EQUIPMENT DURING 1994.

In determining the amount of payment under part B of title XVIII of the Social Security Act during 1994, the charges determined to be reasonable with respect to parenteral and enteral nutrients, supplies, and equipment may not exceed the charges determined to be reasonable with respect to such nutrients, supplies, and equipment during 1993.

SEC. 5033. TREATMENT OF NEBULIZERS AND ASPIRATORS.

(a) IN GENERAL.—Section 1834(a)(3)(A) (42 U.S.C. 1395m(a)(3)(A)) is amended by striking ''ventilators, aspirators, IPPB machines, and nebulizers'' and inserting ''ventilators and IPPB machines''.

(b) PAYMENT FOR ACCESSORIES RELATING TO NEBULIZERS AND ASPIRATORS.—Section 1834(a)(2)(A) (42 U.S.C. 1395m(a)) is amended—

(1) by striking ''or'' at the end of clause (i),

(2) by adding ''or'' at the end of clause (ii), and

(3) by inserting after clause (ii) the following new clause:

''(iii) which is an accessory used in conjunction with a nebulizer or aspirator,''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 5034. CERTIFICATION OF SUPPLIERS.

(a) REQUIREMENTS.—

(1) IN GENERAL.—Section 1834 (42 U.S.C. 1395m) is amended by adding at the end the following new subsection:

''(i) REQUIREMENTS FOR SUPPLIERS OF MEDICAL EQUIPMENT AND SUPPLIES.—

''(1) ISSUANCE AND RENEWAL OF SUPPLIER NUMBER.—

''(A) PAYMENT.—Except as provided in subparagraph (C), no payment may be made under this part after October 1, 1994, for items furnished by a supplier of medical equipment and supplies unless such supplier obtains (and renews at such intervals as the Secretary may require) a supplier number.

''(B) STANDARDS FOR POSSESSING A SUPPLIER NUMBER.—A supplier may not obtain a supplier number unless—

''(i) for medical equipment and supplies furnished on or after October 1, 1994, and before January 1, 1996, the supplier meets standards prescribed by the Secretary; and

''(ii) for medical equipment and supplies furnished on or after January 1, 1996, the supplier meets revised standards prescribed by the Secretary (in consultation with representatives of suppliers of medical equipment and supplies, carriers, and consumers)

that shall include requirements that the supplier—

''(I) comply with all applicable State and Federal licensure and regulatory requirements;

''(II) maintain a physical facility on an appropriate site;

''(III) have proof of appropriate liability insurance; and

''(IV) meet such other requirements as the Secretary may specify.

''(C) EXCEPTION FOR ITEMS FURNISHED AS INCIDENT TO A PHYSICIAN'S SERVICE.—Subparagraph (A) shall not apply with respect to medical equipment and supplies furnished as an incident to a physician's service.

''(D) PROHIBITION AGAINST MULTIPLE SUPPLIER NUMBERS.—The Secretary may not issue more than one supplier number to any supplier of medical equipment and supplies unless the issuance of more than one number is appropriate to identify subsidiary or regional entities under the supplier's ownership or control.

''(E) PROHIBITION AGAINST DELEGATION OF SUPPLIER DETERMINATIONS.—The Secretary may not delegate (other than by contract under section 1842) the responsibility to determine whether suppliers meet the standards necessary to obtain a supplier number.

''(2) CERTIFICATES OF MEDICAL NECESSITY.—

''(A) STANDARDIZED CERTIFICATES.—Not later than October 1, 1994, the Secretary shall, in consultation with carriers under this part, develop one or more standardized certificates of medical necessity (as defined in subparagraph (C)) for medical equipment and supplies for which the Secretary determines that such a certificate is necessary.

''(B) PROHIBITION AGAINST DISTRIBUTION BY SUPPLIERS OF CERTIFICATES OF MEDICAL NECESSITY.—

''(i) IN GENERAL.—Except as provided in clause (ii), a supplier of medical equipment and supplies may not distribute to physicians or to individuals entitled to benefits under this part for commercial purposes any completed or partially completed certificates of medical necessity on or after October 1, 1994.

''(ii) EXCEPTION FOR CERTAIN BILLING INFORMATION.—Clause (i) shall not apply with respect to a certificate of medical necessity for any item that is not contained on the list of potentially overused items developed by the Secretary under subsection (a)(15)(A) to the extent that such certificate contains only information completed by the supplier of medical equipment and supplies identifying such supplier and the beneficiary to whom such medical equipment and supplies are furnished, a description of such medical equipment and supplies, any product code identifying such medical equipment and supplies, and any other administrative information (other than information relating to the beneficiary's medical condition) identified by the Secretary. In the event a supplier provides a certificate of medical necessity containing information permitted under this clause, such certificate shall also contain the fee schedule amount and the supplier's charge for the medical equipment or supplies being furnished prior to distribution of such certificate to the physician.

''(iii) PENALTY.—Any supplier of medical equipment and supplies who knowingly and willfully distributes a certificate of medical necessity in violation of clause (i) is subject to a civil money penalty in an amount not to exceed $1,000 for each such certificate of medical necessity so distributed. The provisions of section 1128A (other than subsections (a) and (b)) shall apply to civil money penalties under this subparagraph in the same manner as they apply to a penalty or proceeding under section 1128A(a).

''(C) DEFINITION.—For purposes of this paragraph, the term 'certificate of medical necessity' means a form or other document containing information required by the Secretary to be submitted to show that a covered item is reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member.

''(3) COVERAGE AND REVIEW CRITERIA.—

''(A) DEVELOPMENT AND ESTABLISHMENT.—Not later than January 1, 1996, the Secretary, in consultation with representatives of suppliers of medical equipment and supplies, individuals enrolled under this part, and appropriate medical specialty societies, shall develop and establish uniform national coverage and utilization review criteria for 200 items of medical equipment and supplies selected in accordance with the standards described in subparagraph (B). The Secretary shall publish the criteria as part of the instructions provided to fiscal intermediaries and carriers under this part and no further publication, including publication in the Federal Register, shall be required.

''(B) STANDARDS FOR SELECTING ITEMS SUBJECT TO CRITERIA.—The Secretary may select an item for coverage under the criteria developed and established under subparagraph (A) if the Secretary finds that—

''(i) the item is frequently purchased or rented by beneficiaries;

''(ii) the item is frequently subject to a determination that such item is not medically necessary; or

''(iii) the coverage or utilization criteria applied to the item (as of the date of the enactment of this subsection) is not consistent among carriers.

''(C) ANNUAL REVIEW AND EXPANSION OF ITEMS SUBJECT TO CRITERIA.—The Secretary shall annually review the coverage and utilization of items of medical equipment and supplies to determine whether items not included among the items selected under subparagraph (A) should be made subject to uniform national coverage and utilization review criteria, and, if appropriate, shall develop and apply such criteria to such additional items.

''(4) DEFINITION.—The term 'medical equipment and supplies'' means—

''(A) durable medical equipment (as defined in section 1861(n));

''(B) prosthetic devices (as described in section 1861(s)(8));

''(C) orthotics and prosthetics (as described in section 1861(s)(9));

''(D) surgical dressings (as described in section 1861(s)(5));

''(E) such other items as the Secretary may determine; and

''(F) for purposes of paragraphs (1) and (3)—

''(i) home dialysis supplies and equipment (as described in section 1861(s)(2)(F)), and

''(ii) immunosuppressive drugs (as described in section 1861(s)(2)(J)).''.

(2) CONFORMING AMENDMENT.—Effective October 1, 1994, paragraph (16) of section 1834(a) (42 U.S.C. 1395m(a)) is repealed.

(b) REPORT ON EFFECT OF UNIFORM CRITERIA ON UTILIZATION OF ITEMS.—Not later than July 1, 1996, the Secretary shall submit a report to the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate analyzing the impact of the uniform criteria established under section 1834(i)(3)(A) of the Social Security Act (as added by subsection (a)) on the utilization of items of medical equipment and supplies by individuals enrolled under part B of the medicare program.

(c) USE OF COVERED ITEMS BY DISABLED BENEFICIARIES.—

(1) IN GENERAL.—The Secretary of Health and Human Services, in consultation with representatives of suppliers of durable medical equipment under part B of the medicare program and individuals entitled to benefits under such program on the basis of disability, shall conduct a study of the effects of the methodology for determining payments for items of such equipment under such part on the ability of such individuals to obtain items of such equipment, including customized items.

(2) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit a report to Congress on the study conducted under paragraph (1), and shall include in the report such recommendations as the Secretary considers appropriate to assure that disabled medicare beneficiaries have access to items of durable medical equipment.

(d) CRITERIA FOR TREATMENT OF ITEMS AS PROSTHETICS DEVICES OR ORTHOTICS AND PROSTHETICS.—Not later than one year after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit a report to the Committees on Ways and Means and Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate describing prosthetic devices or orthotics and prosthetics covered under part B of the medicare program that do not require individualized or custom fitting and adjustment to be used by a patient. Such report shall include recommendations for an appropriate methodology for determining the amount of payment for such items under such program.

SEC. 5035. PROHIBITION AGAINST CARRIER FORUM SHOPPING.

(a) IN GENERAL.—Section 1834(a)(12) (42 U.S.C. 1395m(a)(12)) is amended to read as follows:

''(12) USE OF CARRIERS TO PROCESS CLAIMS.—

''(A) DESIGNATION OF REGIONAL CARRIERS.—The Secretary may designate, by regulation under section 1842, one carrier for one or more entire regions to process all claims within the region for covered items under this section.

''(B) PROHIBITION AGAINST CARRIER SHOPPING.—(i) No supplier of a covered item may present or cause to be presented a claim for payment under this part unless such claim is presented to the appropriate regional carrier (as designated by the Secretary).

''(ii) For purposes of clause (i), the term 'appropriate regional carrier' means the carrier having jurisdiction over the geographic area that includes the permanent residence of the patient to whom the item is furnished.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items furnished on or after October 1, 1993.

(c) CLARIFICATION OF AUTHORITY TO DESIGNATE CARRIERS FOR OTHER ITEMS AND SERVICES.—Nothing in this subsection or the amendment made by this subsection may be construed to restrict the authority of the Secretary of Health and Human Services to designate regional carriers or modify claims jurisdiction rules with respect to items or services under part B of the medicare program that are not covered items under section 1834(a) of the Social Security Act or prosthetic devices or orthotics and prosthetics under section 1834(h) of such Act.

SEC. 5036. RESTRICTIONS ON CERTAIN MARKETING AND SALES ACTIVITIES.

(a) PROHIBITING UNSOLICITED TELEPHONE CONTACTS FROM SUPPLIERS OF DURABLE MEDICAL EQUIPMENT TO MEDICARE BENEFICIARIES.—

(1) IN GENERAL.—Section 1834(a) (42 U.S.C. 1395m(a)) is amended by adding at the end the following new paragraph:

''(17) PROHIBITION AGAINST UNSOLICITED TELEPHONE CONTACTS BY SUPPLIERS.—

''(A) IN GENERAL.—A supplier of a covered item under this subsection may not contact an individual enrolled under this part by

telephone regarding the furnishing of a covered item to the individual (other than a covered item the supplier has already furnished to the individual) unless—

''(i) the individual gives permission to the supplier to make contact by telephone for such purpose; or

''(ii) the supplier has furnished a covered item under this subsection to the individual during the 15-month period preceding the date on which the supplier contacts the individual for such purpose.

''(B) PROHIBITING PAYMENT FOR ITEMS FURNISHED SUBSEQUENT TO UNSOLICITED CONTACTS.—If a supplier knowingly contacts an individual in violation of subparagraph (A), no payment may be made under this part for any item subsequently furnished to the individual by the supplier.

''(C) EXCLUSION FROM PROGRAM FOR SUPPLIERS ENGAGING IN PATTERN OF UNSOLICITED CONTACTS.—If a supplier knowingly contacts individuals in violation of subparagraph (A) to such an extent that the supplier's conduct establishes a pattern of contacts in violation of such subparagraph, the Secretary shall exclude the supplier from participation in the programs under this Act, in accordance with the procedures set forth in subsections (c), (f), and (g) of section 1128.''.

(2) REQUIRING REFUND OF AMOUNTS COLLECTED FOR DISALLOWED ITEMS.—Section 1834(a) (42 U.S.C. 1395m(a)), as amended by paragraph (1), is amended by adding at the end the following new paragraph:

''(18) REFUND OF AMOUNTS COLLECTED FOR CERTAIN DISALLOWED ITEMS.—

''(A) IN GENERAL.—If a nonparticipating supplier furnishes to an individual enrolled under this part a covered item for which no payment may be made under this part by reason of paragraph (17)(B), the supplier shall refund on a timely basis to the patient (and shall be liable to the patient for) any amounts collected from the patient for the item, unless—

''(i) the supplier establishes that the supplier did not know and could not reasonably have been expected to know that payment may not be made for the item by reason of paragraph (17)(B), or

''(ii) before the item was furnished, the patient was informed that payment under this part may not be made for that item and the patient has agreed to pay for that item.

''(B) SANCTIONS.—If a supplier knowingly and willfully fails to make refunds in violation of subparagraph (A), the Secretary may apply sanctions against the supplier in accordance with section 1842(j)(2).

''(C) NOTICE.—Each carrier with a contract in effect under this part with respect to suppliers of covered items shall send any notice of denial of payment for covered items by reason of paragraph (17)(B) and for which payment is not requested on an assignment-related basis to the supplier and the patient involved.

''(D) TIMELY BASIS DEFINED.—A refund under subparagraph (A) is considered to be on a timely basis only if—

''(i) in the case of a supplier who does not request reconsideration or seek appeal on a timely basis, the refund is made within 30 days after the date the supplier receives a denial notice under subparagraph (C), or

''(ii) in the case in which such a reconsideration or appeal is taken, the refund is made within 15 days after the date the supplier receives notice of an adverse determination on reconsideration or appeal.''.

(b) CONFORMING AMENDMENT.—Section 1834(h)(3) (42 U.S.C. 1395m(h)(3)) is amended by striking ''Paragraph (12)'' and inserting ''Paragraphs (12) and (17)''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to items furnished after the expiration of the 60-day period that begins on the date of the enactment of this Act.

SEC. 5037. KICKBACK CLARIFICATION.

(a) IN GENERAL.—Section 1128B(b)(3)(B) (42 U.S.C. 1320a–7b(b)(3)(B)) is amended by inserting before the semicolon the following: ''(except that in the case of a contract supply arrangement between any entity and a supplier of medical supplies and equipment (as defined in section 1834(i)(4), but not including items described in subparagraph (F) of such section), such employment shall not be considered bona fide to the extent that it includes tasks of a clerical and cataloging nature in transmitting to suppliers assignment rights of individuals eligible for benefits under part B of title XVIII, or performance of warehousing or stock inventory functions)''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to services furnished on or after the first day of the first month that begins after the expiration of the 60-day period beginning on the date of the enactment of this Act.

SEC. 5038. BENEFICIARY LIABILITY FOR NONCOVERED SERVICES.

(a) UNASSIGNED CLAIMS.—

(1) IN GENERAL.—Section 1834(i) (42 U.S.C. 1395m(i)), as added by section 5034(a)(1), is amended—

(A) by redesignating paragraph (4) as paragraph (5), and

(B) by inserting after paragraph (3) the following new paragraph:

''(4) LIMITATION ON PATIENT LIABILITY.—If a supplier of medical equipment and supplies (as defined in paragraph (5))—

''(A) furnishes an item or service to a beneficiary for which no payment may be made by reason of paragraph (1);

''(B) furnishes an item or service to a beneficiary for which payment is denied in advance under subsection (a)(15); or

''(C) furnishes an item or service to a beneficiary for which payment is denied under section 1862(a)(1);

any expenses incurred for items and services furnished to an individual by such a supplier not on an assigned basis shall be the responsibility of such supplier. The individual shall have no financial responsibility for such expenses and the supplier shall refund on a timely basis to the individual (and shall be liable to the individual for) any amounts collected from the individual for such items or services. The provisions of subsection (a)(18) shall apply to refunds required under the previous sentence in the same manner as such provisions apply to refunds under such subsection.''.

(2) CONFORMING AMENDMENT.—Section 1128B(b)(3)(B) (42 U.S.C. 1320a–7b(b)(3)(B)), as amended by section 5037(a), is amended by striking ''1834(i)(4)'' and inserting ''1834(i)(5)''.

(b) ASSIGNED CLAIMS.—Section 1879 (42 U.S.C. 1395pp) is amended by adding at the end the following new subsection:

''(h) If a supplier of medical equipment and supplies (as defined in section 1834(i)(4))—

''(1) furnishes an item or service to a beneficiary for which no payment may be made by reason of section 1834(i)(1); or

''(2) furnishes an item or service to a beneficiary for which payment is denied in advance under section 1834(a)(15);

any expenses incurred for items and services furnished to an individual by such a supplier on an assignment-related basis shall be the responsibility of such supplier. The individual shall have no financial responsibility for such expenses and the supplier shall refund on a timely basis to the individual (and shall be liable to the individual for) any amounts collected from the individual for such items or services. The provisions of section 1834(a)(18) shall apply to refunds required under the previous sentence in the same manner as such provisions apply to refunds under such section.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items or services furnished on or after October 1, 1994.

SEC. 5039. ADJUSTMENTS FOR INHERENT REASONABLENESS.

(a) ADJUSTMENTS MADE TO FINAL PAYMENT AMOUNTS.—

(1) IN GENERAL.—Section 1834(a)(10)(B) (42 U.S.C. 1395m(a)(10)(B)) is amended by adding at the end the following: ''In applying such provisions to payments for an item under this subsection, the Secretary shall make adjustments to the payment basis for the item described in paragraph (1)(B) if the Secretary determines (in accordance with such provisions and on the basis of prices and costs applicable at the time the item is furnished) that such payment basis is not inherently reasonable.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

(b) ADJUSTMENT REQUIRED FOR CERTAIN ITEMS.—

(1) IN GENERAL.—In accordance with section 1834(a)(10)(B) of the Social Security Act (as amended by subsection (a)), the Secretary of Health and Human Services shall determine whether the payment amounts for the items described in paragraph (2) are not inherently reasonable, and shall adjust such amounts in accordance with such section if the amounts are not inherently reasonable.

(2) ITEMS DESCRIBED.—The items referred to in paragraph (1) are decubitus care equipment, transcutaneous electrical nerve stimulators, and any other items considered appropriate by the Secretary.

SEC. 5040. PAYMENT FOR SURGICAL DRESSINGS.

(a) IN GENERAL.—Section 1834 (42 U.S.C. 1395m), as amended by section 5034(a)(1), is amended by adding at the end the following new subsection:

''(j) PAYMENT FOR SURGICAL DRESSINGS.—

''(1) IN GENERAL.—Payment under this subsection for surgical dressings (described in section 1861(s)(5)) shall be made in a lump sum amount for the purchase of the item in an amount equal to 80 percent of the lesser of—

''(A) the actual charge for the item; or

''(B) a payment amount determined in accordance with the methodology described in subparagraphs (B) and (C) of subsection (a)(2) (except that in applying such methodology, the national limited payment amount referred to in such subparagraphs shall be initially computed based on local payment amounts using average reasonable charges for the 12-month period ending December 31, 1992, increased by the covered item updates described in such subsection for 1993 and 1994)

''(2) EXCEPTIONS.—Paragraph (1) shall not apply to surgical dressings that are—

''(A) furnished as an incident to a physician's professional service; or

''(B) furnished by a home health agency.''.

(b) CONFORMING AMENDMENT.—Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)), as amended by sections 5064(e)(2) and 5008(e)(1), is amended—

(1) by striking ''and'' before ''(P)'', and

(2) by inserting before the semicolon at the end the following: '', and (Q) with respect to surgical dressings, the amounts paid shall be the amounts determined under section 1834(j);''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 5041. PAYMENTS FOR TENS DEVICES.

(a) IN GENERAL.—Section 1834(a)(1)(D) (42 U.S.C. 1395m(a)(1)(D)) is amended by striking ''15 percent'' the second place it appears and inserting ''45 percent''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items furnished on or after January 1, 1994.

SEC. 5042. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) UPDATES TO PAYMENT AMOUNTS.—Subparagraph (A) of section 1834(a)(14) (42 U.S.C. 1395m(a)(14)) is amended to read as follows:

''(A) for 1991 and 1992, the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with June of the previous year reduced by 1 percentage point; and''.

(b) TREATMENT OF POTENTIALLY OVERUSED ITEMS AND ADVANCED DETERMINATIONS OF COVERAGE.—(1) Effective on the date of the enactment of this Act, section 1834(a)(15) (42 U.S.C. 1395m(a)(15)) is amended to read as follows:

''(15) SPECIAL TREATMENT FOR POTENTIALLY OVERUSED ITEMS.—

''(A) DEVELOPMENT OF LIST OF ITEMS BY SECRETARY.—The Secretary shall develop and periodically update a list of items for which payment may be made under this subsection that are potentially overused, and shall include in such list seat-lift mechanisms, transcutaneous electrical nerve stimulators, motorized scooters, decubitus care mattresses, and any such other item determined by the Secretary to be potentially overused on the basis of any of the following criteria—

''(i) the item is marketed directly to potential patients;

''(ii) the item is marketed with an offer to potential patients to waive the costs of coinsurance associated with the item or is marketed as being available at no cost to policyholders of a medicare supplemental policy (as defined in section 1882(g)(1));

''(iii) the item has been subject to a consistent pattern of overutilization; or

''(iv) a high proportion of claims for payment for such item under this part may not be made because of the application of section 1862(a)(1).

''(B) ITEMS SUBJECT TO SPECIAL CARRIER SCRUTINY.—Payment may not be made under this part for any item contained in the list developed by the Secretary under subparagraph (A) unless the carrier has subjected the claim for payment for the item to special scrutiny or has followed the procedures described in paragraph (11)(C) with respect to the item.''.

(2) Effective January 1, 1994, section 1834(a)(11) (42 U.S.C. 1395m(a)) is amended by adding at the end the following new subparagraph:

''(C) CARRIER DETERMINATIONS FOR CERTAIN ITEMS IN ADVANCE.—A carrier shall determine in advance whether payment for an item may not be made under this subsection because of the application of section 1862(a)(1) if—

''(i) the item is a customized item (other than inexpensive items specified by the Secretary); or

''(ii) the item is a specified covered item under subparagraph (B).''.

(3) Effective for standards applied for contract years beginning after the date of the enactment of this Act, section 1842(c) (42 U.S.C. 1395u(c)), as amended by section 5011(a), is amended by adding at the end the following new paragraph:

''(5) Each contract under this section which provides for the disbursement of funds, as described in subsection (a)(1)(B), shall require the carrier to meet criteria developed by the Secretary to measure the timeliness of carrier responses to requests for payment of items described in section 1834(a)(11)(C).''.

(4) Section 1834(h)(3) (42 U.S.C. 1395m(h)(3)) is amended by striking ''paragraph (10) and paragraph (11)'' and inserting ''paragraphs (10) and (11)''.

(c) STUDY OF VARIATIONS IN DURABLE MEDICAL EQUIPMENT SUPPLIER COSTS.—

(1) COLLECTION AND ANALYSIS OF SUPPLIER COST DATA.—The Administrator of the Health Care Financing Administration shall, in consultation with appropriate organizations, collect data on supplier costs of durable medical equipment for which payment may be made under part B of the medicare program, and shall analyze such data to determine the proportions of such costs attributable to the service and product components of furnishing such equipment and the extent to which such proportions vary by type of equipment and by the geographic region in which the supplier is located.

(2) DEVELOPMENT OF GEOGRAPHIC ADJUSTMENT INDEX; REPORTS.—Not later than January 1, 1995—

(A) the Administrator shall submit a report to the Committees on Energy and Commerce and Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the data collected and the analysis conducted under paragraph (1), and shall include in such report the Administrator's recommendations for a geographic cost adjustment index for suppliers of durable medical equipment under the medicare program and an analysis of the impact of such proposed index on payments under the medicare program; and

(B) the Comptroller General shall submit a report to the Committees on Energy and Commerce and Ways and Means of the House of Representatives and the Committee on Finance of the Senate analyzing on a geographic basis the supplier costs of durable medical equipment under the medicare program.

(d) OXYGEN RETESTING.—Section 1834(a)(5)(E) (42 U.S.C. 1395m(a)(5)(E)) is amended by striking ''55'' and inserting ''56''.

(e) OTHER MISCELLANEOUS AND TECHNICAL AMENDMENTS.—(1) Section 4152(a)(3) of OBRA–1990 is amended by striking ''amendment made by subsection (a)'' and inserting ''amendments made by this subsection''.

(2) Section 4152(c)(2) of OBRA–1990 is amended by striking ''1395m(a)(7)(A)'' and inserting ''1395m(a)(7)''.

(3) Section 1834(a)(7)(A)(iii)(II) (42 U.S.C. 1395m(a)(7)(A)(iii)(II)) is amended by striking ''clause (v)'' and inserting ''clause (vi)''.

(4) Section 1834(a)(7)(C)(i) (42 U.S.C. 1395m(a)(7)(C)(i)) is amended by striking ''or paragraph (3)''.

(5) Section 1834(a)(3) (42 U.S.C. 1395m(a)(3)) is amended by striking subparagraph (D).

(6) Section 4153(c)(1) of OBRA–1990 is amended by striking ''1834(a)'' and inserting ''1834(h)''.

(7) Section 4153(d)(2) of OBRA–1990 is amended by striking ''Reconiliation'' and inserting ''Reconciliation''.

(8)(A) Section 1834(a) (42 U.S.C. 1395m(a)) is amended by striking paragraph (6).

(B) Section 1834(a) (42 U.S.C. 1395m(a)) is amended—

(i) in subparagraphs (A) and (B) of paragraph (1), by striking ''(2) through (7)'' each place it appears and inserting ''(2) through (5) and (7)'';

(ii) in paragraph (7), by striking ''(2) through (6)'' and inserting ''(2) through (5)'';

(iii) in paragraph (8), by striking ''paragraphs (6) and (7)'' each place it appears in the matter preceding subparagraph (A) and in subparagraph (C) and inserting ''paragraph (7)''; and

(iv) in paragraph (8)(A)(i), by striking ''described—'' and all that follows and inserting ''described in paragraph (7) equal to the average of the purchase prices on the claims submitted on an assignment-related basis for the unused item supplied during the 6-month period ending with December 1986.''.

(9) The amendments made by this subsection shall take effect as if included in the enactment of OBRA–1990.

Subchapter D—Part B Premium

SEC. 5051. PART B PREMIUM.

Section 1839(e) (42 U.S.C. 1395r(e)) is amended—

(1) in paragraph (1)(A), by inserting ''and for each month in 1996 and 1997'' after ''January 1991'', and

(2) in paragraph (2), by striking ''1991'' and inserting ''1998''.

Subchapter E—Other Provisions

SEC. 5061. TREATMENT OF INPATIENTS AND PROVISION OF DIAGNOSTIC AND THERAPEUTIC X-RAY SERVICES BY RURAL HEALTH CLINICS AND FEDERALLY QUALIFIED HEALTH CENTERS.

(a) TREATMENT OF INPATIENTS.—Section 1861(aa) (42 U.S.C. 1395x(aa)) is amended—

(1) in paragraph (1), in the matter following subparagraph (C), by striking ''as an outpatient'' and inserting ''as a patient'';

(2) in paragraph (2)(A), by striking ''furnishing to outpatients'' and inserting ''furnishing to patients''; and

(3) in paragraph (3), in the matter following subparagraph (B), by striking ''as an outpatient'' and inserting ''as a patient''.

(b) TREATMENT OF DIAGNOSTIC AND THERAPEUTIC X-RAY SERVICES.—Section 1861(aa) (42 U.S.C. 1395x(aa)) is further amended—

(1) in paragraph (1)(A), by inserting ''(i)'' after ''(A)'' and by adding at the end the following: ''and (ii) diagnostic and therapeutic x-ray services,'', and

(2) in paragraph (2)(A), by striking ''(A)'' and inserting ''(A)(i)''.

(c) CONFORMING AMENDMENT.—Section 1862(a)(14) (42 U.S.C. 1395y(a)(14)) is amended by striking ''and services of a certified registered nurse anesthetist'' and inserting ''services of a certified registered nurse anesthetist, rural health clinic services, and Federally-qualified health center services''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1994, and shall apply to services furnished on or after such date.

SEC. 5062. APPLICATION OF MAMMOGRAPHY CERTIFICATION REQUIREMENTS.

(a) SCREENING MAMMOGRAPHY.—Section 1834(c) (42 U.S.C. 1395m(c)) is amended—

(1) in paragraph (1)(B), by striking ''meets the quality standards established under paragraph (3)'' and inserting ''is conducted by a facility that has a certificate (or provisional certificate) issued under section 354 of the Public Health Service Act'';

(2) in paragraph (1)(C)(iii), by striking ''paragraph (4)'' and inserting ''paragraph (3)'';

(3) by striking paragraph (3); and

(4) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4).

(b) DIAGNOSTIC MAMMOGRAPHY.—Section 1861(s)(3) (42 U.S.C. 1395x(s)(3)) is amended by inserting ''and including diagnostic mammography if conducted by a facility that has a certificate (or provisional certificate) issued under section 354 of the Public Health Service Act'' after ''necessary''.

(c) CONFORMING AMENDMENTS.—(1) Section 1862(a)(1)(F) (42 U.S.C. 1395y(a)(1)(F)) is amended by striking ''''or which does not meet the standards established under section 1834(c)(3)'' and inserting ''or which is not conducted by a facility described in section 1834(c)(1)(B)''.

(2) Section 1863 (42 U.S.C. 1395z) is amended by striking ''or whether screening mammography meets the standards established under section 1834(c)(3),''.

(3) The first sentence of section 1864(a) (42 U.S.C. 1395aa(a)) is amended by striking '', or whether screening mammography meets the standards established under section 1834(c)(3)''.

(4) The third sentence of section 1865(a) (42 U.S.C. 1395bb(a)) is amended by striking ''1834(c)(3),''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to mammography furnished by a facility on and after the first date that the certificate requirements of section 354(b) of the Public Health Service Act apply to such mammography conducted by such facility.

SEC. 5063. ORAL CANCER DRUGS.

(a) COVERAGE OF CERTAIN SELF-ADMINISTERED ANTICANCER DRUGS.—Section 1861(s)(2) (42 U.S.C. 1395(s)(2)), as amended by section 5064(f)(7)(B), is amended—

(1) by striking ''and'' at the end of subparagraph (N);

(2) by adding ''and'' at the end of subparagraph (O); and

(3) by adding at the end the following new subparagraph:

''(P) an oral drug (which is approved by the Federal Food and Drug Administration) prescribed for use as an anticancer chemotherapeutic agent for a given indication, and containing an active ingredient (or ingredients), which is the same indication and active ingredient (or ingredients) as a drug which the carrier determines would be covered pursuant to subparagraph (A) or (B) if the drug could not be self-administered;''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 5064. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) REVISION OF INFORMATION ON PART B CLAIMS FORMS.—Section 1833(q)(1) (42 U.S.C. 1395l(q)(1)) is amended—

(1) by striking ''provider number'' and inserting ''unique physician identification number''; and

(2) by striking ''and indicate whether or not the referring physician is an interested investor (within the meaning of section 1877(h)(5))''.

(b) CONSULTATION FOR SOCIAL WORKERS.—Effective with respect to services furnished on or after January 1, 1991, section 6113(c) of OBRA–1989 is amended—

(1) by inserting ''and clinical social worker services'' after ''psychologist services''; and

(2) by striking ''psychologist'' the second and third place it appears and inserting ''psychologist or clinical social worker''.

(c) REPORTS ON HOSPITAL OUTPATIENT PAYMENT.—(1) OBRA–1989 is amended by striking section 6137.

(2) Section 1135(d) (42 U.S.C. 1320b–5(d)) is amended—

(A) by striking paragraph (6); and

(B) in paragraph (7)—

(i) by striking ''systems'' each place it appears and inserting ''system''; and

(ii) by striking ''paragraphs (1) and (6)'' and inserting ''paragraph (1)''.

(d) RADIOLOGY AND DIAGNOSTIC SERVICES PROVIDED IN HOSPITAL OUTPATIENT DEPARTMENTS.—(1) Effective as if included in the enactment of OBRA–1989, section 1833(n)(1)(B)(i)(II) (42 U.S.C. 1395l(n)(1)(B)(i)(II)) is amended—

(A) by striking ''1989'' and inserting ''1989 and for services described in subsection (a)(2)(E)(ii) furnished on or after January 1, 1992''; and

(B) by striking ''1842(b)'' and inserting ''1842(b) (or, in the case of services furnished on or after January 1, 1992, under section 1848)''.

(2) Effective as if included in the enactment of OBRA–1989, section 1833(n)(1)(B)(i)(II) (42 U.S.C. 1395l(n)(1)(B)(i)(II)) is amended by striking ''January 1, 1989'' and inserting ''April 1, 1989''.

(e) PAYMENTS TO NURSE PRACTITIONERS IN RURAL AREAS (SECTION 4155 OF OBRA–1990).—(1) Section 1861(s)(2)(K)(iii) (42 U.S.C. 1395x(s)(2)(K)(iii)) is amended—

(A) by striking ''subsection (aa)(3)'' and inserting ''subsection (aa)(5)''; and

(B) by striking ''subsection (aa)(4)'' and inserting ''subsection (aa)(6)''.

(2) Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)) is amended—

(A) by striking ''and'' before ''(N)''; and

(B) with respect to the matter inserted by section 4155(b)(2)(B) of OBRA–1990—

(i) by striking ''(M)'' and inserting '', and (O)'', and

(ii) by transferring and inserting it (as amended) immediately before the semicolon at the end.

(3) Section 1833(r)(1) (42 U.S.C. 1395l(r)(1)) is amended—

(A) by striking ''ambulatory'' each place it appears and inserting ''or ambulatory''; and

(B) by striking ''center,'' and inserting ''center''.

(4) Section 1833(r)(2)(A) (42 U.S.C. 1395l(r)(2)(A)) is amended by striking ''subsection (a)(1)(M)'' and inserting ''subsection (a)(1)(O)''.

(5) Section 1861(b)(4) (42 U.S.C. 1395x(b)(4)) is amended by striking ''subsection (s)(2)(K)(i)'' and inserting ''clauses (i) or (iii) of subsection (s)(2)(K)''.

(6) Section 1861(aa)(5) (42 U.S.C. 1395x(aa)(5)) is amended by striking ''this Act'' and inserting ''this title''.

(7) Section 1862(a)(14) (42 U.S.C. 1395y(a)(14)) is amended by striking ''1861(s)(2)(K)(i)'' and inserting ''1861(s)(2)(K)(i) or 1861(s)(2)(K)(iii)''.

(8) Section 1866(a)(1)(H) (42 U.S.C. 1395cc(a)(1)(H)) is amended by striking ''1861(s)(2)(K)(i)'' and inserting ''1861(s)(2)(K)(i) or 1861(s)(2)(K)(iii)''.

(f) OTHER MISCELLANEOUS AND TECHNICAL AMENDMENTS.—

(1) IMMEDIATE ENROLLMENT IN PART B BY INDIVIDUALS COVERED BY AN EMPLOYMENT-BASED PLAN.—(A) Subparagraphs (A) and (B) of section 1837(i)(3) (42 U.S.C. 1395p(i)(3)) are each amended—

(i) by striking ''beginning with the first day of the first month in which the individual is no longer enrolled'' and inserting ''including each month during any part of which the individual is enrolled''; and

(ii) by striking ''and ending seven months later'' and inserting ''ending with the last day of the eighth consecutive month in which the individual is at no time so enrolled''.

(B) Paragraphs (1) and (2) of section 1838(e) (42 U.S.C. 1395q(e)) are amended to read as follows:

''(1) in any month of the special enrollment period in which the individual is at any time enrolled in a plan (specified in subparagraph (A) or (B), as applicable, of section 1837(i)(3)) or in the first month following such a month, the coverage period shall begin on the first day of the month in which the individual so enrolls (or, at the option of the individual, on the first day of any of the following three months), or

''(2) in any other month of the special enrollment period, the coverage period shall begin on the first day of the month following the month in which the individual so enrolls.''.

(C) The amendments made by subparagraphs (A) and (B) shall take effect on the first day of the first month that begins after the expiration of the 120-day period that begins on the date of the enactment of this Act.

(2) BLEND AMOUNTS FOR AMBULATORY SURGICAL CENTER PAYMENTS.—Subclauses (I) and (II) of section 1833(i)(3)(B)(ii) (42 U.S.C. 1395l(i)(3)(B)(ii)) are each amended—

(A) by striking ''for reporting'' and inserting ''for portions of cost reporting''; and

(B) by striking ''and on or before'' and inserting ''and ending on or before''.

(3) CLINICAL DIAGNOSTIC LABORATORY TESTS (SECTION 4154 OF OBRA–1990).—Section 4154(e)(5) of OBRA–1990 is amended by striking ''(1)(A)'' and inserting ''(1)(A),''.

(4) SEPARATE PAYMENT UNDER PART B FOR CERTAIN SERVICES (SECTION 4157 OF OBRA–1990).—Section 4157(a) of OBRA–1990 is amended by striking ''(a) SERVICES OF'' and all that follows through ''Section'' and inserting ''(a) TREATMENT OF SERVICES OF CERTAIN HEALTH PRACTITIONERS.—Section''.

(5) COMMUNITY HEALTH CENTERS AND RURAL HEALTH CLINICS (SECTION 4161 OF OBRA–1990).—(A) The fourth sentence of section 1861(aa)(2) (42 U.S.C. 1395x(aa)(2)) is amended—

(i) by striking ''certification'' the first place it appears and inserting ''approval''; and

(ii) by striking ''the Secretary's approval or disapproval of the certification'' and inserting ''Secretary's approval or disapproval''.

(B) Section 4161(a)(7)(B) of OBRA–1990 is amended by inserting ''and to the Committee on Finance of the Senate'' after ''Representatives''.

(6) SCREENING MAMMOGRAPHY (SECTION 4163 OF OBRA–1990).—Section 4163 of OBRA–1990 is amended—

(A) by adding at the end of subsection (d) the following new paragraph:

''(3) The amendment made by paragraph (2)(A)(iv) shall apply to screening pap smears performed on or after July 1, 1990.''; and

(B) in subsection (e), by striking ''The amendments'' and inserting ''Except as provided in subsection (d)(3), the amendments.''.

(7) INJECTABLE DRUGS FOR TREATMENT OF OSTEOPOROSIS.—

(A) CLARIFICATION OF DRUGS COVERED.—The section 1861(jj) (42 U.S.C. 1395x(jj)) inserted by section 4156(a)(2) of OBRA–1990 is amended—

(i) in the matter preceding paragraph (1), by striking ''a bone fracture related to''; and

(ii) in paragraph (1), by striking ''patient'' and inserting ''individual has suffered a bone fracture related to post-menopausal osteoporosis and that the individual''.

(B) LIMITING COVERAGE TO DRUGS PROVIDED BY HOME HEALTH AGENCIES.—(i) The section 1861(jj) (42 U.S.C. 1395x(jj)) inserted by section 4156(a)(2) of OBRA–1990 is amended by striking ''if'' and inserting ''by a home health agency if''.

(ii) Section 1861(m)(5) (42 U.S.C. 1395x(m)(5)) is amended by striking ''but excluding'' and inserting ''and a covered osteoporosis drug (as defined in subsection (kk), but excluding other''.

(iii) Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)) is amended—

(I) by adding ''and'' at the end of subparagraph (N), and

(II) by striking subparagraph (O) and redesignating subparagraph (P) as subparagraph (O).

(C) PAYMENT BASED ON REASONABLE COST.—Section 1833(a)(2) (42 U.S.C. 1395l(a)(2)) is amended—

(i) in subparagraph (A), by striking ''health services'' and inserting ''health services (other than covered osteoporosis drug (as defined in section 1861(kk)))'';

(ii) by striking ''and'' at the end of subparagraph (D);

(iii) by striking the semicolon at the end and inserting ''; and''; and

(iv) by adding at the end the following new subparagraph:

''(F) with respect to covered osteoporosis drug (as defined in section 1861(kk)) furnished by a home health agency, 80 percent of the reasonable cost of such service, as determined under section 1861(v);''.

(D) APPLICATION OF PART B DEDUCTIBLE.—Section 1833(b)(2) (42 U.S.C. 1395l(b)(2)) is

amended by striking ''services'' and inserting ''services (other than covered osteoporosis drug (as defined in section 1861(kk))''.

(E) COVERED OSTEOPOROSIS DRUG (SECTION 4156 OF OBRA–1990).—Section 1861 (42 U.S.C. 1395x) is amended, in the subsection (jj) inserted by section 4156(a)(2) of OBRA–1990, by striking ''(jj) The term'' and inserting ''(kk) The term''.

(8) OTHER MISCELLANEOUS AND TECHNICAL CORRECTIONS (SECTION 4164 OF OBRA–1990).—

(A) OWNERSHIP DISCLOSURE REQUIREMENTS.—(i) Section 1124A(a)(2)(A) (42 U.S.C. 1320a–3a(a)(2)(A)) is amended by striking ''of the Social Security Act''.

(ii) Section 4164(b)(4) of OBRA–1990 is amended by striking ''paragraph'' and inserting ''paragraphs''.

(B) DIRECTORY OF UNIQUE PHYSICIAN IDENTIFIER NUMBERS.—Section 4164(c) of OBRA–1990 is amended by striking ''publish'' and inserting ''publish, and shall periodically update,''.

(g) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall take effect as if included in the enactment of OBRA–1990.

CHAPTER 2—PROVISIONS RELATING TO PARTS A AND B

SEC. 5071. ELIMINATION OF ADD-ON FOR OVERHEAD OF HOSPITAL-BASED HOME HEALTH AGENCIES.

(a) GENERAL RULE.—The first sentence of section 1861(v)(1)(L)(ii) (42 U.S.C. 1395x(v)(1)(L)(ii)) is amended by striking '', with appropriate adjustment for administrative and general costs of hospital-based agencies''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to cost reporting periods beginning after fiscal year 1993.

SEC. 5072. STUDY AND REPORT ON MEDICARE GME PAYMENTS.

(a) STUDY.—The Secretary of Health and Human Services shall conduct a study of the methodology used to determine payments to hospitals under the medicare program for the costs of medical residency training programs and shall include in the study an analysis of the causes of variation among such programs in the per resident costs of direct graduate medical education, including the extent of support for such programs from non-hospital sources.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall submit a report to Congress on the study conducted under subsection (a), and shall include in the report any recommendations considered appropriate by the Secretary for modifications to the methodology used to determine payments to hospitals under the medicare program for the costs of medical residency training programs that will encourage greater uniformity among medical residency training programs in the per resident costs of direct graduate medical education.

SEC. 5073. MEDICARE AS SECONDARY PAYER.

(d) UNIFORM RULES FOR SIZE OF EMPLOYER.—Section 1862(b)(1) (42 U.S.C. 1395y(b)(1)) is amended by adding at the end the following:

''(E) GENERAL PROVISIONS.—

''(i) EXCLUSION OF GROUP HEALTH PLAN OF A SMALL EMPLOYER.—Subparagraphs (A) through (C) do not apply to a group health plan unless the plan is a plan of, or contributed to by, an employer or employee organization that has 20 or more individuals in current employment status for each working day in each of 20 or more calendar weeks in the current calendar year or the preceding calendar year.

''(ii) EXCEPTION FOR SMALL EMPLOYERS IN MULTIEMPLOYER OR MULTIPLE EMPLOYER GROUP HEALTH PLANS.—Subparagraphs (A) through (C) also do not apply with respect to individuals enrolled in a multiemployer or multiple employer group health plan if the coverage of the individuals under the plan is by virtue of current employment status with an employer that does not have 20 or more individuals in current employment status for each working day in each of 20 or more calendar weeks in the current calendar year and the preceding calendar year; but the exception provided in this clause applies only if the plan elects treatment under this clause.

''(iii) APPLICATION OF CONTROLLED GROUP RULES.—For purposes of clauses (i) and (ii)—

''(I) all employees of corporations which are members of a controlled group of corporations (within the meaning of section 1563(a) of the Internal Revenue Code of 1986, determined without regard to subsection (a)(4) or (e)(3)(C)), shall be treated as employed by a single employer,

''(II) all employees of trades or businesses (whether or not incorporated) which are under common control (under regulations prescribed by the Secretary of the Treasury under section 414(c) of that Code) shall be treated as employed by a single employer,

''(III) all employees of the members of an affiliated service group (as defined in section 414(m) of that Code) shall be treated as employed by a single employer, and

''(IV) leased employees (as defined in section 414(n)(2) of that Code) shall be treated as employees of the person for whom they perform services to the extent they are so treated under section 414(n) of that Code.

In applying sections of the Internal Revenue Code of 1986 under this clause, the Secretary shall rely upon the regulations and decisions of the Secretary of the Treasury respecting such sections.

''(iv) GROUP HEALTH PLAN DEFINED.—For purposes of this subsection, the term 'group health plan' has the meaning given such term in section 5000(b) of the Internal Revenue Code of 1986, without regard to section 5000(d) of such Code.

''(v) CURRENT EMPLOYMENT STATUS DEFINED.—For purposes of this subsection, an individual has 'current employment status' with an employer if the individual is an employee, is the employer, or is associated with the employer in a business relationship.

''(vi) TREATMENT OF SELF-EMPLOYED PERSONS AS EMPLOYERS.—For purposes of this subsection, the term 'employer' includes a self-employed person.''.

(b) CONFORMING AMENDMENTS FOR WORKING AGED.—Section 1862(b)(1)(A) (42 U.S.C. 1395y(b)(1)(A)) is amended—

(1) by amending subclauses (I) and (II) of clause (i) to read as follows:

''(I) may not take into account that an individual (or the individual's spouse) who is covered under the plan by virtue of the individual's current employment status with an employer is entitled to benefits under this title under section 226(a), and

''(II) shall provide that any individual age 65 or over (and the individual's spouse age 65 or older) who is covered under the plan by virtue of the individual's current employment status with an employer shall be entitled to the same benefits under the plan under the same conditions as any such individual (or spouse) under age 65.'';

(2) by striking clauses (ii), (iii), and (v), and

(3) by redesignating clause (iv) as clause (ii).

(c) AMENDMENTS FOR DISABLED INDIVIDUALS.—Section 1862(b) (42 U.S.C. 1395y(b)) is amended—

(1) by amending the heading and clause (i) of paragraph (1)(B) to read as follows:

''(B) DISABLED INDIVIDUALS UNDER GROUP HEALTH PLANS.—

''(i) IN GENERAL.—A group health plan may not take into account that an individual (or a member of the individual's family) who is covered under the plan by virtue of the individual's current employment status with an employer is entitled to benefits under this title under section 226(b).'';

(2) by striking clause (iv) of paragraph (1)(B); and

(3) in the second sentence of paragraph (2)(A), by striking ''or large group health plan''.

(d) AMENDMENTS FOR INDIVIDUALS WITH ESRD.—Section 1862(b)(1)(C) (42 U.S.C. 1395y(b)(1)(C)) is amended—

(1) in the matter preceding clause (i), by striking ''(as defined in paragraph (A)(v))'',

(2) by striking ''solely'' each place it appears,

(3) by striking ''by reason of'' and inserting ''under'' each place it appears, and

(4) by inserting ''or eligible for'' after ''entitled to'' each place it appears.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to items and services furnished on or after January 1, 1994.

SEC. 5074. MEDICARE HOSPITAL AGREEMENTS WITH ORGAN PROCUREMENT ORGANIZATIONS.

(a) IN GENERAL.—Section 1138(a)(1) (42 U.S.C. 1320b–8(a)(1)) is amended—

(1) by striking ''and'' at the end of subparagraph (A),

(2) by striking the period at the end of subparagraph (B) and inserting ''; and'', and

(3) by adding at the end the following new subparagraph:

''(C) in the case of a hospital or rural primary care hospital that has in effect an agreement (described in section 371(b)(3)(A) of the Public Health Service Act) with an organ procurement organization, the agreement is with such organization for the service area in which the hospital is located (as established under such section).''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to hospitals participating in the programs under titles XVIII and XIX of the Social Security Act as of January 1, 1994.

SEC. 5075. EXTENSION OF WAIVER FOR WATTS HEALTH FOUNDATION.

Section 9312(c)(3)(D) of OBRA–1986, as added by section 4018(d) of OBRA–1987 and as amended by section 6212(a)(1) of OBRA–1989, is amended by striking ''1994'' and inserting ''1996''.

SEC. 5076. IMPROVED OUTREACH FOR QUALIFIED MEDICARE BENEFICIARIES.

The Secretary of Health and Human Services shall establish and implement a method for obtaining information from newly eligible medicare beneficiaries that may be used to determine whether such beneficiaries may be eligible for medical assistance for medicare cost-sharing under State medicaid plans as qualified medicare beneficiaries, and for transmitting such information to the State in which such a beneficiary resides.

SEC. 5077. PEER REVIEW ORGANIZATIONS.

(a) REPEAL OF PRO PRECERTIFICATION REQUIREMENT FOR CERTAIN SURGICAL PROCEDURES.—

(1) IN GENERAL.—Section 1164 (42 U.S.C. 1320c–13) is repealed.

(2) CONFORMING AMENDMENTS.—

(A) Section 1154 (42 U.S.C. 1320c–3) is amended—

(i) in subsection (a), by striking paragraph (12), and

(ii) in subsection (d), by striking ''(and except as provided in section 1164)''.

(B) Section 1833 (42 U.S.C. 1395l) is amended—

(i) in subsection (a)(1)(D)(i), by striking '', or for tests furnished in connection with obtaining a second opinion required under sec-

tion 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion)'';

(ii) in subsection (a)(1), by striking clause (G);

(iii) in subsection (a)(2)(A), by striking ''to items and services (other than clinical diagnostic laboratory tests) furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion),'';

(iv) in subsection (a)(2)(D)(i)—

(I) by striking ''related basis,'' and inserting ''related basis or'', and

(II) by striking '', or for tests furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion))'';

(v) in subsection (a)(3), by striking ''and for items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2), or a third opinion, if the second opinion was in disagreement with the first opinion)''; and

(vi) in the first sentence of subsection (b), by striking ''(4)'' and all that follow through ''and (5)'' and inserting ''and (4)''.

(C) Section 1834(g)(1)(B) (42 U.S.C. 1395m(g)(1)(B)) is amended by striking ''and for items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2), or a third opinion, if the second opinion was in disagreement with the first opinion)''.

(D) Section 1862(a) (42 U.S.C. 1395y(a)) is amended—

(i) by adding ''or'' at the end of paragraph (14),

(ii) by striking ''; or'' at the end of paragraph (15) and inserting a period, and

(iii) by striking paragraph (16).

(E) The third sentence of section 1866(a)(2)(A) (42 U.S.C. 1395w(a)(2)(A)) is amended by striking '', with respect to items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion),''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to services provided on or after the date of the enactment of this Act.

(b) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—(1) The third sentence of section 1156(b)(1) (42 U.S.C. 1320c–5(b)(1)) is amended by striking ''whehter'' and inserting ''whether''.

(2)(A) Subparagraph (B) of section 1154(a)(9) (42 U.S.C. 1320c–3(a)(9)) is amended to read as follows:

''(B) If the organization finds, after reasonable notice and opportunity for discussion with the physician or practitioner concerned, that the physician or practitioner has furnished services in violation of section 1156(a), the organization shall notify the State board or boards responsible for the licensing or disciplining of the physician or practitioner of its finding and of any action taken as a result of the finding.''.

(B) Subparagraph (D) of section 1160(b)(1) (42 U.S.C. 1320c–9(b)(1)) is amended to read as follows:

''(D) to provide notice in accordance with section 1154(a)(9)(B);''.

(3) Section 4205(d)(2)(B) of OBRA–1990 is amended by striking ''amendments'' and inserting ''amendment''.

(4) Section 1160(d) (42 U.S.C. 1320c–9(d)) is amended by striking ''subpena'' and inserting ''subpoena''.

(5) Section 4205(e)(2) of OBRA–1990 is amended by striking ''amendments'' and inserting ''amendment'' and by striking ''all''.

(6)(A) Except as provided in subparagraph (B), the amendments made by this subsection shall take effect as if included in the enactment of OBRA–1990.

(B) The amendments made by paragraph (2) (relating to the requirement on reporting of information to State boards) shall take effect on the date of the enactment of this Act.

SEC. 5078. HOSPICE INFORMATION TO HOME HEALTH BENEFICIARIES.

(a) IN GENERAL.—Section 1891(a)(1) (42 U.S.C. 1395bbb(a)(1)) is amended by adding at the end the following new subparagraph:

''(H) The right, in the case of a resident who is entitled to benefits under this title, to be fully informed orally and in writing (at the time of coming under the care of the agency) of the entitlement of individuals to hospice care under section 1812(a)(4) (unless there is no hospice program providing hospice care for which payment may be made under this title within the geographic area of the facility and it is not the common practice of the agency to refer patients to hospice programs located outside such geographic area).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after the first day of the first month beginning more than one year after the date of the enactment of this Act.

SEC. 5079. HEALTH MAINTENANCE ORGANIZATIONS.

(a) ADJUSTMENT IN MEDICARE CAPITATION PAYMENTS TO ACCOUNT FOR REGIONAL VARIATIONS IN APPLICATION OF SECONDARY PAYER PROVISIONS.—

(1) IN GENERAL.—Section 1876(a)(4) (42 U.S.C. 1395mm(a)(4)) is amended by adding at the end the following new sentence: ''In establishing the adjusted average per capita cost for a geographic area, the Secretary shall take into account the differences between the proportion of individuals in the area with respect to whom there is a group health plan that is a primary plan (within the meaning of section 1862(b)(2)(A)) compared to the proportion of all such individuals with respect to whom there is such a group health plan.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contracts entered into for years beginning with 1994.

(b) REVISIONS IN THE PAYMENT METHODOLOGY FOR RISK CONTRACTORS .—Section 4204(b) of OBRA–1990 is amended to read as follows:

''(b) REVISIONS IN THE PAYMENT METHODOLOGY FOR RISK CONTRACTORS.—(1)(A) Not later than January 1, 1995, the Secretary of Health and Human Services (in this subsection referred to as the ''Secretary'') shall submit a proposal to the Congress that provides for revisions to the payment method to be applied in years beginning with 1996 for organizations with a risk-sharing contract under section 1876(g) of the Social Security Act.

''(B) In proposing the revisions required under subparagraph (A) the Secretary shall consider—

''(i) the difference in costs associated with medicare beneficiaries with differing health status and demographic characteristics; and

''(ii) the effects of using alternative geographic classifications on the determinations of costs associated with beneficiaries residing in different areas.

''(2) Not later than 3 months after the date of submittal of the proposal made pursuant to paragraph (1), the Comptroller General shall review the proposal and shall report to Congress on the appropriateness of the proposed modifications.''.

(c) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—(1) Section 1876(a)(3) (42 U.S.C. 1395mm(a)(3)) is amended by striking ''subsection (c)(7)'' and inserting ''subsections (c)(2)(B)(ii) and (c)(7)''.

(2) Section 4204(c)(3) of OBRA–1990 is amended by striking ''for 1991'' and inserting ''for years beginning with 1991''.

(3) Section 4204(d)(2) of OBRA–1990 is amended by striking ''amendment'' and inserting ''amendments''.

(4) Section 1876(a)(1)(E)(ii)(I) (42 U.S.C. 1395mm(a)(1)(E)(ii)(I)) is amended by striking the comma after ''contributed to''.

(5) Section 4204(e)(2) of OBRA–1990 is amended by striking ''(which has a risk-sharing contract under section 1876 of the Social Security Act)''.

(6) Section 4204(f)(4) of OBRA–1990 is amended by striking ''final''.

(7) Section 1862(b)(3)(C) (42 U.S.C. 1395y(b)(3)(C)) is amended—

(A) in the heading, by striking ''PLAN'' and inserting ''PLAN OR A LARGE GROUP HEALTH PLAN'';

(B) by striking ''group health plan'' and inserting ''group health plan or a large group health plan'';

(C) by striking '', unless such incentive is also offered to all individuals who are eligible for coverage under the plan''; and

(D) by striking ''the first sentence of subsection (a) and other than subsection (b)'' and inserting ''subsections (a) and (b)''.

(8) The amendments made by this subsection shall take effect as if included in the enactment of OBRA–1990.

SEC. 5080. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) SURVEY AND CERTIFICATION REQUIREMENTS.—(1) Section 1864 (42 U.S.C. 1395aa) is amended—

(A) in subsection (e), by striking ''title'' and inserting ''title (other than any fee relating to section 353 of the Public Health Service Act)''; and

(B) in the first sentence of subsection (a), by striking ''1861(s) or'' and all that follows through ''Service Act,'' and inserting ''1861(s),''.

(2) An agreement made by the Secretary of Health and Human Services with a State under section 1864(a) of the Social Security Act may include an agreement that the services of the State health agency or other appropriate State agency (or the appropriate local agencies) will be utilized by the Secretary for the purpose of determining whether a laboratory meets the requirements of section 353 of the Public Health Service Act.

(b) OTHER MISCELLANEOUS AND TECHNICAL PROVISIONS.—(1) Section 1833 (42 U.S.C. 1395l) is amended by redesignating the subsection (r) added by section 4206(b)(2) of OBRA–1990 as subsection (s).

(2) Section 1866(f)(1) (42 U.S.C. 1395cc(f)(1)) is amended by striking ''1833(r)'' and inserting ''1833(s)''.

(3) Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)) is amended by moving subparagraph (O), as redesignated by section 5070(f)(7)(B)(iii)(II) of this subtitle, two ems to the left.

(4) Section 1881(b)(1)(C) (42 U.S.C. 1395rr(b)(1)(C)) is amended by striking ''1861(s)(2)(Q)'' and inserting ''1861(s)(2)(P)''.

(5) Section 4201(d)(2) of OBRA–1990 is amended by striking ''(B) by striking'', ''(C) by striking'', and ''(3) by adding'' and inserting ''(i) by striking'', ''(ii) by striking'', and ''(B) by adding'', respectively.

(6)(A) Section 4207(a)(1) of OBRA–1990 is amended by adding closing quotation marks and a period after ''such review.''.

(B) Section 4207(a)(4) of OBRA–1990 is amended by striking ''this subsection'' and inserting ''paragraphs (2) and (3)''.

(C) Section 4207(b)(1) of OBRA–1990 is amended by striking ''section 3(7)'' and inserting ''section 601(a)(1)''.

(7) Section 4202 of OBRA–1990 is amended—

(A) in subsection (b)(1)(A), by striking ''home hemodialysis staff assistant'' and inserting ''qualified home hemodialysis staff assistant (as described in subsection (d))'';

(B) in subsection (b)(2)(B)(ii)(I), by striking ''(as adjusted to reflect differences in area wage levels)'';

(C) in subsection (c)(1)(A), by striking ''skilled''; and

(D) in subsection (c)(1)(E), by striking ''(b)(4)'' and inserting ''(b)(2)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of OBRA–1990.

Subtitle B—Medicaid Program and Other Health Care Provisions

SEC. 5100. REFERENCES IN SUBTITLE; TABLE OF CONTENTS OF SUBTITLE.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this subtitle an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(b) REFERENCES TO OBRA.—In this subtitle, the terms ''OBRA–1986'', ''OBRA–1987'', ''OBRA–1989'', and ''OBRA–1990'' refer to the Omnibus Budget Reconciliation Act of 1986 (Public Law 99–509), the Omnibus Budget Reconciliation Act of 1987 (Public Law 100–203), the Omnibus Budget Reconciliation Act of 1989 (Public Law 101–239), and the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508), respectively.

(c) TABLE OF CONTENTS OF SUBTITLE.—The table of contents of this subtitle is as follows:

Subtitle B—Medicaid Program and Other Health Care Provisions

Sec. 5100. References in subtitle; table of contents of subtitle.

CHAPTER 1—MEDICAID PROGRAM

SUBCHAPTER A—PROGRAM SAVINGS PROVISIONS

PART I—REPEAL OF MANDATE

Sec. 5101. Personal care services furnished outside the home as optional benefit.

PART II—OUTPATIENT PRESCRIPTION DRUGS

Sec. 5106. Permitting prescription drug formularies under State plans.

Sec. 5107. Elimination of special exemption from prior authorization for new drugs.

Sec. 5108. Technical corrections relating to section 4401 of OBRA–1990.

PART III—RESTRICTIONS ON DIVESTITURE OF ASSETS AND ESTATE RECOVERY

Sec. 5111. Transfer of assets.

Sec. 5112. Medicaid estate recoveries.

Sec. 5113. Closing loophole permitting wealthy individuals to qualify for medicaid.

PART IV—IMPROVEMENT IN IDENTIFICATION AND COLLECTION OF THIRD PARTY PAYMENTS

Sec. 5116. Liability of third parties to pay for care and services.

Sec. 5117. Medical child support.

PART V—ASSURING PROPER PAYMENTS TO DISPROPORTIONATE SHARE HOSPITALS

Sec. 5121. Assuring proper payments to disproportionate share hospitals.

PART VI—ELIMINATION OF ENHANCED FEDERAL MATCHING PAYMENTS

Sec. 5126. Elimination of enhanced Federal matching payments.

SUBCHAPTER B—MISCELLANEOUS PROVISIONS

PART I—ANTI-FRAUD AND ABUSE PROVISIONS

Sec. 5131. Intermediate sanctions for kickback violations.

Sec. 5132. Requiring maintenance of effort for State medicaid fraud control units.

PART II—MANAGED CARE PROVISIONS

Sec. 5135. Medicaid managed care anti-fraud provisions.

Sec. 5136. Clarification of treatment of HMO enrollees in computing the medicaid inpatient utilization rate in qualifying hospitals as disproportionate share hospitals.

Sec. 5137. Extension of period of applicability of enrollment mix requirement to certain health maintenance organizations providing services under Dayton Area Health Plan.

Sec. 5138. Extension of medicaid waiver for Tennessee Primary Care Network.

Sec. 5139. Waiver of application of medicaid enrollment mix requirement to District of Columbia Chartered Health Plan, Inc.

Sec. 5140. Extension of Minnesota Prepaid Medicaid Demonstration Project.

Sec. 5140A. Conditioning Federal financial participation on enrollment of beneficiaries in staff or group model health maintenance organizations.

PART III—LIMITING FEDERAL MEDICAID MATCHING PAYMENT TO BONA FIDE EMERGENCY SERVICES FOR UNDOCUMENTED ALIENS

Sec. 5141. Limiting Federal medicaid matching payment to bona fide emergency services for undocumented aliens.

PART IV—MISCELLANEOUS PROVISIONS

Sec. 5144. Criteria for making determinations of denial of Federal medicaid matching payments to States.

Sec. 5145. Application of mammography certification requirements under the medicaid program.

Sec. 5146. Removal of sunset on extension of eligibility for working families.

Sec. 5147. Nursing home reform.

SUBCHAPTER C—MISCELLANEOUS AND TECHNICAL CORRECTIONS RELATING TO OBRA–1990

Sec. 5151. Effective date.

Sec. 5152. Corrections relating to section 4402 (enrollment under group health plans).

Sec. 5153. Corrections relating to section 4501 (low-income medicare beneficiaries).

Sec. 5154. Corrections relating to section 4601 (child health).

Sec. 5155. Corrections relating to section 4602 (outreach locations).

Sec. 5156. Corrections relating to section 4604 (payment for hospital services for children under 6 years of age).

Sec. 5157. Corrections relating to section 4703 (payment adjustments for disproportionate share hospitals).

Sec. 5158. Corrections relating to section 4704 (Federally-qualified health centers).

Sec. 5159. Corrections relating to section 4708 (substitute physicians).

Sec. 5160. Corrections relating to section 4711 (home and community care for frail elderly).

Sec. 5161. Corrections relating to section 4712 (community supported living arrangements services).

Sec. 5162. Correction relating to section 4713 (COBRA continuation coverage).

Sec. 5163. Correction relating to section 4716 (medicaid transition for family assistance).

Sec. 5164. Corrections relating to section 4723 (medicaid spenddown option).

Sec. 5165. Corrections relating to section 4724 (optional State disability determinations).

Sec. 5166. Correction relating to section 4732 (special rules for health maintenance organizations).

Sec. 5167. Corrections relating to section 4741 (home and community-based waivers).

Sec. 5168. Corrections relating to section 4744 (frail elderly waivers).

Sec. 5169. Corrections relating to section 4747 (coverage of HIV-positive individuals).

Sec. 5170. Correction relating to section 4751 (advance directives).

Sec. 5171. Corrections relating to section 4752 (physicians' services).

Sec. 5172. Corrections relating to section 4801 (nursing home reform).

Sec. 5173. Other technical corrections.

Sec. 5174. Corrections to designations of new provisions.

CHAPTER 2—OTHER HEALTH CARE PROGRAMS

Sec. 5181. National Vaccine Injury Compensation Program amendments.

Sec. 5182. Availability of medicaid payments for childhood vaccine replacement programs.

Sec. 5183. Miscellaneous technical corrections to Public Health Service Act provisions.

CHAPTER 1—MEDICAID PROGRAM

Subchapter A—Program Savings Provisions

PART I—REPEAL OF MANDATE

SEC. 5101. PERSONAL CARE SERVICES FURNISHED OUTSIDE THE HOME AS OPTIONAL BENEFIT.

(a) IN GENERAL.—Section 1905(a) (42 U.S.C. 1396d(a)), as amended by section 5174(c)(1), is further amended—

(1) in paragraph (7), by striking ''including personal care services'' and all that follows through ''nursing facility'';

(2) in paragraph (23), by striking ''and'' at the end;

(3) by redesignating paragraph (24) as paragraph (25); and

(4) by inserting after paragraph (23) the following new paragraph:

''(24) personal care services furnished to an individual who is not an inpatient or resident of a nursing facility that are (A) authorized by a physician for the individual in accordance with a plan of treatment, (B) provided by an individual who is qualified to provide such services and who is not a member of the individual's family, (C) supervised by a registered nurse, and (D) furnished in a home or other location; and''.

(b) CONFORMING AMENDMENTS.—(1) Section 1902(a)(10)(C)(iv) (42 U.S.C. 1396a(a)(10)(C)(iv)), as amended by section 5174(c)(2)(A), is amended by striking ''through (23)'' and inserting ''through (24)''.

(2) Section 1902(j) (42 U.S.C. 1396a(j)), as amended by section 5174(c)(2)(B), is amended by striking ''through (24)'' and inserting ''through (25)''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect as if included in the enactment of section 4721(a) of OBRA–90.

PART II—OUTPATIENT PRESCRIPTION DRUGS

SEC. 5106. PERMITTING PRESCRIPTION DRUG FORMULARIES UNDER STATE PLANS.

(a) ELIMINATION OF PROHIBITION AGAINST USE OF FORMULARIES.—Paragraph (54) of section 1902(a)(54) (42 U.S.C. 1396a(a)(54)) is amended to read as follows:

''(54) in the case of a State plan that provides medical assistance for covered outpatient drugs (as defined in section 1927(k)), comply with the applicable requirements of section 1927;''.

(b) STANDARDS FOR FORMULARIES.—Section 1927(d) (42 U.S.C. 1396r–8(d)), as amended by sections 5107(a) and 5108(b)(4)(A)(iii), is amended—

(1) by adding at the end of paragraph (1) the following new subparagraph:

''(C) In the case of a State that establishes a formulary in accordance with paragraph (5), the State may exclude coverage of a covered outpatient drug that is not included in the formulary.''; and

(2) by inserting after paragraph (4) the following new paragraph:

''(5) REQUIREMENTS FOR FORMULARIES.—A State may establish a formulary only if the following requirements are met:

''(A) The formulary is established by a committee consisting of physicians, pharmacists, and other appropriate individuals appointed by the Governor of the State (or, at the option of the State, the State's drug use review board established under subsection (g)(3)).

''(B) Except as provided in subparagraph (C), the formulary includes the covered outpatient drugs of any manufacturer which has entered into and complies with an agreement under subsection (a).

''(C) The committee may exclude a covered outpatient drug with respect to the treatment of a specific disease or condition for an identified population (if any) only if the committee finds, based on the drug's labeling (or, in the case of a drug whose prescribed use is not approved under the Federal Food, Drug, and Cosmetic Act but is a medically accepted indication, based on information from the appropriate compendia described in subsection (k)(6)), that the excluded drug does not have a significant, clinically meaningful therapeutic advantage in terms of safety, effectiveness, or clinical outcome of such treatment for such population over other drugs included in the formulary.

''(D) With respect to a decision to exclude a covered outpatient drug from the formulary or a prescribed use of such a drug, the committee issues a written explanation of its decision that is available to the public, unless the decision was made at a meeting of the committee which was open to the public.

''(E) The manufacturer of the drug, and any person affected by the decision, may obtain a reversal of the committee's decision to exclude a covered outpatient drug from the formulary under subparagraph (C) on the ground that the decision was arbitrary and capricious, in accordance with an appeals process that is established by the State and that provides an opportunity for judicial review of such decision.

''(F) The State plan permits coverage of a drug excluded from the formulary pursuant to a prior authorization program that is consistent with paragraph (4).

''(G) The formulary meets such other requirements as the Secretary may impose.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not regulations to carry out such amendments have been promulgated by such date.

SEC. 5107. ELIMINATION OF SPECIAL EXEMPTION FROM PRIOR AUTHORIZATION FOR NEW DRUGS.

(a) IN GENERAL.—Section 1927(d) (42 U.S.C. 1396r–8(d)), as amended by section 5108(b)(4)(A)(iii), is amended by striking paragraph (5).

(b) CONFORMING AMENDMENT.—Section 1927(d)(3) (42 U.S.C. 1396r–8(d)(3)) is amended by striking ''(except with respect'' and all that follows through ''of this paragraph)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not regulations to carry out such amendments have been promulgated by such date.

SEC. 5108. TECHNICAL CORRECTIONS RELATING TO SECTION 4401 OF OBRA–1990.

(a) SECTION 1903, SSA.—Paragraph (10) of section 1903(i), as inserted by section 4401(a)(1)(B) of OBRA–1990, is amended to read as follows:

''(10) with respect to covered outpatient drugs unless there is a rebate agreement in effect under section 1927 with respect to such drugs or unless section 1927(a)(3) applies;''.

(b) SECTION 1927, SSA.—(1) Section 1927(a) (42 U.S.C. 1396r–8(a)) is amended—

(A) in paragraph (1)—

(i) by amending the second sentence to read as follows: ''Any such agreement entered into prior to April 1, 1991, shall be deemed to have been entered into on January 1, 1991, and the amount of the rebate under such agreement shall be calculated as if the agreement had been entered into on January 1, 1991.'', and

(ii) in the third sentence, by striking ''March'' and inserting ''April'';

(B) in paragraph (2)—

(i) by striking ''first'', and

(ii) by striking the period at the end and inserting the following: '', except that such paragraph (and section 1903(i)(10)(A)) shall not apply to the dispensing of such a drug before April 1, 1991, if the Secretary determines that there were extenuating circumstances with respect to the first calendar quarter of 1991.'';

(C) in paragraph (3), by striking ''single source'' and all that follows and inserting the following: ''covered outpatient drugs if—

''(A) based on information provided by a beneficiary's physician, the State has made a determination that the availability of the drug is essential to the health of the beneficiary under the State plan, and the Secretary has reviewed and approved such determination; and

''(B) the drug has been given a rating of 1–A by the Food and Drug Administration.'';

(D) in paragraph (4)—

(i) by striking ''in compliance with'' and inserting ''in effect under'', and

(ii) by striking ''coverage of the manufacturer's drugs'' and inserting ''ingredient costs of the manufacturer's covered outpatient drugs covered''; and

(E) by adding at the end the following new paragraph:

''(5) APPLICATION IN CERTAIN STATES AND TERRITORIES.—

''(A) APPLICATION IN STATES OPERATING UNDER DEMONSTRATION PROJECTS.—In the case of any State which is providing medical assistance to its residents under a waiver granted under section 1115, the Secretary shall require the State to meet the requirements of section 1902(a)(54) and of this section in the same manner as the State would be required to meet such requirements if the State had in effect a plan approved under this title.

''(B) NO APPLICATION IN COMMONWEALTHS AND TERRITORIES.—This section, and sections 1902(a)(54) and 1903(i)(10), shall only apply to a State that is one of the 50 States or the District of Columbia.''.

(2) Section 1927(b) (42 U.S.C. 1396r–8(b)) is amended—

(A) in paragraph (1)(A)—

(i) by striking ''(or periodically in accordance with a schedule specified by the Secretary)'' and inserting ''(or other period specified by the Secretary)'', and

(ii) by inserting ''after December 31, 1990, for which payment was made'' after ''dispensed'';

(B) in paragraph (2)(A)—

(i) by striking ''calendar quarter'' and ''the quarter'' and inserting ''rebate period'' and ''the period'', respectively,

(ii) by striking ''dosage units'' and inserting ''units of each dosage form and strength'', and

(iii) by inserting ''after December 31, 1990, for which payment was made'' after ''dispensed'';

(C) in paragraph (3)(A)—

(i) in clause (i), by striking ''quarter'' each place it appears and inserting ''calendar quarter or other rebate period under the agreement'',

(ii) in clause (i), by striking the open parenthesis before ''for'' and the close parenthesis after ''drugs'',

(iii) in clause (i), by striking ''subsection (c)(2)(B)) for covered outpatient drugs'' and inserting ''subsection (c)(1)(C) for each covered outpatient drug'', and

(iv) in clause (ii), by inserting a comma after ''this section'' and after ''1990'';

(D) in paragraph (3)(B)—

(i) by striking ''$100,000'' and inserting ''$10,000'',

(ii) by striking ''if the wholesaler'' and inserting ''for each instance in which the wholesaler'',

(iii) by inserting ''in response to such a request'' after ''false information'', and

(iv) by striking ''(with respect to amounts of penalties or additional assessments)'';

(E) in paragraph (3)(C)—

(i) in clause (i), by striking ''the penalty'' and inserting ''the rebate next required to be paid'',

(ii) in clause (i), by striking ''and such amount shall be paid to the Treasury, and, if'' and inserting ''. If'',

(iii) in clause (ii), by inserting ''under subparagraph (A)'' after ''provides false information'', and

(iv) in clause (ii), by striking ''Such civil money penalties are'' and inserting ''Any such civil money penalty shall be'';

(F) in paragraph (3)(D), by striking ''wholesaler,'' and inserting ''wholesaler or the''; and

(G) in paragraph (4)(B)(iii), by adding at the end the following: ''In the case of such a termination, a State may terminate coverage of the drugs affected by such termination as of the effective date of such termination without providing any advance notice otherwise required by regulation.''.

(3) Section 1927(c) (42 U.S.C. 1396r–8(c)) is amended—

(A) in paragraph (1) in the matter preceding subparagraph (A)—

(i) by striking the first sentence,

(ii) in the second sentence, by striking ''Except as otherwise provided'' and all that follows through ''the Secretary)'' and inserting the following: ''For purposes of this section, the amount of the rebate under this subsection for a rebate period'', and

(iii) by inserting ''(except as provided in subsection (b)(3)(C) and paragraph (2))'' after ''drugs shall'';

(B) in paragraph (1)(A), by striking ''the quarter (or other period)'' and inserting ''the rebate period'';

(C) in subparagraph (C)—

(i) by striking ''For purposes of this paragraph'' and inserting ''BEST PRICE DEFINED.—For purposes of this section'',

(ii) by inserting ''provider,'' after ''retailer,'', and

(iii) by striking the semicolon at the end and inserting a period; and

(D) by striking subparagraph (D) and inserting the following:

''(D) USE OF ESTIMATED BEST PRICES DURING INITIAL YEAR OF AVAILABILITY OF DRUG.—If the Secretary determines that a manufacturer cannot determine the best price for rebate periods during the first year in which an agreement is in effect until after the end of the year, as part of the agreement the Secretary may require the manufacturer to estimate the best price for rebate periods during the year and provide an adjustment to the rebate paid to the State to take into account the difference (if any) between the best price and the estimated best price.''.

(4)(A) Section 1927(d) (42 U.S.C. 1396r–8(d)) is amended—

(i) in paragraph (2)—

(I) in subparagraph (A), by inserting ''or loss'' after ''gain'',

(II) by striking subparagraph (I), and

(III) by redesignating subparagraphs (J) and (K) as subparagraphs (I) and (J);

(ii) in paragraph (3)—

(I) by striking ''described in paragraph (2)'', and

(II) by inserting ''described in paragraph (2)'' after ''classes of drugs,'';

(iii) by striking paragraph (4) and by redesignating paragraphs (5) through (7) as paragraphs (4) through (6);

(iv) in paragraph (6), as so redesignated, by striking ''provided'' and inserting ''if''; and

(v) by striking the second sentence of paragraph (6), as so redesignated, and paragraph (8) and inserting the following:

''(7) CONSTRUCTION WITH RESPECT TO FRAUD AND ABUSE.—Nothing in this section shall be construed to restrict the authority of a State to apply sanctions under this Act against any person for fraud or abuse.''.

(B) Section 1927(d)(4) of the Social Security Act, as redesignated by subparagraph (A)(iii), shall first apply to drugs dispensed on or after July 1, 1991.

(5)(A) Section 1927(f) (42 U.S.C. 1396r–8(f)) is amended to read as follows:

''(f) NO REDUCTIONS IN PHARMACY REIMBURSEMENT LIMITS.—

''(1) IN GENERAL.—During the period beginning on November 5, 1990, and ending on December 31, 1994—

''(A) a State may not reduce the amount paid by the State under this title with respect to the ingredient cost of a covered outpatient drug or the dispensing fee for such a drug below the amount in effect as of November 5, 1990, and

''(B) the Secretary may not change the regulations in effect on November 5, 1990, governing the amounts described in subparagraph (A) which are eligible for Federal financial participation, to reduce the reimbursement limits described in such regulations.

''(2) CONSTRUCTION.—If the Secretary notified a State before November 5, 1990, that its payment amounts under this title with respect to the ingredient cost of a covered outpatient drug or the dispensing fee for such a drug were in excess of those permitted under regulations in effect on such date, paragraph (1)(B) shall not be construed as preventing a State from reducing payment amounts or dispensing fee in order to comply with such regulations.''.

(B) Not later than April 1, 1994, the Secretary of Health and Human Services shall establish an upper limit on the amount of payment which is eligible for Federal financial participation under title XIX of the Social Security Act for each multiple source drug (as defined in section 1927(k)(7)(A)(i) of such Act) for which the Food and Drug Administration has rated at least 3 formulations of such drug as therapeutically and pharmaceutically equivalent, regardless of whether all the formulations of such drug are rated as so equivalent. In establishing such a limit for a drug, the Secretary shall take into account only those formulations of the drug which the Food and Drug Administration has rated as therapeutically and pharmaceutically equivalent.

(6) Section 1927(g) (42 U.S.C. 1396r–8(g)) is amended—

(A) by amending paragraph (1) to read as follows:

''(1) REQUIREMENT FOR DRUG USE REVIEW PROGRAM.—Each State shall provide, by not later than January 1, 1993, for a drug use review program for covered outpatient drugs (other than drugs dispensed to residents of nursing facilities) that—

''(i) meets the requirements of paragraph (2), and

''(ii) is intended to assure that prescriptions for such drugs are appropriate, medically necessary, and not likely to lead to adverse medical results.'';

(B) in paragraph (2)—

(i) by amending the matter before subparagraph (A) to read as follows:

''(2) REQUIREMENTS.—'',

(ii) by amending subparagraph (A) to read as follows:

''(A) PROSPECTIVE DRUG USE REVIEW.—Each drug use review program shall provide for a review of drug therapy before each prescription is filled or delivered to an individual receiving benefits under this title (including counseling by pharmacists) consistent with standards established by the Secretary. Nothing in this paragraph shall be construed as requiring a pharmacist to provide consultation when an individual receiving benefits under this title or caregiver of such individual refuses such consultation.'',

(iii) in subparagraph (C)—

(I) by striking ''APPLICATION OF STANDARDS.—'' and inserting ''STANDARDS.—(i)'',

(II) by striking ''and literature referred to in subsection (1)(B)'' and inserting ''described in clause (ii)'',

(III) by striking ''including but not limited to'' and inserting ''. Such assessment shall include'',

(IV) by striking ''abuse/misuse and, as necessary, introduce remedial strategies,'' and inserting ''abuse or misuse and introduce remedial strategies'', and

(V) by adding at the end the following new clause:

''(ii) The compendia described in this clause are the American Hospital Formulary Service Drug Information, the United States Pharmacopeia-Drug Information, and the American Medical Association Drug Evaluations.'', and

(iv) by amending subparagraph (D) to read as follows:

''(D) EDUCATIONAL PROGRAM.—The program shall educate (directly or by contract) pharmacists, physicians, and other individuals prescribing or dispensing covered outpatient drugs under the State plan on common drug therapy problems in order to improve prescribing or dispensing practices.'';

(C) in paragraph (3)—

(i) in subparagraph (A), by striking ''(hereinafter'' and all that follows and inserting ''(in this paragraph referred to as the 'DUR Board').'',

(ii) in subparagraph (B), by striking ''51 percent'' and all that follows and inserting ''50 percent licensed and actively practicing physicians and at least 1/3 but not more than 50 percent licensed and actively practicing pharmacists.'',

(iii) by amending subparagraph (C) to read as follows:

''(C) RESPONSIBILITIES.—The responsibilities of the DUR Board shall include the following:

''(i) Carrying out retrospective drug use review pursuant to paragraph (2)(B).

''(ii) Establishing and applying standards for drug use review described in paragraph (2)(C).

''(iii) Implementing educational programs described in paragraph (2)(D).

''(iv) Conducting ongoing evaluations of the effectiveness of its programs and activities in improving the quality and safety of drug therapy for individuals receiving benefits under the State plan.''; and

(D) by amending subparagraph (D) to read as follows:

''(4) ANNUAL REPORT.—Each State shall submit a report each year to the Secretary on the nature and scope of the drug use review program under this subsection. Such report shall include an estimate of cost savings resulting from operation of such program.''.

(7) Section 1927(h) (42 U.S.C. 1396r–8(h)) is amended to read as follows:

''(h) ENCOURAGING ELECTRONIC CLAIMS MANAGEMENT.—The Secretary shall encourage each single State agency under this title to establish, as its principal means of processing claims for covered outpatient drugs, a point-of-sale electronic claims management system for the purpose of verifying eligibility, transmitting data on claims, and assisting pharmacists and other authorized persons in applying for and receiving payment under the State plan.''.

(8) Section 1927(i) (42 U.S.C. 1396r–8(i)) is amended to read as follows:

''(i) ANNUAL REPORT ON REBATE PROGRAM.—Not later than May 1 of each year, the Secretary shall submit to the Committee on Finance of the Senate, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Aging of the Senate a report on the operation of the rebate agreements required for covered outpatient drugs under this section in the preceding fiscal year, and shall include in the report such information in addition to the information required to be reported under section 601(d) of the Veterans Health Care Act of 1992 as the Secretary considers appropriate.''.

(9) Section 1927(j) (42 U.S.C. 1396r–8(j)) is amended to read as follows:

''(j) EXEMPTION FROM CERTAIN REQUIREMENTS FOR CERTAIN HEALTH MAINTENANCE ORGANIZATIONS AND HOSPITALS.—

''(1) CERTAIN HEALTH MAINTENANCE ORGANIZATIONS AND PHARMACIES.—The requirements of subsections (g) and (h) shall not apply with respect to covered outpatient drugs dispensed by—

''(A) an entity which receives payment under a prepaid capitation basis or under any other risk basis in accordance with section 1903(m)(2)(A) for services provided under the State plan; or

''(B) a pharmacy that is owned or operated by a qualified health maintenance organization (as defined in section 1310(d) of the Public Health Service Act) that operates its own prospective drug use review program.

''(2) HOSPITALS WITH INDEPENDENT FORMULARY SYSTEMS.—

''(A) IN GENERAL.—The requirements of subsections (g) and (h) shall not apply with respect to covered outpatient drugs dispensed by a hospital providing medical assistance under the State plan that dispenses such drugs under a drug formulary system.

''(B) APPLICATION OF STATE FORMULARY.—Nothing in subparagraph (A) shall be construed to permit payment to be made under the State plan for a covered outpatient drug that is included in a drug formulary but that is not included in the State formulary under subsection (d)(5).

''(3) CONSTRUCTION IN DETERMINING BEST PRICE.—Nothing in this subsection shall be construed to exclude any covered outpatient drugs subject to the provisions of this subsection from the determination of the best price (as defined in subsection (c)(1)(C)) for such drugs.''.

(10) Section 1927(k) (42 U.S.C. 1396r–8(k)) is amended—

(A) in paragraph (1), by striking ''calendar quarter'' and inserting ''rebate period'';

(B) in paragraph (2)—

(i) in the matter before clause (i) of subparagraph (A), strike ''paragraph (5)'' and insert ''subparagraph (D)'',

(ii) by striking ''and'' at the end of subparagraph (A),

(iii) by striking the period at the end of subparagraph (C) and inserting ''; and'', and

(iv) by adding at the end the following new subparagraph:

''(D) a drug which may be sold without a prescription (commonly referred to as an 'over-the-counter drug'), if the drug is pre-

scribed by a physician (or other person authorized to prescribe under State law).'';

(C) in paragraph (3)—

(i) in subparagraph (E), by striking ''**** emergency room visits'',

(ii) in subparagraph (F), by striking ''sevices'' and inserting ''services'', and

(iii) in subparagraph (H), by inserting ''services'' after ''dialysis'';

(D) by striking paragraph (4);

(E) by amending paragraph (5) to read as follows:

''(5) MANUFACTURER.—The term 'manufacturer' means, with respect to a covered outpatient drug,—

''(A) the entity (if any) that both manufactures and distributes the drug, or

''(B) if no such entity exists, the entity that distributes the drug.

Such term does not include a wholesale distributor of the drug that does not hold a National Drug Code number for the drug or a retail pharmacy licensed under State law.'';

(F) in paragraph (6), by striking '', which appears'' and all that follows and inserting ''which is accepted by any of the compendia described in subsection (g)(2)(C)(ii).'';

(G) in paragraph (7)—

(i) in subparagraph (A)(i), by striking ''calendar quarter'' and inserting ''rebate period'',

(ii) in subparagraph (A)(i), by striking ''paragraph (5)'' and inserting ''paragraph (2)(D)'',

(iii) in subparagraph (A)(ii), by inserting ''or product licensing application'' after ''application'',

(iv) in subparagraph (C)(i), by striking ''pharmaceuutically'' and inserting ''pharmaceutically'', and

(v) in subparagraph (C)(iii), by striking '', provided that'' and inserting ''and''; and

(H) by redesignating paragraph (8) as paragraph (9) and by inserting after paragraph (7) the following new paragraph:

''(8) REBATE PERIOD.—The term 'rebate period' means, with respect to an agreement under subsection (a), a calendar quarter or other period specified with respect to the agreement under subsection (b)(1)(A) for the payment of rebates.''.

(d) FUNDING.—Section 4401(b)(2) of OBRA–1990 is amended by striking ''75 percent,'' and all that follows and inserting ''75 percent.''.

(e) DEMONSTRATION PROJECTS.—Section 4401(c)(1) of OBRA–1990 is amended—

(A) in subparagraph (A), by striking ''10'' and inserting ''5''; and

(B) in subparagraph (C), by striking ''regiment'' and inserting ''regimen''.

(f) STUDIES.—Section 4401(d) of OBRA–1990 is amended—

(1) in paragraph (1)(A), by striking ''other institutional facilities, and managed care plans'' and inserting ''nursing facilities, intermediate care facilities for the mentally retarded, and health maintenance organizations'';

(2) in paragraph (1)(B), by striking ''under this subsection'' and inserting ''under this paragraph'';

(3) in paragraph (1)(B)(i), by striking ''under this section'' and inserting ''under section 1927 of the Social Security Act'';

(4) in paragraph (1)(B)(ii)—

(A) by striking ''drug use review'' and inserting ''the type of drug use review that is'', and

(B) by striking ''under this section'' and inserting ''under such section'';

(5) in paragraph (1)(B)(iii), by striking ''under this title'' and inserting ''under title XIX of the Social Security Act'';

(6) in paragraph (1)(C)—

(A) by striking ''May 1, 1991'' and inserting ''May 1, 1992'', and

(B) by striking ''hereafter'';

(7) in paragraph (2), by striking ''the Committees on Aging of the Senate and House of Representatives an annual report and inserting ''the Committee on Aging of the Senate a report'';

(8) in paragraph (3)—

(A) in subparagraph (A), by striking '', acting in consultation with the Comptroller General,'',

(B) by indenting subparagraph (B) an additional 2 ems, and

(C) in subparagraph (B)—

(i) by striking ''December 31, 1991, the Secretary and the Comptroller General'' and inserting ''June 1, 1993, the Secretary'', and

(ii) by striking ''the Committees on Aging of the Senate and the House of Representatives'' and inserting ''the Committee on Aging of the Senate'';

(9) in paragraph (4)(A), by striking ''each'' and by striking the semicolon and inserting a comma; and

(10) by striking paragraphs (5) and (6).

PART III—RESTRICTIONS ON DIVESTITURE OF ASSETS AND ESTATE RECOVERY

SEC. 5111. TRANSFER OF ASSETS.

(a) PERIOD OF INELIGIBILITY.—

(1) EXTENDING LOOK-BACK PERIOD TO 36 MONTHS.—Section 1917(c)(1) (42 U.S.C. 1396p(c)(1)) is amended by striking ''30-month period'' and inserting ''36-month period''.

(2) ELIMINATING 30-MONTH LIMIT ON PERIOD OF INELIGIBILITY.—The second sentence of such section is amended by striking ''equal to'' and all that follows and inserting the following: ''equal to—

''(A) the total uncompensated value of the resources so transferred; divided by

''(B) the average monthly cost, to a private patient at the time of the application, of nursing facility services in the State or, at State option, in the community in which the individual is institutionalized.''.

(3) CUMULATIVE PERIODS OF INELIGIBILITY IN THE CASE OF MULTIPLE TRANSFERS.—Such sentence is further amended by inserting ''(or, in the case of a transfer which occurs during a period of ineligibility attributable to a previous transfer, the first month after the end of all periods of ineligibility attributable to any previous transfer)'' after ''shall begin with the month in which such resources were transferred''.

(b) CRITERIA FOR UNDUE HARDSHIP EXCEPTION.—Section 1917(c)(2)(D) (42 U.S.C. 1396p(c)(2)(D)) is amended to read as follows:

''(D) the State agency determines, under procedures established by the State (in accordance with standards specified by the Secretary) that the denial of eligibility would work an undue hardship (in accordance with criteria established by the Secretary).''.

(c) TREATMENT OF JOINTLY HELD ASSETS.—Section 1917(c) (42 U.S.C. 1936p(c)) is further amended by adding at the end the following new paragraph:

''(6) For purposes of this subsection, in the case of an asset held by an individual in common with another person or persons in a joint tenancy or a similar arrangement, the asset (or the affected portion thereof) shall be considered to be transferred by such individual when any action is taken, either by such individual or by any other person, that reduces or eliminates such individual's ownership or control of such asset.''.

(d) MEDICAID QUALIFYING TRUSTS.—Section 1902(k) (42 U.S.C. 1396a(k)) is amended to read as follows:

''(k) TREATMENT OF TRUST AMOUNTS.—

''(1) IN GENERAL.—For purposes of determining an individual's eligibility for or amount of benefits under a State plan under this title, subject to paragraph (4), the following rules shall apply to a trust (which term includes, for purposes of this subsection, any similar legal instrument or device, such as an annuity) established by such individual:

''(A) REVOCABLE TRUSTS.—In the case of a revocable trust—

''(i) the corpus of the trust shall be considered resources available to the individual,

''(ii) payments from the trust to or for the benefit of the individual shall be considered income of the individual, and

''(iii) any other payments from the trust shall be considered a transfer of assets by the individual subject to section 1917(c).

''(B) IRREVOCABLE TRUSTS WHICH MAY BENEFIT GRANTOR.—In the case of an irrevocable trust, if there are any circumstances under which payment from the trust could be made to or for the benefit of the individual—

''(i) the corpus of the trust (or that portion of the corpus from which, or from the increase whereof, payment to the individual could be made) shall be considered resources available to the individual, and payments from that portion of the corpus (or increase)—

''(I) to or for the benefit of the individual, shall be considered income of the individual, and

''(II) for any other purpose, shall be considered a transfer of assets by the individual subject to the provisions of section 1917(c); and

''(ii) any portion of the trust from which (or from the income whereof) no payment could under any circumstances be made to the individual shall be considered, as of the date of establishment of the trust (or, if later, the date on which payment to the individual was foreclosed), a transfer of assets by the individual subject to section 1917(c), and payments from such portion of the trust after such date shall be disregarded.

''(C) IRREVOCABLE TRUSTS WHICH CANNOT BENEFIT GRANTOR.—In the case of an irrevocable trust, if no payment may be made from the trust under any circumstances to or for the benefit of the individual—

''(i) the corpus of the trust shall be considered, as of the date of establishment of the trust (or, if later, the date on which payment to the individual was foreclosed), a transfer of assets subject to section 1917(c), and

''(ii) payments from the trust after the date specified in clause (i) shall be disregarded.

''(2) DETERMINATION OF GRANTOR.—

''(A) TREATMENT OF ACTS BY INDIVIDUAL AND OTHERS.—For purposes of this subsection, an individual shall be considered to have established a trust if—

''(i) the individual (or the individual's spouse), or a person (including a court or administrative body) with legal authority to act in place of or on behalf of such individual (or spouse), or any person (including any court or administrative body) acting at the direction or upon the request of such individual (or spouse), established (other than by will) such a trust, and

''(ii) assets of the individual (as defined in subparagraph (B)) were used to form all or part of the corpus of such trust.

''(B) ASSETS.—For purposes of this paragraph, assets of an individual include all income and resources of the individual and of the individual's spouse, including any income or resources which the individual (or spouse) is entitled to but does not receive because of action by the individual (or spouse), by a person (including a court or administrative body) with legal authority to act in place of or on behalf of such individual (or spouse), or by any person (including any court or administrative body) acting at the direction or upon the request of such individual (or spouse).

''(C) TRUSTS CONTAINING ASSETS OF MORE THAN ONE INDIVIDUAL.—In the case of a trust whose corpus includes assets of an individual (as determined pursuant to subparagraph (A)) and assets of any other person or persons, the provisions of this subsection shall

apply to the portion of the trust attributable to the assets of the individual.

''(3) APPLICATION; RELATION TO OTHER PROVISIONS.—Subject to paragraph (4), this subsection shall apply without regard to—

''(A) the purposes for which the trust is established,

''(B) whether the trustees have or exercise any discretion under the trust,

''(C) any restrictions on when or whether distributions may be made from the trust, or

''(D) any restrictions on the use of distributions from the trust.

''(4) EXCEPTIONS AND HARDSHIP WAIVER.—

''(A) EXCEPTION FOR CERTAIN TRUSTS.—This subsection shall not apply to any of the following trusts:

''(i) A trust established for the benefit of a disabled individual (as determined under section 1614(a)(3)) by a parent, grandparent, or other representative payee of the individual.

''(ii) A trust established in a State for the benefit of an individual if—

''(I) the trust is composed only of pension, Social Security, and other income to the individual (and accumulated income in the trust),

''(II) the State will receive any amounts remaining in the trust upon the death of the individual, and

''(III) the State makes medical assistance available to individuals described in section 1902(a)(10)(A)(ii)(V), but does not make such assistance available to any group of individuals under section 1902(a)(10)(C).

''(B) SPECIAL TREATMENT OF ANNUITIES.—In this subsection, the term 'trust' includes an annuity only to such extent and in such manner as the Secretary specifies.

''(C) HARDSHIP WAIVER.—The State agency shall establish procedures (in accordance with standards specified by the Secretary) under which the agency waives the application of this subsection with respect to an individual if the individual establishes (under criteria established by the Secretary) that such application would work an undue hardship on the individual.''.

(e) EFFECTIVE DATE.—(1) The amendments made by this section shall apply, except as provided in this subsection, to payments under title XIX of the Social Security Act for calendar quarters beginning on or after October 1, 1993, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) The amendments made by this section shall not apply—

(A) to medical assistance provided for services furnished before October 1, 1993,

(B) with respect to resources disposed of before May 11, 1993,

(C) with respect to trusts established before May 11, 1993, or

(D) with respect to inter-spousal transfers.

SEC. 5112. MEDICAID ESTATE RECOVERIES.

(a) REQUIRING ESTABLISHMENT OF ESTATE RECOVERY PROGRAMS.—

(1) IN GENERAL.—Section 1902(a)(51) (42 U.S.C. 1396a(a)(51)) is amended by striking ''and (B)'' and inserting ''(B) provide for an estate recovery program that meets the requirements of section 1917(b)(1), and (C)''.

(2) REQUIREMENTS FOR ESTATE RECOVERY PROGRAMS.—Section 1917(b) (42 U.S.C. 1396p(b)) is amended—

(A) in paragraph (1)—

(i) by striking ''(b)(1)'' and inserting ''(2)'', and

(ii) by striking ''(a)(1)(B)'' and inserting ''(a)(1)(B)(i)'';

(B) in paragraph (2), by striking ''(2) Any adjustment or recovery under'' and inserting ''(3) Any adjustment or recovery under an estate recovery program under''; and

(C) by inserting before paragraph (2), as designated by subparagraph (A), the following:

''(b)(1) For purposes of section 1902(a)(51)(B), the requirements for an estate recovery program of a State are as follows:

''(A) The program provides for identifying and tracking (and, at the option of the State, preserving) resources (whether excluded or not) of individuals who are furnished any of the following long-term care services for which medical assistance is provided under this title:

''(i) Nursing facility services.

''(ii) Home and community-based services (as defined in section 1915(d)(5)(C)(i)).

''(iii) Services described in section 1905(a)(14) (relating to services in an institution for mental diseases).

''(iv) Home and community care provided under section 1929.

''(v) Community supported living arrangements services provided under section 1930.

''(B) The program provides for promptly ascertaining—

''(i) when such an individual dies;

''(ii) in the case of such an individual who was married at the time of death, when the surviving spouse dies; and

''(iii) at the option of the State, cases in which adjustment or recovery may not be made at the time of death because of the application of paragraph (3)(A) or paragraph (3)(B).

''(C)(i) The program provides for the collection consistent with paragraph (3) of an amount (not to exceed the amount described in clause (ii)) from—

''(I) the estate of the individual;

''(II) in the case of an individual described in subparagraph (B)(ii), from the estate of the surviving spouse; or

''(III) at the option of the State, in a case described in subparagraph (B)(iii), from the appropriate person.

''(ii) The amount described in this clause is the amount of medical assistance correctly paid under this title for long-term care services described in subparagraph (A) furnished on behalf of the individual.''.

(b) HARDSHIP WAIVER.—Section 1917(b) (42 U.S.C. 1396p(b)) is further amended by adding at the end the following new paragraph:

''(4) The State agency shall establish procedures (in accordance with standards specified by the Secretary) under which the agency waives the application of this subsection if such application would work an undue hardship (in accordance with criteria established by the Secretary).''.

(c) DEFINITION OF ESTATE.—Section 1917(b) (42 U.S.C. 1396(b)) is further amended by adding at the end the following new paragraph:

''(5) For purposes of this section, the term 'estate', with respect to a deceased individual, includes all real and personal property and other assets in which the individual had any legally cognizable title or interest at the time of his death, including such assets conveyed to a survivor, heir, or assign of the deceased individual through joint tenancy, survivorship, life estate, living trust, or other arrangement.''.

(d) EFFECTIVE DATE.—

(1)(A) The amendments made by subsections (a) and (b) apply (except as provided under subparagraph (B)) to payments under title XIX of the Social Security Act for calendar quarters beginning on or after October 1, 1993, without regard to whether or not final regulations or standards to carry out such amendments have been promulgated by such date.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsections (a) and (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(2) The amendments made by this section shall not apply to individuals who died before October 1, 1993.

SEC. 5113. CLOSING LOOPHOLE PERMITTING WEALTHY INDIVIDUALS TO QUALIFY FOR MEDICAID.

(a) IN GENERAL.—Section 1902(r)(2) (42 U.S.C. 1396a(r)(2)) is amended by adding at the end the following:

''(C)(i) Notwithstanding subparagraph (A), except as provided in clause (ii), a State plan may not provide pursuant to this paragraph for disregarding any assets—

''(I) to the extent that payments are made under a long-term care insurance policy; or

''(II) because an individual has received (or is entitled to receive) benefits for a specified period of time under a long-term care insurance policy.

''(ii) Clause (i) shall not apply to State plan provisions that are approved as of May 14, 1993.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

PART IV—IMPROVEMENT IN IDENTIFICATION AND COLLECTION OF THIRD PARTY PAYMENTS

SEC. 5116. LIABILITY OF THIRD PARTIES TO PAY FOR CARE AND SERVICES.

(a) LIABILITY OF ERISA PLANS.—(1) Section 1902(a)(25)(A) (42 U.S.C. 1396a(a)(25)(A)) is amended by striking ''insurers)'' and inserting ''insurers and group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974) and including a service benefit plan and a health maintenance organization)''.

(2) Section 1903(o) of such Act (42 U.S.C. 1396b(o)) is amended by striking ''regulation)'' and inserting ''regulation and including a group health plan (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974)), a service benefit plan, and a health maintenance organization''.

(b) REQUIRING STATE TO PROHIBIT INSURERS FROM TAKING MEDICAID STATUS INTO ACCOUNT.—Section 1902(a)(25) (42 U.S.C. 1396a(a)(25)) is amended—

(1) by striking ''and'' at the end of subparagraph (F);

(2) by adding ''and'' at the end of subparagraph (G); and

(3) by adding after subparagraph (G) the following new subparagraph:

''(H) that the State prohibits any health insurer (including a group health plan, as defined in section 607(1) of the Employee Retirement Income Security Act of 1974, a service benefit plan, and a health maintenance organization), in enrolling an individual or in making any payments for benefits to the individual or on the individual's behalf, from taking into account that the individual is eligible for or is provided medical assistance under a State plan;''.

(c) STATE RIGHT TO SUBROGATION.—Section 1902(a)(25) (42 U.S.C. 1396a(a)(25)), as amended by subsection (b), is further amended—

(1) by striking ''and'' at the end of subparagraph (G);

(2) by adding ''and'' at the end of subparagraph (H); and

(3) by adding after subparagraph (H) the following new subparagraph:

''(I) that to the extent that payment has been made under the State plan for medical

assistance in any case where a third party has a legal liability to make payment for such assistance, the State is subrogated to the right of any other party to payment for such assistance;''.

(d) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsections (a)(1), (b), and (c) shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsections (a) and (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(3) The amendment made by subsection (a)(2) shall apply to items and services furnished on or after October 1, 1993.

SEC. 5117. MEDICAL CHILD SUPPORT.

(a) STATE PLAN REQUIREMENT.—Section 1902(a)(45) (42 U.S.C. 1396a(a)(45)) is amended by striking ''owed to recipients'' and inserting ''and have in effect laws relating to medical child support''.

(b) MEDICAL CHILD SUPPORT LAWS.—Section 1912 of such Act (42 U.S.C. 1396k) is amended—

(1) by adding at the end of the heading the following: ''; REQUIRED LAWS RELATING TO MEDICAL CHILD SUPPORT''; and

(2) by adding at the end the following new subsection:

''(c) The laws relating to medical child support, which a State is required to have in effect under section 1902(a)(45), are as follows:

''(1) A law that prohibits an insurer from denying enrollment of a child under the health coverage of the child's parent on the ground that the child was born out of wedlock, on the ground that the child may not be claimed as a dependent on the parent's Federal income tax return, or on the ground that the child does not reside with the parent or in the insurer's service area. In this subsection, the term 'insurer' includes a group health plan, as defined in section 607(1) of the Employee Retirement Income Security Act of 1974, a health maintenance organization, and an entity offering a service benefit plan.

''(2) A law that requires an insurer, in any case in which a parent is required by court or administrative order to provide health coverage for a child and the parent is eligible for family health coverage through the insurer—

''(A) to permit such parent, upon application and without regard to any enrollment season restrictions, to enroll the parent and such child under such family coverage;

''(B) if such a parent is enrolled but fails to make application to obtain coverage of such child, to enroll such child under such family coverage upon application by the child's other parent or by the State agency administering the program under this title or part D of title IV; and

''(C) not to disenroll (or eliminate coverage of) such a child unless the insurer is provided satisfactory written evidence that—

''(i) such court or administrative order is no longer in effect, or

''(ii) the child is or will be enrolled in comparable health coverage through another insurer which will take effect not later than the effective date of such disenrollment.

''(3) A law that requires an employer doing business in the State, in the case of health coverage offered through employment with the employer and providing coverage of a child of an employee pursuant to a court or administrative order, to withhold from such employee's compensation the employee's share (if any) of premiums for health coverage (to the maximum amount permitted under section 303(b) of the Consumer Credit Protection Act) and to pay such share of premiums to the insurer.

''(4) A law that prohibits an insurer from imposing requirements upon a State agency, which is acting as an agent or subrogee of an individual eligible for medical assistance under this title and covered for health benefits from the insurer, that are different from requirements applicable to an agent or subrogee of any other individual so covered.

''(5) A law that requires an insurer, in any case in which a child has health coverage through the insurer of a noncustodial parent—

''(A) to provide such information to the custodial parent as may be necessary for the child to obtain benefits through such coverage;

''(B) to permit the custodial parent (or provider, with the custodial parent's approval) to submit claims for covered services without the approval of the noncustodial parent; and

''(C) to make payment on claims submitted in accordance with subparagraph (B) directly to the custodial parent or the provider.

''(6) A law that requires the State agency under this title to garnish the wages, salary, or other employment income of, and to withhold amounts from State tax refunds to, any person who—

''(A) is required by court or administrative order to provide coverage of the costs of health services to a child who is eligible for medical assistance under this title,

''(B) has received payment from a third party for the costs of such services to such child, but

''(C) has not used such payments to reimburse, as appropriate, either the other parent or guardian of such child or the provider of such services,

to the extent necessary to reimburse the State agency for expenditures for such costs under its plan under this title, but any claims for current or past-due child support shall take priority over any such claims for the costs of such services.''.

(c) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by this section apply to calendar quarters beginning on or after April 1, 1994, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

PART V—ASSURING PROPER PAYMENTS TO DISPROPORTIONATE SHARE HOSPITALS

SEC. 5121. ASSURING PROPER PAYMENTS TO DISPROPORTIONATE SHARE HOSPITALS.

(a) DISPROPORTIONATE SHARE HOSPITALS REQUIRED TO PROVIDE MINIMUM LEVEL OF SERVICES TO MEDICAID PATIENTS.—Section 1923 (42 U.S.C. 1396r–4) is amended—

(1) in subsection (a)(1)(A), by striking ''requirement'' and inserting ''requirements'';

(2) in subsection (b)(1), by striking ''requirement'' and inserting ''requirements'';

(3) in the heading to subsection (d), by striking ''REQUIREMENT'' and inserting ''REQUIREMENTS'';

(4) by adding at the end of subsection (d) the following new paragraph:

''(3) No hospital may be defined or deemed as a disproportionate share hospital under a State plan under this title or under subsection (b) or (e) of this section unless the hospital has a medicaid inpatient utilization rate (as defined in subsection (b)(2)) of not less than 1 percent.'';

(5) in subsection (e)(1)—

(A) by striking ''and'' before ''(B)'', and

(B) by inserting before the period at the end the following: '', and (C) the plan meets the requirement of subsection (d)(3) and such payment adjustments are made consistent with the fourth sentence of subsection (c)''; and

(6) in subsection (e)(2)—

(A) in subparagraph (A), by inserting ''(other than the fourth sentence of subsection (c))'' after ''(c)'',

(B) by striking ''and'' at the end of subparagraph (A),

(C) by striking the period at the end of subparagraph (B) and inserting '', and'', and

(D) by adding at the end the following new subparagraph:

''(C) subsection (d)(3) shall apply.''.

(b) LIMITING AMOUNT OF PAYMENT ADJUSTMENTS FOR STATE OR COUNTY HOSPITALS TO UNCOVERED COSTS.—Subsection (c) of such section is amended by adding at the end the following: ''A payment adjustment during a year is not considered to be consistent with this subsection with respect to a hospital owned or operated by a State (or by an instrumentality or a unit of government within a State) if the payment adjustment exceeds the costs of furnishing hospital services (as determined by the Secretary and net of payments under this title, other than under this section, and by uninsured patients) by the hospital to individuals who either are eligible for medical assistance under the State plan or have no health insurance (or other source of third party payment) for such services during the year. For purposes of the preceding sentence, payments made to a hospital for services provided to indigent patients made by a State or a unit of local government within a State shall not be considered to be a source of third party payment.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments to States under section 1903(a) of the Social Security Act for payments to hospitals made under State plans after—

(1) the end of the State fiscal year that ends during 1994, or

(2) in the case of a State with a State legislature which is not scheduled to have a regular legislative session in 1994, the end of the State fiscal year that ends during 1995;

without regard to whether or not final regulations to carry out such amendments have been promulgated by either such date.

PART VI—ELIMINATION OF ENHANCED FEDERAL MATCHING PAYMENTS

SEC. 5126. ELIMINATION OF ENHANCED FEDERAL MATCHING PAYMENTS.

(a) IN GENERAL.—Section 1903(a) (42 U.S.C. 1396b(a)) is amended to read as follows:

''(a) From the sums appropriated therefor, the Secretary (except as otherwise provided in this section) shall pay to each State that has a plan approved under this title, for each quarter—

''(1) an amount with respect to total expenditures during such quarter under the State plan for medical assistance (as defined in section 1905(a)) equal to the sum of—

''(A) an amount equal to 90 percent of such expenditures for family planning services and supplies, plus

''(B) an amount equal to the Federal medical assistance percentage (as defined in section 1905(b), subject to subsections (g) and (j) of this section), of the remainder of such expenditures; plus

''(2) subject to section 1919(g)(3)(C), an amount equal to 50 percent of the remainder of the expenditures during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan.''.

(b) CONFORMING AMENDMENTS.—

(1) FRAUD CONTROL UNITS.—Section 1903(b) (42 U.S.C. 1396b(b)) is amended by striking paragraph (3).

(2) MEDICAID MANAGEMENT INFORMATION SYSTEMS.—Section 1903(r) (42 U.S.C. 1396b(r)) is amended—

(A) by amending paragraph (1) to read as follows:

''(1) In order to receive payments under subsection (a)(2) without being subject to per centum reductions set forth in paragraph (2), a State must have in operation mechanized claims processing and information retrieval systems approved by the Secretary (of the type approved since October 7, 1980) which are determined to be likely to provide more efficient, economical, and effective administration of the plan and which—

''(A) are compatible with the claims processing and information retrieval systems used in the administration of title XVIII, and

''(B) include provision for prompt written notice to each individual who is furnished services covered by the plan, or to each individual in a sample group of such individuals, of the specific services (other than confidential services) so covered, the name of the person or persons furnishing the services, the date or dates on which the services were furnished, and the amount of the payment or payments made under the plan on account of the services.'';

(B) by striking paragraphs (2) and (3), and redesignating paragraphs (4) through (8) as paragraphs (2) through (6), respectively;

(C) in paragraph (2), as so redesignated—

(i) in subparagraph (A), by striking ''paragraph (6)'' and inserting ''paragraph (4)'', and

(ii) in subparagraph (B)—

(I) by striking ''subsection (a)(3)(B)'' and inserting ''subsection (a)(2)''; and

(II) by striking ''not less than 50 per centum and not more than 70 per centum'' and inserting ''not less than 25 per centum and not more than 45 per centum'';

(D) in paragraph (3), as so redesignated—

(i) in the matter in subparagraph (A) preceding clause (i), by striking ''subsection (a)(3)(B)'' and inserting ''paragraph (1)'', and

(ii) in subparagraphs (A)(iii) and (B), by striking ''paragraph (6)'' and inserting ''paragraph (4)''; and

(E) in paragraph (4), as so redesignated—

(i) by striking subparagraph (C) and redesignating subparagraphs (D) through (J) as subparagraphs (C) through (I), and

(ii) in subparagraph (H), as redesignated, by striking ''subsection (a)(3) of this section'' and inserting ''subsection (a)(2)''.

(3) NURSING HOME ENFORCEMENT.—Section 1919 (42 U.S.C. 1396r) is amended—

(A) in subsection (g)(3)(C), by striking ''section 1903(a)(2)(D)'' and inserting ''section 1903(a)(2) with respect to amounts expended for State activities under this subsection'', and

(B) in subsection (h)(2), by striking ''1903(a)(7)'' and inserting ''1903(a)(2)'' each place it appears in subparagraphs (E) and (F).

(4) PEER REVIEW FUNDING.—Section 1158 (42 U.S.C. 1320c–7) is amended—

(A) by striking ''(a)'', and

(B) by striking subsection (b).

(c) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsections (a) and (b) shall apply to calendar quarters beginning on or after April 1, 1994, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsections (a) and (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

Subchapter B—Miscellaneous Provisions

PART I—ANTI-FRAUD AND ABUSE PROVISIONS

SEC. 5131. INTERMEDIATE SANCTIONS FOR KICKBACK VIOLATIONS.

(a) PENALTY FOR KICKBACKS.—Section 1128A(a) (42 U.S.C. 1320a–7a(a)) is amended—

(1) by striking ''or'' at the end of paragraphs (1) and (2);

(2) by adding ''or'' at the end of paragraph (3);

(3) by inserting after paragraph (3) the following new paragraph:

''(4) carries out any activity in violation of paragraph (1) or (2) of section 1128B(b);'';

(4) by striking ''given).'' at the end of the first sentence and inserting ''given or, in cases under paragraph (4), $50,000 for each such violation).'';

(5) in the second sentence, by inserting ''in cases under paragraphs (1), (2), and (3),'' after ''In addition,''; and

(6) by inserting after the second sentence, the following new sentence: ''In cases under paragraph (4), such a person shall be subject to an assessment of not more than twice the total amount of the remuneration offered, paid, solicited, or received in violation of section 1128B(b), determined without regard to whether a portion of such remuneration was offered, paid, solicited, or received for a lawful purpose.''.

(b) AUTHORIZATION TO ACT.—The first sentence of section 1128A(c)(1) (42 U.S.C. 1320a–7a(c)(1)) is amended by striking all that follows ''(b)'' and inserting the following: ''unless, within one year after the date the Secretary presents a case to the Attorney General for consideration, the Attorney General brings an action in a district court of the United States.''.

(c) EFFECTIVE DATES.—

(1) The amendments made by subsection (a) shall apply to remuneration offered, paid, solicited, or received before, on, or after the date of the enactment of this Act.

(2) The amendment made by subsection (b) shall apply to cases presented by the Secretary of Health and Human Services for consideration on or after the date of the enactment of this Act.

SEC. 5132. REQUIRING MAINTENANCE OF EFFORT FOR STATE MEDICAID FRAUD CONTROL UNITS.

(a) IN GENERAL.—Section 1902(a)(49) (42 U.S.C. 1396a(a)(49)) is amended—

(1) by inserting ''(A)'' after ''(49)'', and

(2) by adding at the end the following new subparagraph:

''(B) provide that the State will expend for its medicaid fraud and abuse control unit (as defined in section 1903(q)), for each State fiscal year, an amount that is not less than the amount expended for such unit in the State fiscal year that ended in 1992 adjusted to reflect the percentage increase in total expenditures under the State plan between such State fiscal year and the State fiscal year involved;''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to State fiscal years ending after 1993.

PART II—MANAGED CARE PROVISIONS

SEC. 5135. MEDICAID MANAGED CARE ANTI-FRAUD PROVISIONS.

(a) PROHIBITING AFFILIATIONS WITH INDIVIDUALS DEBARRED BY FEDERAL AGENCIES.—

(1) IN GENERAL.—Section 1903(m) (42 U.S.C. 1396b(m)) is amended—

(A) in paragraph (2)(A)—

(i) by striking ''and'' at the end of clause (x),

(ii) by striking the period at the end of clause (xi) and inserting ''; and'', and

(iii) by adding at the end the following new clause:

''(xii) the entity complies with the requirements of paragraph (3) (relating to certain protections against fraud and abuse).'';

(B) in paragraph (2)(B), as amended by section 5158(b), by striking ''clause (ix)'' and inserting ''clauses (ix) and (xii)''; and

(C) by inserting after paragraph (2) the following new paragraph:

''(3)(A)(i) A health maintenance organization may not have a person described in clause (iv) as a director, officer, partner, or person with beneficial ownership of more than 5 percent of organization's equity.

''(ii) A health maintenance organization may not have an employment, consulting, or other agreement with a person described in clause (iv) for the provision of goods and services that are significant and material to the organization's obligations under its contract with the State described in paragraph (2)(A)(iii).

''(iii) If a health maintenance organization is not in compliance with clause (i) or clause (ii)—

''(I) a State may continue an existing agreement with the organization unless the Secretary (in consultation with the Inspector General of the Department of Health and Human Services) directs otherwise; and

''(II) a State may not renew or otherwise extend the duration of an existing agreement with the organization unless the Secretary (in consultation with the Inspector General of the Department of Health and Human Services) provides a written statement describing compelling reasons that exist for renewing or extending the agreement.

''(iv) A person described in this clause is a person that—

''(I) is debarred or suspended by the Federal Government, pursuant to the Federal acquisition regulation, from Government contracting and subcontracting, or

''(II) is an affiliate (within the meaning of the Federal acquisition regulation) of a person described in subclause (I).''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to agreements between a State and an entity under section 1903(m) of the Social Security Act entered into or renewed on or after October 1, 1993, without regard to whether regulations to carry out such amendments are promulgated by such date.

(b) REQUIREMENT FOR STATE CONFLICT-OF-INTEREST SAFEGUARDS IN MEDICAID RISK CONTRACTING.—

(1) IN GENERAL.—Section 1903(m)(2)(A) (42 U.S.C. 1396b(m)(2)(A)), as amended by subsection (a)(1)(C), is amended—

(A) by striking ''and'' at the end of clause (xi),

(B) by striking the period at the end of clause (xii) and inserting ''; and'', and

(C) by adding at the end the following new clause:

''(xiii) the State certifies to the Secretary that it has in effect conflict-of-interest safeguards with respect to officers and employees of the State with responsibility with respect to contracts with organizations under this subsection that are at least as effective as the Federal safeguards, provided under section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423), against conflicts of interest that apply with respect to Federal procurement officials with comparable responsibilities with respect to such contracts.''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply as of July 1, 1994, without regard to whether regulations to carry out such amendments are promulgated by such date.

(c) REQUIRING DISCLOSURE OF FINANCIAL INFORMATION.—

(1) IN GENERAL.—Section 1903(m)(3), as inserted by subsection (a)(1)(C), is amended by adding at the end the following new subparagraph:

''(B) The contract between the State and an entity referred to in paragraph (2)(A)(iii) shall provide that—

''(i) the entity agrees to report to the State such financial information as the Secretary or the State may require to demonstrate that the entity has a fiscally sound operation; and

''(ii) the entity agrees to make available to its enrollees upon reasonable request—

''(I) the information reported under paragraph (1),

''(II) the information required to be disclosed under sections 1124 and 1126, and

''(III) a description of each transaction, described in subparagraphs (A) through (C) of section 1318(a)(3) of the Public Health Service Act, between the entity and a party in interest (as defined in section 1318(b) of such Act).''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contract years beginning on or after October 1, 1993, without regard to whether regulations to carry out such amendments are promulgated by such date, with respect to information reported or required to be disclosed, or transactions occurring, before, on, or after such date.

(d) PROHIBITING MARKETING FRAUD.—

(1) IN GENERAL.—Section 1903(m)(3), as inserted by subsection (a)(1) and as amended by subsection (c)(1), is amended by adding at the end the following new subparagraph:

''(C) The contract between the State and an entity referred to in paragraph (2)(A)(iii) shall provide that the entity agrees to comply with such procedures and conditions as the Secretary prescribes in order to ensure that, before an individual is enrolled with the entity, the individual is provided accurate and sufficient information to make an informed decision whether or not to enroll.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contract years that begin on or after October 1, 1993, without regard to whether regulations to carry out such amendment are promulgated by such date.

(e) REQUIRING ADEQUATE EQUITY FOR FOR-PROFIT ENTITIES.—

(1) IN GENERAL.—Section 1903(m)(3), as previously amended by this section, is further amended by adding at the end the following new subparagraph:

''(D)(i) The contract between the State and an entity referred to in paragraph (2)(A)(iii) shall require, in the case of a for-profit entity, that the entity shall maintain an average ratio of—

''(I) equity capital to

''(II) payments made by the State to the entity under the contract on a capitation basis or any other risk basis,

of not less than such minimum ratio as the Secretary shall specify.

''(ii) The contract between the State and a non-profit entity referred to in paragraph (2)(A)(iii) shall require that no payment shall be made directly or indirectly under an agreement between the non-profit entity and a related for-profit entity (as defined by the Secretary) unless the for-profit entity maintains an average ratio of equity capital to payments under such agreement of not less than such ratio as the Secretary shall specify.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contract years beginning on or after July 1, 1994, without regard to whether regulations to carry out such amendment are promulgated by such date.

(f) REQUIRING ADEQUATE PROVISION AGAINST RISK OF INSOLVENCY.—

(1) IN GENERAL.—Section 1903(m)(1)(A)(ii) (42 U.S.C. 1396b(m)(1)(A)(ii)) is amended by inserting '', which meets such standards as the Secretary shall prescribe'' after ''satisfactory to the State''.

(2) EFFECTIVE DATE AND TRANSITION.—(A) The amendment made by paragraph (1) shall apply to contract years beginning on or after July 1, 1994, without regard to whether regulations to carry out such amendments are promulgated by such date.

(B) If the Secretary of Health and Human Services has not promulgated standards to carry out the amendment made by paragraph (1) by July 1, 1994, until such standards have been promulgated a provision of a health maintenance organization against the risk of insolvency shall not be considered to meet standards prescribed by the Secretary, for purposes of section 1903(m)(1)(A)(ii) of the Social Security Act, unless such provision has been found satisfactory by the Secretary under section 1876(b)(2)(E) of such Act.

(g) REQUIRING REPORT ON NET EARNINGS AND ADDITIONAL BENEFITS.—

(1) IN GENERAL.—Section 1903(m)(3), as previously amended by this section, is amended by adding at the end the following new subparagraph:

''(E) The contract between the State and an entity referred to in paragraph (2)(A)(iii) shall provide that the entity shall submit a report to the State and the Secretary not later than 12 months after the close of a contract year containing—

''(i) a financial statement of the entity's net earnings under the contract during the contract year, which statement has been audited using auditing standards established by the Secretary in consultation with the States; and

''(ii) a description of any benefits that are in addition to the benefits required to be provided under the contract that were provided during the contract year to members enrolled with the entity and entitled to medical assistance under the plan.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contract years beginning on or after October 1, 1993, without regard to whether regulations to carry out such amendments are promulgated by such date.

(h) REPORT ON NET EARNINGS OF CONTRACTORS.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit a report to Congress on the earnings of organizations with contracts to receive payment for providing medical assistance under title XIX of the Social Security Act on a prepaid capitation or any other risk basis. The report shall include the Secretary's recommendations on options for requiring such organizations, as a condition of participation under such title, to dedicate a portion of such earnings to the provision of additional benefits to individuals enrolled with the organization.

SEC. 5136. CLARIFICATION OF TREATMENT OF HMO ENROLLEES IN COMPUTING THE MEDICAID INPATIENT UTILIZATION RATE IN QUALIFYING HOSPITALS AS DISPROPORTIONATE SHARE HOSPITALS.

(a) IN GENERAL.—Section 1923(b)(2) (42 U.S.C. 1396r–4(b)(2)) is amended by inserting before the period at the end the following: ''and whether or not the individual is enrolled with an entity contracting with the State on a prepaid capitation basis or other risk basis under section 1903(m)''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to payments to States under section 1903(a) of the Social Security Act for payments to hospitals made under State plans on and after the first day of the first calendar quarter beginning after the date of the enactment of this Act.

SEC. 5137. EXTENSION OF PERIOD OF APPLICABILITY OF ENROLLMENT MIX REQUIREMENT TO CERTAIN HEALTH MAINTENANCE ORGANIZATIONS PROVIDING SERVICES UNDER DAYTON AREA HEALTH PLAN.

Section 2 of Public Law 102–276 is amended by striking ''January 31, 1994'' and inserting ''December 31, 1995''.

SEC. 5138. EXTENSION OF MEDICAID WAIVER FOR TENNESSEE PRIMARY CARE NETWORK.

Section 6411(f) of the Omnibus Budget Reconciliation Act of 1989, as amended by section 1 of Public Law 102–317, is amended by striking ''January 31, 1994'' and inserting ''December 31, 1995''.

SEC. 5139. WAIVER OF APPLICATION OF MEDICAID ENROLLMENT MIX REQUIREMENT TO DISTRICT OF COLUMBIA CHARTERED HEALTH PLAN, INC.

(a) IN GENERAL.—The Secretary of Health and Human Services shall waive the application of the requirement described in section 1903(m)(2)(A)(ii) of the Social Security Act to the entity known as the District of Columbia Chartered Health Plan, Inc., for the period described in subsection (b), if the Secretary determines that the entity is making continuous efforts and progress toward achieving compliance with such requirement.

(b) PERIOD OF APPLICABILITY.—The period referred to in subsection (a) is the period that begins on October 1, 1992, and ends on December 31, 1995.

SEC. 5140. EXTENSION OF MINNESOTA PREPAID MEDICAID DEMONSTRATION PROJECT.

(a) IN GENERAL.—Section 507 of the Family Support Act of 1988, as amended by section 6411(j) of OBRA–1989 and by section 4733 of OBRA–1990, is amended by striking ''1996'' and inserting ''1998''.

(b) AUTHORITY TO IMPOSE PREMIUM.—

(1) IN GENERAL.—Notwithstanding section 1916 of the Social Security Act and subject to paragraph (2), the State of Minnesota may impose a premium on individuals receiving medical assistance under the Minnesota Prepaid Demonstration Project operated under a waiver granted by the Secretary of Health and Human Services under section 1115(a) of the Social Security Act and other individuals eligible under the State's plan for medical assistance under title XIX of such Act.

(2) LIMITATION ON AMOUNT OF PREMIUM.—In no case may the amount of any premium imposed on an individual receiving medical assistance under the State plan or under the Demonstration Project described in paragraph (1) exceed 10 percent of the amount by which the family income (less expenses for the care of a dependent child) of the individual exceeds 110 percent of the income official poverty line (as defined by the Office of Management and Budget), and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

SEC. 5140A. CONDITIONING FEDERAL FINANCIAL PARTICIPATION ON ENROLLMENT OF BENEFICIARIES IN STAFF OR GROUP MODEL HEALTH MAINTENANCE ORGANIZATIONS.

(a) IN GENERAL.—Section 1903 (42 U.S.C. 1396b) is amended by inserting after subsection (r) the following new subsection:

''(s)(1) Notwithstanding the preceding provisions of this section or any other provision of this title, except as provided in paragraph (2), no payment may be made to a State under this section for medical assistance (other than nursing facility services, home or community based services described in section 1915(c)(1), and other long-term care services specified by the Secretary) furnished to any individual who does not receive such assistance through enrollment with a staff or group model health maintenance organization.

''(2) Notwithstanding paragraph (1), payment may be made to a State for medical assistance furnished to an individual other than through enrollment with a staff or group model health maintenance organization if the State demonstrates to the satisfaction of the Secretary that, for the geographic area in which the individual resides, no such organization is available with which the individual may enroll.

''(3) In this subsection, a 'staff or group model health maintenance organization' is a health maintenance organization (as defined in subsection (m)(1)(A)) for which 90 percent of the services of physicians are provided through members of the staff of the organization or through a medical group (or groups).''.

(b) REPEAL OF ENROLLMENT MIX REQUIREMENT FOR MEDICAID HMO'S.—

(1) IN GENERAL.—Section 1903(m)(2)(A) (42 U.S.C. 1396b(m)(2)(A)) is amended by striking clause (ii).

(2) CONFORMING AMENDMENTS.—Section 1903(m)(2) (42 U.S.C. 1396b(m)(2)) is further amended—

(A) by striking subparagraphs (C), (D), and (E); and

(B) in subparagraph (F), by striking ''In the case of—'' and all that follows through ''(ii) a program'' and inserting ''In the case of a program''.

(c) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsections (a) and (b) shall apply to calendar quarters beginning on or after October 1, 1994, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsections (a) and (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

PART III—LIMITING FEDERAL MEDICAID MATCHING PAYMENT TO BONA FIDE EMERGENCY SERVICES FOR UNDOCUMENTED ALIENS

SEC. 5141. LIMITING FEDERAL MEDICAID MATCHING PAYMENT TO BONA FIDE EMERGENCY SERVICES FOR UNDOCUMENTED ALIENS.

(a) IN GENERAL.—Section 1903(v)(2) (42 U.S.C. 1396b(v)(2)) is amended—

(1) by striking ''and'' at the end of subparagraph (A),

(2) by striking the period at the end of subparagraph (B) and inserting '', and'', and

(3) by adding at the end the following new subparagraph:

''(C) such care and services are not related to an organ transplant procedure.''.

(b) EFFECTIVE DATE.—(1) Subject to paragraph (2), the amendments made by subsection (a) shall apply as if included in the enactment of OBRA–1986.

(2) The Secretary of Health and Human Services shall not disallow expenditures made for the care and services described in section 1903(v)(2)(C) of the Social Security Act, as added by subsection (a), furnished before the date of the enactment of this Act.

PART IV—MISCELLANEOUS PROVISIONS

SEC. 5141. CRITERIA FOR MAKING DETERMINATIONS OF DENIAL OF FEDERAL MEDICAID MATCHING PAYMENTS TO STATES.

(a) IN GENERAL.—Section 1903 (42 U.S.C. 1396b) is amended by adding at the end the following new subsection:

''(x)(1) In any case in which the Secretary proposes to disallow under section 1116(d) a claim by a State under this section and the State exercises its right of reconsideration under section 1116(d), the Departmental Appeals Board established in the Department of Health and Human Services shall, if such Board upholds the basis for the disallowance, determine whether the amount of the disallowance should be reduced. In making this determination, the Board shall take into account (to the extent the State makes a showing) factors which shall include—

''(A) the nature of the basis for the disallowance;

''(B) whether the amount of the disallowance is proportionate to the error or deficiency on which the disallowance is based;

''(C) whether the basis of the disallowance constitutes noncompliance that prevented or materially affected the provision of appropriate services to individuals eligible under this title; or

''(D) whether Federal guidance with respect to the action that is the basis for the proposed disallowance was insufficient and the State made good faith efforts to conform its action to the intent of the applicable Federal statute or regulation.

''(2) No disallowance shall be taken or upheld if the action of the State on which the disallowance would be based is consistent with its approved State plan.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to disallowances made after the date of the enactment of this Act and shall take effect without regard to the promulgation of implementing regulations.

SEC. 5145. APPLICATION OF MAMMOGRAPHY CERTIFICATION REQUIREMENTS UNDER THE MEDICAID PROGRAM.

(a) IN GENERAL.—Section 1902(a)(9) (42 U.S.C. 1396a(a)(9)) is amended—

(1) by striking ''and'' at the end of subparagraph (B),

(2) by striking the semicolon at the end of subparagraph (C) and inserting '', and'', and

(3) by adding at the end the following new subparagraph:

''(D) that any mammography paid for under such plan must be conducted by a facility that has a certificate (or provisional certificate) issued under section 354 of the Public Health Service Act;''.

(b) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to mammography furnished by a facility during calendar quarters beginning on or after the first date that the certificate requirements of section 354(b) of the Public Health Service Act apply to such mammography conducted by such facility, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirement imposed by the amendment made by subsection (a)(3), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet this additional requirement before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 5146. REMOVAL OF SUNSET ON EXTENSION OF ELIGIBILITY FOR WORKING FAMILIES.

Subsection (f) of section 1925 (42 U.S.C. 1396r–6) is repealed.

SEC. 5147. NURSING HOME REFORM.

(a) SUSPENSION OF DECERTIFICATION OF NURSE AIDE TRAINING AND COMPETENCY EVALUATION PROGRAMS BASED ON EXTENDED SURVEYS.—

(1) IN GENERAL.—Section 1919(f)(2)(B)(iii)(I)(b) (42 U.S.C. 1396r(f)(2)(B)(iii)(I)(b)) is amended by striking the semicolon and inserting the following: '', unless the survey shows that the facility is in compliance with the requirements of subsections (b), (c), and (d) of this section;''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as included in the enactment of OBRA–1990.

(b) REQUIREMENTS FOR CONSULTANTS CONDUCTING REVIEWS OF USE OF DRUGS.—

(1) IN GENERAL.—Section 1919(c)(1)(D) (42 U.S.C. 1396r(c)(1)(D)) is amended by adding at the end the following sentence: ''In determining whether such a consultant is qualified to conduct reviews under the previous sentence, the Secretary shall take into account the needs of nursing facilities under this title to have access to the services of such a consultant on a timely basis.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as included in the enactment of OBRA–1987.

(c) INCREASE IN MINIMUM AMOUNT REQUIRED FOR SEPARATE DEPOSIT OF PERSONAL FUNDS.—

(1) IN GENERAL.—Section 1919(c)(6)(B)(i) (42 U.S.C. 1396r(c)(6)(B)(i)) is amended by striking ''$50'' and inserting ''$100''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect October 1, 1993.

(d) DUE PROCESS PROTECTIONS FOR NURSE AIDES.—

(1) PROHIBITING STATE FROM INCLUDING UNDOCUMENTED ALLEGATIONS IN NURSE AIDE REGISTRY.—Section 1919(e)(2)(B) (42 U.S.C. 1396r(e)(2)(B)) is amended by striking the period at the end of the first sentence and inserting the following: '', but shall not include any allegations of resident abuse or neglect or misappropriation of resident property that are not specifically documented by the State under such subsection.''.

(2) DUE PROCESS REQUIREMENTS FOR REBUTTING ALLEGATIONS.—Section 1919(g)(1)(C) (42 U.S.C. 1396r(g)(1)(C)) is amended by striking the second sentence and inserting the following: ''The State shall, after providing the individual involved with a written notice of the allegations (including a statement of the availability of a hearing for the individual to rebut the allegations) and the opportunity for a hearing on the record, make a written finding as to the accuracy of the allegations.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect October 1, 1993.

(e) AUTHORIZING WAIVER OF NURSING HOME REFORM REQUIREMENTS.—The Secretary of Health and Human Services may waive specified requirements of subsections (b) through (e) of section 1919 of the Social Security Act with respect to nursing facilities located in a State if the State provides assurances satisfactory to the Secretary (including, if appropriate, the implementation of an alternative State program) that the waiver of such requirements will not adversely affect the quality of life of the residents in such facilities.

Subchapter C—Miscellaneous and Technical Corrections Relating to OBRA–1990

SEC. 5151. EFFECTIVE DATE.

Except as otherwise provided, the amendments made by this subchapter shall take effect as if included in the enactment of OBRA–1990.

SEC. 5152. CORRECTIONS RELATING TO SECTION 4402 (ENROLLMENT UNDER GROUP HEALTH PLANS).

Section 4402(b) of OBRA–1990 is amended by striking ''1903(u)(1)(C)(iv) (42 U.S.C. 1395b(u)(1)(C)(iv))'' and inserting ''1903(u)(1)(D)(iv) (42 U.S.C. 1395b(u)(1)(D)(iv))''.

SEC. 5153. CORRECTIONS RELATING TO SECTION 4501 (LOW-INCOME MEDICARE BENEFICIARIES).

(a) Section 1902(a)(10)(E)(iii), as added by section 4501(b)(3) of OBRA–1990, is amended by striking ''cost sharing'' and inserting ''cost-sharing''.

(b) Section 1905(p)(4)(B), as amended by section 4501(c)(1) of OBRA–1990, is amended by striking ''1902(a)(10)(E)(iii)'' and inserting ''section 1902(a)(10)(E)(iii)''.

SEC. 5154. CORRECTIONS RELATING TO SECTION 4601 (CHILD HEALTH).

(a) Section 1902(a)(10)(A)(i)(VII), as added by section 4601(a)(10)(A)(iii) of OBRA–1990, is amended by striking ''family;'' and inserting ''family; and''.

(b) Section 1902(l), as amended by section 4601(a)(1)(C) of OBRA–1990, is amended—

(1) in paragraph (1)(C), by striking ''children'' after ''(C)'';

(2) in paragraph (3), by striking ''(a)(10)(A)(i)(VII),,'' and inserting ''(a)(10)(A)(i)(VII),''; and

(3) in paragraph (4)(B), by inserting a comma before ''(a)(10)(A)(i)(VI),''.

(c) Subsections (a)(3)(C) and (b)(3)(C)(i) of section 1925, as amended by section 4601(a) of OBRA–1990, are each amended by striking ''(i)(VI)'' and inserting ''(i)(VI),''.

SEC. 5155. CORRECTIONS RELATING TO SECTION 4602 (OUTREACH LOCATIONS).

(a) Section 1902(a)(55), as added by section 4602(a)(3) of OBRA–1990, is amended—

(1) in the matter preceding subparagraph (A)—

(A) by striking ''subsection'' and inserting ''paragraph'', and

(B) by striking ''(a)'' each place it appears; and

(2) in subparagraph (A), by striking ''1905(1)(2)(B)'' and inserting ''1905(l)(2)(B)''.

(b) Section 1902(l)(1) is amended by striking ''who are not described in any of subclauses (I) through (III) of subsection (a)(10)(A)(i) and''.

SEC. 5156. CORRECTIONS RELATING TO SECTION 4604 (PAYMENT FOR HOSPITAL SERVICES FOR CHILDREN UNDER 6 YEARS OF AGE).

(a) Section 1902(a)(10) is amended in clause (X) in the matter following subparagraph (F) by striking ''under one year of age'' and inserting ''under 6 years of age''.

(b) Section 1902(s), as added by section 4604(a) of OBRA–1990, is amended to read as follows:

''(s) In order to meet the requirements of subsection (a)(56), the State plan must provide that payments to hospitals under the plan for inpatient services furnished to infants who have not attained the age of 1 year (or, in the case of such an individual who is an inpatient on his first birthday, until such individual is discharged) shall—

''(1) if made on a prospective basis (whether per diem, per case, or otherwise) provide for an outlier adjustment in payment amounts for medically necessary inpatient hospital services involving exceptionally high costs or exceptionally long lengths of stay;

''(2) not be limited by the imposition of day limits; and

''(3) not be limited by the imposition of dollar limits (other than dollar limits resulting from prospective payments as adjusted pursuant to paragraph (1)).''.

(c) Section 1923(a)(2)(C) is amended by striking ''provided on or after July 1, 1989,'' and all that follows and inserting the following: ''involving exceptionally high costs or exceptionally long lengths of stay—

''(i) for individuals under 1 year of age, in the case of services provided on or after July 1, 1989, and on or before June 30, 1991; and

''(ii) for individuals under 6 years of age, in the case of services provided on or after July 1, 1991.''.

SEC. 5157. CORRECTIONS RELATING TO SECTION 4703 (PAYMENT ADJUSTMENTS FOR DISPROPORTIONATE SHARE HOSPITALS).

(a) Section 1923(c) is amended—

(1) in paragraph (2), by striking ''paragraph (b)(3)'' and inserting ''subsection (b)(3)'';

(2) by striking the period at the end of paragraph (3)(B) and inserting a comma; and

(3) in the third sentence, by striking ''the payment adjustment described in paragraph (2)'' and inserting ''a payment adjustment described in paragraph (2) or (3)''.

(b) Effective December 22, 1987, section 1923(d)(2)(A)(ii) is amended by striking ''the date of the enactment of this Act'' and inserting ''December 22, 1987''.

(c) Section 4703(d) of OBRA–1990 is amended by striking ''412(a)(2)'' and inserting ''4112(a)(2)''.

SEC. 5158. CORRECTIONS RELATING TO SECTION 4704 (FEDERALLY-QUALIFIED HEALTH CENTERS).

(a) Clause (ix) of section 1903(m)(2)(A), as added by section 4704(b)(1)(C) of OBRA–1990, is amended—

(1) by striking ''of such center'' the first place it appears;

(2) by striking ''federally qualified'' and inserting ''Federally-qualified'';

(3) by inserting ''section'' before ''1905(a)(2)(C)''; and

(4) by moving such clause 2 ems to the left.

(b) Section 1903(m)(2)(B), as amended by section 4704(b)(2) of OBRA–1990, is amended by striking ''except with respect to clause (ix) of subparagraph (A),'' and inserting ''(except with respect to clause (ix) of such subparagraph)''.

(c) Section 1905(l)(2), as amended by section 4704(c) of OBRA–1990, is amended—

(1) in subparagraph (A)—

(A) by striking ''Federally-qualififed'' and inserting ''Federally-qualified'', and

(B) by striking ''an patient'' and inserting ''a patient''; and

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking ''a entity'' and inserting ''an entity'',

(B) by striking ''or'' at the end of clause (i),

(C) by striking the semicolon at the end of clause (ii)(II) and inserting '', or'',

(D) by moving clause (ii) 4 ems to the left, and

(E) in the last sentence, by striking ''clause (ii)'' and inserting ''clause (iii)''.

SEC. 5159. CORRECTIONS RELATING TO SECTION 4708 (SUBSTITUTE PHYSICIANS).

Section 1902(a)(32)(C), as added by section 4708(a)(3) of OBRA–1990, is amended to read as follows:

''(C) payment may be made to a physician for physicians' services (and services furnished incident to such services) furnished by a second physician to patients of the first physician if (i) the first physician is unavailable to provide the services; (ii) the services are furnished pursuant to an arrangement between the two physicians that (I) is informal and reciprocal, or (II) involves per diem or other fee-for-time compensation for such services; (iii) the services are not provided by the second physician over a continuous period of more than 60 days; and (iv) the claim form submitted to the carrier for such services includes the second physician's unique identifier (provided under the system established under subsection (x)) and indicates that the claim meets the requirements of this clause for payment to the first physician;''.

SEC. 5160. CORRECTIONS RELATING TO SECTION 4711 (HOME AND COMMUNITY CARE FOR FRAIL ELDERLY).

(a) Section 1929, as added by section 4711(b) of OBRA–1990, is amended—

(1) in subsection (c)(2)(F), by moving the second sentence 2 ems to the right;

(2) in subsection (d)(2)(F)(ii), by striking ''they manage'' and inserting ''it manages'';

(3) in subsection (d)(2)(F)(iii), by inserting ''the agency or organization'' after ''(iii)'';

(4) in subsection (e)(2)(B), by striking ''fiscal year 1989'' and inserting ''fiscal year 1990'';

(5) in subsection (f)(1), by striking ''Community care'' and inserting ''community care'';

(6) in subsection (g)(1)—

(A) by striking ''SETTINGS'' and inserting ''SETTING'', and

(B) in subparagraph (B), by striking ''setting.'' and inserting ''setting in which home and community care under this section is provided.'';

(7) in subsection (g)(2), by striking ''community care'' the second, third, and fourth places it appears and inserting ''home and community care'';

(8) in subsection (h)(1)—

(A) by striking ''more than 8'' each place it appears and inserting ''8 or more'', and

(B) in subparagraph (B), by inserting ''(other than merely board)'' after ''personal services'';

(9) in subsection (h)(2), by striking ''community care'' the second and third places it appears and inserting ''home and community care'';

(10) in subsection (j)(1)—

(A) in subparagraph (B)(ii), by striking ''1990'' and inserting ''1991'', and

(B) by adding at the end the following new subparagraph:

''(C) APPLICABILITY TO COMMUNITY CARE SETTINGS.—Subparagraphs (A) and (B) shall apply to community care settings in the same manner as such subparagraphs apply to providers of home or community care.'';

(11) in subsection (j)(2), by adding at the end the following new subparagraph:

''(D) APPLICABILITY TO COMMUNITY CARE SETTINGS.—Subparagraphs (A), (B), and (C) shall apply to community care settings in the same manner as such subparagraphs apply to providers of home or community care.'';

(12) in subsection (k)(1)(A)(i)—

(A) by striking ''(d)(2)(E)'' and inserting ''(d)(2)'', and

(B) by striking ''settings,'' and inserting ''settings),'';

(13) in subsection (l), by striking ''State wideness'' and inserting ''Statewideness'';

(14) in subsection (m)—

(A) in paragraph (2), by striking ''Individual Community Care Plan'' and inserting ''individual community care plan'',

(B) in paragraph (3), by striking ''and need for services'' and inserting ''need for services, and income'',

(C) in the second sentence in paragraph (4), by striking ''elderly individuals'' and all that follows and inserting ''individuals receiving home and community care under this section who reside in such State in relation to the total number of individuals receiving home and community care under this section.'', and

(D) by adding at the end the following new paragraph:

''(5) NOTICE TO STATES OF AMOUNTS AVAILABLE FOR ASSISTANCE.—

''(A) NOTICE TO SECRETARY.—In order to receive Federal medical assistance for expenditures for home and community care under this section for a fiscal year (beginning with fiscal year 1994), a State shall submit a notice to the Secretary of its intention to provide such care under this section not later than 3 months before the beginning of the fiscal year.

''(B) NOTICE TO STATES.—Not later than 2 months before the beginning of each fiscal year (beginning with fiscal year 1994), the Secretary shall notify each State that has submitted a notice to the Secretary under subparagraph (A) for the fiscal year of the amount of Federal medical assistance that will be available to the State for the fiscal year (as established under paragraph (4)).'';

and

(15) by adding at the end the following new subsection:

''(n) COMMUNITY CARE SETTING DEFINED.—In this section, the term 'community care setting' means a small community care setting (as defined in subsection (g)(1)) or a large community care setting (as defined in subsection (h)(1)).''.

(b) Section 1905(r)(5) is amended by striking ''1905(a)'' and inserting ''subsection (a) (other than services described in paragraph (22) or (23) of such subsection)''.

(c) Section 4711(f) of OBRA–1990 is amended by striking ''Act'' each place it appears and inserting ''section''.

SEC. 5161. CORRECTIONS RELATING TO SECTION 4712 (COMMUNITY SUPPORTED LIVING ARRANGEMENTS SERVICES).

(a) Section 1930, as added by section 4712(b)(2) of OBRA–1990, is amended—

(1) in subsection (b)—

(A) by striking ''title the term,'' and inserting ''title, the term'',

(B) by striking ''guardian'' and inserting ''guardian or'', and

(C) by striking ''3 other'' and inserting ''3'';

(2) in subsection (d)—

(A) in the matter preceding paragraph (1), by striking ''program,'' and inserting ''program'', and

(B) in the second sentence, by striking ''plan'' each place it appears and inserting ''program''; and

(3) in subsection (i), by striking ''FUNDS'' and inserting ''FUNDS''.

(b) Section 4712(c) of OBRA–1990 is amended—

(1) in paragraph (1), by inserting ''of section 1930 of the Social Security'' after ''subsection (h)''; and

(2) in paragraph (2), by striking ''this section'' and inserting ''such section''.

SEC. 5162. CORRECTION RELATING TO SECTION 4713 (COBRA CONTINUATION COVERAGE).

(a) Section 1902(a)(10) is amended in the matter following subparagraph (F)—

(1) by striking ''; and (XI)'' and inserting '', (XI)'';

(2) by striking ''individuals, and (XI)'' and inserting ''individuals, and (XII); and

(3) by striking ''COBRA continuation premiums'' and inserting ''COBRA premiums''.

(b) Section 1902(u)(3), as added by section 4713(a)(2) of OBRA–1990, is amended by striking ''title VI'' and inserting ''part 6 of subtitle B of title I''.

SEC. 5163. CORRECTION RELATING TO SECTION 4716 (MEDICAID TRANSITION FOR FAMILY ASSISTANCE).

Section 4716(a) of OBRA–1990 is amended by striking ''AMENDMENTS.—Subsection (f) of section'' and inserting ''IN GENERAL.—Section''.

SEC. 5164. CORRECTIONS RELATING TO SECTION 4723 (MEDICAID SPENDDOWN OPTION).

Section 1903(f)(2), as amended by section 4723(a) of OBRA–1990, is amended—

(1) by striking ''(A)'' after ''(2)'';

(2) by striking ''or, (B)'' and inserting ''. There shall also be excluded,'';

(3) by striking ''to the State, provided that'' and inserting ''to the State if''; and

(4) by striking ''pursuant to this subparagraph.'' and inserting ''pursuant to the previous sentence''.

SEC. 5165. CORRECTIONS RELATING TO SECTION 4724 (OPTIONAL STATE DISABILITY DETERMINATIONS).

Section 1902(v), as added by section 4724 of OBRA–1990, is amended—

(1) by striking ''(v)(1)'' and inserting ''(v)''; and

(2) by striking ''of the Social Security Act''.

SEC. 5166. CORRECTION RELATING TO SECTION 4732 (SPECIAL RULES FOR HEALTH MAINTENANCE ORGANIZATIONS).

Section 1903(m)(2)(F)(i), as amended by section 4732(b)(2)(B) of OBRA–1990, is amended by striking ''or'' before ''with an eligible organization''.

SEC. 5167. CORRECTIONS RELATING TO SECTION 4741 (HOME AND COMMUNITY-BASED WAIVERS).

The first sentence of section 1915(d)(3) is amended by striking the period at the end and inserting the following: '', and a waiver of the requirements of section 1902(a)(23) (relating to choice of providers) insofar as such requirements relate to the provision of case management services and the State provides assurances satisfactory to the Secretary that a waiver of such requirements will not substantially limit access to such services).''

SEC. 5168. CORRECTIONS RELATING TO SECTION 4744 (FRAIL ELDERLY WAIVERS).

(a) Section 1924(a)(5), as added by section 4744(b)(1) of OBRA–1990, is amended by striking ''1986.'' and inserting ''1986 or a waiver under section 603(c) of the Social Security Amendments of 1983.''.

(b) Section 603(c) of the Social Security Amendments of 1983 is amended—

(1) by striking ''(c)'' and inserting ''(c)(1)'';

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B); and

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

''(2) Section 1924 of the Social Security Act shall apply to any individual receiving services from an organization receiving a waiver under this subsection.''.

SEC. 5169. CORRECTIONS RELATING TO SECTION 4747 (COVERAGE OF HIV-POSITIVE INDIVIDUALS).

Section 4747 of OBRA–1990 is amended—

(1) in subsection (a), by striking ''subsection (c)'' and inserting ''subsection (b)'';

(2) in subsection (b)(2)—

(A) by striking ''preventative'' each place it appears and inserting ''preventive'', and

(B) by adding a period at the end of subparagraph (J);

(3) in subsection (c)(1)—

(A) by striking ''subsection (c)'' and inserting ''subsection (b)'', and

(B) by striking ''paragraphs (1) and (2) of''; and

(4) in subsection (d)—

(A) by striking ''paragraph (3)'' and inserting ''subsection (b)'', and

(B) by striking ''paragraph (1)'' and inserting ''subsection (a)''.

SEC. 5170. CORRECTION RELATING TO SECTION 4751 (ADVANCE DIRECTIVES).

Section 1903(m)(1)(A), as amended by section 4751(b)(1) of OBRA–1990, is amended—

(1) by striking ''1902(w)'' and inserting ''1902(w) and''; and

(2) by striking ''1902(a)'' and inserting ''1902(w)''.

SEC. 5171. CORRECTIONS RELATING TO SECTION 4752 (PHYSICIANS' SERVICES).

(a) The paragraph (58) of section 1902(a) added by section 4752(c)(1)(C) of OBRA–1990 is amended by striking ''subsection (v)'' and inserting ''subsection (x)''.

(b) Subparagraphs (A) and (B) of the paragraph (14) of section 1903(i) added by section 4752(e)(2) of OBRA–1990 are each amended—

(1) by striking ''or'' at the end of clause (v);

(2) by redesignating clause (vi) as clause (vii); and

(3) by inserting after clause (v) the following new clause:

''(vi) delivers such services in the emergency department of a hospital participating in the state plan approved under this title, or''.

SEC. 5172. CORRECTIONS RELATING TO SECTION 4801 (NURSING HOME REFORM).

(a) Section 1919(b)(3)(C)(i)(I), as amended by section 4801(e)(3) of OBRA–1990, is amended by striking ''no later than'' before ''not to exceed 14 days''.

(b) Section 1919(b)(5)(D), as amended by section 4801(a)(4) of OBRA–1990, is amended by striking the comma before ''or a new competency evaluation program.''.

(c) Section 1919(b)(5)(G) is amended by striking ''or licensed or certified social worker'' and inserting ''licensed or certified social worker, registered respiratory therapist, or certified respiratory therapy technician''.

(d) Section 1919(f)(2)(B)(i) is amended by striking ''facilities,'' and inserting ''facilities (subject to clause (iii)),''.

(e) Section 1919(f)(2)(B)(iii)(I)(c) is amended by striking ''clauses'' each place it appears and inserting ''clause''.

(f) Section 1919(g)(5)(B) is amended by striking ''paragraphs'' and inserting ''paragraph''.

(g) Section 4801(a)(6)(B) of OBRA–1990 is amended—

(1) by striking ''The amendments'' and inserting ''(i) The amendments'';

(2) by redesignating clauses (i) through (v) as subclauses (I) through (V); and

(3) by adding at the end the following new clause:

''(ii) Notwithstanding clause (i) and subject to section 1919(f)(2)(B)(iii) of the Social Security Act (as amended by subparagraph (A)), a State may approve a training and competency evaluation program or a competency evaluation program offered by or in a nursing facility described in clause (i) if, during the previous 2 years, none of the subclauses of clause (i) applied to the facility.''.

SEC. 5173. OTHER TECHNICAL CORRECTIONS.

(a) Section 1905(o)(1)(A) is amended—

(1) in the first sentence, by striking ''intermediate care facility services'' and inserting ''for nursing facility services or intermediate care facility services for the mentally retarded''; and

(2) in the second sentence, by striking ''or intermediate care facility'' and inserting ''(for purposes of title XVIII), a nursing facility, or an intermediate care facility for the mentally retarded''.

(b) Section 1915(d) is amended—

(1) by striking ''skilled nursing facility or intermediate care facility'' each place it appears in paragraphs (1), (2)(B), and (2)(C) and inserting ''nursing facility'';

(2) in paragraph (2)(B)(i), by striking ''skilled nursing or intermediate care facility'' and inserting ''nursing facility'';

(3) in paragraph (5)(A), by striking ''under'' the second place it appears and inserting ''(or, in the case of waiver years beginning on or after October 1, 1990, with respect to nursing facility services and home and community-based services) under''; and

(4) in paragraph (5)(B)—

(A) in clause (i), by striking ''furnished'' and inserting ''(or, with respect to waiver years beginning on or after October 1, 1990, for nursing facility services) furnished''; and

(B) in clause (iii)(I), by striking ''(regardless'' and inserting ''(or, with respect to waiver years beginning on or after October 1, 1990, which comprise nursing facility services) (regardless''.

SEC. 5174. CORRECTIONS TO DESIGNATIONS OF NEW PROVISIONS.

(a) PARAGRAPHS ADDED TO SECTION 1902(a).—Section 1902(a) is amended—

(1) by striking ''and'' at the end of paragraph (54);

(2) in the paragraph (55) inserted by section 4602(a)(3) of OBRA–1990, by striking the period at the end and inserting a semicolon;

(3) by redesignating the paragraph (55) inserted by section 4604(b)(3) of OBRA–1990 as paragraph (56), by transferring and inserting it after the paragraph (55) inserted by section 4602(a)(3) of such Act, and by striking the period at the end and inserting a semicolon;

(4) by placing paragraphs (57) and (58), inserted by section 4751(a)(1)(C) of OBRA–1990, immediately after paragraph (56), as redesignated by paragraph (3);

(5) in the paragraph (58) inserted by section 4751(a)(1)(C) of OBRA–1990, by striking the period at the end and inserting ''; and''; and

(6) by redesignating the paragraph (58) inserted by section 4752(c)(1)(C) of OBRA–1990 as paragraph (59) and by transferring and inserting it after the paragraph (58) inserted by section 4751(a)(1)(C) of such Act.

(b) PARAGRAPHS ADDED TO SECTION 1903(i).—Section 1903(i), as amended by section 2(b)(2) of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, is amended—

(1) in the paragraph (10) inserted by section 4401(a)(1)(B) of OBRA–1990, by striking all that follows ''1927(g)'' and inserting a semicolon;

(2) by redesignating the paragraph (12) inserted by section 4752(a)(2) of OBRA–1990 as paragraph (11), by transferring and inserting it after the paragraph (10) inserted by section 4401(a)(1)(B) of OBRA–1990, and by striking the period at the end and inserting a semicolon;

(3) by redesignating the paragraph (14) inserted by section 4752(e) of OBRA–1990 as paragraph (12), by transferring and inserting it after paragraph (11), as redesignated by paragraph (2), and by striking the period at the end and inserting ''; or''; and

(4) by redesignating the paragraph (11) inserted by section 4801(e)(16)(A) of OBRA–1990 as paragraph (13) and by transferring and inserting it after paragraph (12), as redesignated by paragraph (3).

(c) PARAGRAPHS ADDED TO SECTION 1905(a).—

(1) IN GENERAL.—Section 1905(a) is amended—

(A) by striking ''and'' at the end of paragraph (21);

(B) in paragraph (24), by striking the comma at the end and inserting ''; and''; and

(C) by redesignating paragraphs (22), (23), and (24) as paragraphs (24), (22), and (23), respectively, and by transferring and inserting paragraph (24) after paragraph (23), as so redesignated.

(2) CONFORMING AMENDMENTS.—(A) Effective July 1, 1991, section 1902(a)(10)(C)(iv), as amended by section 4755(c)(1)(A) of OBRA–1990, is amended by striking ''through (21)'' and inserting ''through (23)''.

(B) Effective July 1, 1991, section 1902(j), as amended by section 4711(d)(1) of OBRA–1990, is amended by striking ''through (22)'' and inserting ''through (24)''.

(d) FINAL SECTIONS.—Section 1928, as redesignated by section 4401(a)(3) of OBRA–1990, is amended—

(1) by transferring such section to the end of title XIX of the Social Security Act; and

(2) by redesignating such section as section 1931.

CHAPTER 2—OTHER HEALTH CARE PROGRAMS

SEC. 5181. NATIONAL VACCINE INJURY COMPENSATION PROGRAM AMENDMENTS.

(a) USE OF VACCINE INJURY COMPENSATION TRUST FUND.—Section 6601(r) of the Omnibus Budget Reconciliation Act of 1989 is amended by striking ''$2,500,000 for each of fiscal years 1991 and 1992'' each place it appears and inserting ''$3,000,000 for fiscal year 1994 and each fiscal year thereafter'' (in three places).

(b) AMENDMENT OF VACCINE INJURY TABLE.—Section 2116(b) of the Public Health Service Act (42 U.S.C. 300aa–16(b)) is amended by striking ''such person may file'' and inserting ''or to significantly increase the likelihood of obtaining compensation, such person may, notwithstanding section 2111(b)(2), file''.

(c) EXTENSION OF TIME FOR DECISION.—Section 2112(d)(3)(D) of such Act (42 U.S.C. 300aa–12(d)(3)(D)) is amended by striking ''540 days'' and inserting ''30 months (but for no more than 6 months at a time)''.

(d) SIMPLIFICATION OF VACCINE INFORMATION MATERIALS.—

(1) Section 2126(b) of such Act (42 U.S.C. 300aa–26(b)) is amended—

(A) by striking ''by rule'' in the matter preceding paragraph (1);

(B) by striking, in paragraph (1), '', opportunity for a public hearing, and 90'' and inserting ''and 30''; and

(C) by striking, in paragraph (2), '', appropriate health care providers and parent organizations''.

(2) Section 2126(c) of such Act (42 U.S.C. 300aa–26(c)) is amended—

(A) by inserting ''shall be based on available data and information,'' after ''such materials'' in the matter preceding paragraph (1), and

(B) by striking paragraphs (1) through (10) and inserting the following:

''(1) a concise description of the benefits of the vaccine,

''(2) a concise description of the risks associated with the vaccine,

''(3) a statement of the availability of the National Vaccine Injury Compensation Program, and

''(4) such other relevant information as may be determined by the Secretary.''.

(3) Subsections (a) and (d) of section 2126 of such Act (42 U.S.C. 300aa–26) are each amended by inserting ''or to any other individual'' after ''to the legal representatives of any child''.

(4) Subsection (d) of section 2126 of such Act (42 U.S.C. 300aa–26) is amended—

(A) by striking all after ''subsection (a),'' the second place it appears in the first sentence and inserting ''supplemented with visual presentations or oral explanations, in appropriate cases.'', and

(B) by striking ''or other information'' in the last sentence.

SEC. 5182. AVAILABILITY OF MEDICAID PAYMENTS FOR CHILDHOOD VACCINE REPLACEMENT PROGRAMS.

(a) IN GENERAL.—Section 1902(a)(32) (42 U.S.C. 1396a(a)(32)) is amended—

(1) by striking ''and'' at the end of subparagraph (B),

(2) by striking the period at the end of subparagraph (C) and inserting ''; and'', and

(3) by adding at the end the following new subparagraph:

''(D) in the case of payment for a childhood vaccine administered to individuals entitled to medical assistance under the State plan, the State plan may make payment directly to the manufacturer of the vaccine under a voluntary replacement program agreed to by the State pursuant to which the manufacturer (i) supplies doses of the vaccine to providers administering the vaccine, (ii) periodically replaces the supply of the vaccine, and (iii) charges the State the manufacturer's bid price to the Centers for Disease Control and Prevention for the vaccine so administered plus a reasonable premium to cover shipping and the handling of returns;''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 5183. MISCELLANEOUS TECHNICAL CORRECTIONS TO PUBLIC HEALTH SERVICE ACT PROVISIONS.

(a) COMPENSATION FOR MEMBERS OF NATIONAL ADVISORY COUNCIL ON NATIONAL HEALTH SERVICE CORPS.—

(1) IN GENERAL.—Section 337(b)(2) of the Public Health Service Act (42 U.S.C. 254j(b)(2)) is amended—

(A) by inserting after ''so serving'' the following: ''compensation at a rate fixed by the Secretary (but not to exceed'', and

(B) by striking ''Schedule;'' and inserting ''Schedule);''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on the date of the enactment of this Act.

(b) LIABILITY PROTECTIONS FOR INDIVIDUALS PROVIDING SERVICES AT CERTAIN CLINICS.—

(1) CLARIFICATION OF VOLUNTARY PARTICIPATION BY CERTAIN ENTITIES.—(A) Section 224(g) of the Public Health Service Act (42 U.S.C. 133(g)(1)), as added by section 2(a) of the Federally Supported Health Centers Assistance Act of 1992, is amended—

(i) in paragraph (4), by striking ''An entity'' and inserting ''Except as provided in paragraph (6), an entity'', and

(ii) by adding at the end the following new paragraph:

''(6) An entity may elect not to be treated as being described in paragraph (4) if the entity establishes that on a continuous basis since October 24, 1992, the entity has been a participant in, and partial owner of, a nonprofit risk retention group which offers malpractice and other liability coverage to the entity.''.

(B) Section 224(k)(2) of such Act (42 U.S.C. 233(k)(2)), as added by section 4 of the Federally Supported Health Centers Assistance Act of 1992, is amended by striking ''entities receiving funds'' and all that follows through ''subsection (g)'' and inserting the following: ''entities described in subsection (g)(4) and receiving funds under each of the grant programs described in such subsection''.

(2) CLARIFICATION OF COVERAGE OF OFFICERS AND EMPLOYEES OF CLINICS.—The first sentence of section 224(g)(1) of the Public Health Service Act (42 U.S.C. 233(g)(1)) is amended by striking ''officer, employee, or contractor'' and inserting the following: ''officer or employee of such an entity, and any contractor''.

(3) COVERAGE FOR SERVICES FURNISHED TO INDIVIDUALS OTHER THAN PATIENTS OF CLINIC.—Section 224(g) of such Act (42 U.S.C. 233(g)(1)), as amended by paragraph (1), is amended—

(A) in the first sentence of paragraph (1), by inserting after ''Service'' the following: ''with respect to services provided to patients of the entity and (subject to paragraph (7)) to certain other individuals''; and

(B) by adding at the end the following new paragraph:

''(7) For purposes of paragraph (1), an officer, employee, or contractor described in such paragraph may be deemed to be an employee of the Public Health Service with respect to services provided to individuals who are not patients of an entity described in paragraph (4) only if the Secretary determines—

''(A) that the provision of the services to such individuals is necessary to assure the treatment of patients of such an entity; or

''(B) that such services are otherwise required to be provided to such individuals under an employment contract (or other similar arrangement) between the individual and the entity.''.

(4) DETERMINING COMPLIANCE OF ENTITY WITH REQUIREMENTS FOR COVERAGE.—Section 224(h) of such Act (42 U.S.C. 233(h)), as added by section 2(b) of the Federally Supported Health Centers Assistance Act of 1992, is amended by striking ''the entity—'' and inserting the following: ''the Secretary, after receiving such assurances and conducting such investigation as the Secretary considers necessary, finds that the entity—''.

(5) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the enactment of the Federally Supported Health Centers Assistance Act of 1992.

(c) ELIMINATION OF DUPLICATE WAIVER AUTHORITY FOR PARTICIPANTS IN NATIONAL HEALTH SERVICE CORPS.—Section 338E(c) of the Public Health Service Act (42 U.S.C. 254o(c)) is amended by striking paragraph (3) and redesignating paragraph (4) as paragraph (3).

(d) CLARIFICATION OF PROHIBITION AGAINST RESALE OF DRUGS UNDER DRUG REBATE AGREEMENTS.—Section 340B(a)(5)(B) of the Public Health Service Act (42 U.S.C. 256b(a)(5)(B)), as added by section 602(a) of the Veterans Health Care of 1992, is amended by striking ''entity.'' and inserting ''covered entity.''.

Subtitle C—Communications Licensing Improvement

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Subtitle C—Communications Licensing Improvement

Sec. 5200. Table of contents.

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CHAPTER 1—COMPETITIVE BIDDING AUTHORITY

SEC. 5201. SHORT TITLE.

This chapter may be cited as the ''Licensing Improvement Act of 1993''.

SEC. 5202. FINDINGS.

The Congress finds that—

(1) current licensing procedures often delay delivery of services to the public and can result in the unjust enrichment of applicants on the basis of the value of the public airwaves;

(2) if licensees are engaged in reselling the use of the public airwaves to subscribers for a fee, the licensee should pay reasonable compensation to the public for those public resources;

(3) a carefully designed system to obtain competitive bids from competing qualified applicants can speed delivery of services, promote efficient and intensive use of the electromagnetic spectrum, prevent unjust enrichment, and produce revenues to compensate the public for the use of the public airwaves; and

(4) therefore, the Federal Communications Commission should have the authority to differentiate among multiple qualified applicants for a single license using a system of competitive bids.

SEC. 5203. AUTHORITY TO USE COMPETITIVE BIDDING.

Section 309 of the Communications Act of 1934 (47 U.S.C. 309) is amended by adding at the end the following new subsection:

''(j) USE OF COMPETITIVE BIDDING.—

''(1) GENERAL AUTHORITY.—If mutually exclusive applications are filed for any initial license or construction permit which will involve a use of the electromagnetic spectrum described in paragraph (2), then the Commission shall have the authority to grant such license or permit to a qualified applicant through the use of a system of competitive bidding that meets the requirements of this subsection.

''(2) USES TO WHICH BIDDING MAY APPLY.—A use of the electromagnetic spectrum is described in this paragraph if the Commission determines that—

''(A) the principal use of such spectrum will involve, or is reasonably likely to involve, the licensee receiving compensation from subscribers in return—

''(i) for the licensee enabling those subscribers to receive communications signals that are transmitted utilizing frequencies on which the licensee is licensed to operate; or

''(ii) for the licensee enabling those subscribers to transmit directly communications signals utilizing frequencies on which the licensee is licensed to operate; and

''(B) a system of competitive bidding will promote the objectives described in paragraph (3).

''(3) DESIGN OF SYSTEMS OF COMPETITIVE BIDDING.—For each license or permit, or class of licenses or permits, that the Commission grants through the use of a competitive bidding system, the Commission shall, by rule, establish a competitive bidding methodology. The Commission shall seek to design and test multiple alternative methodologies under appropriate circumstances. In identifying licenses and permits to be issued by competitive bidding, in specifying eligibility and other characteristics of such licenses and permits, and in designing the methodologies for use under this subsection, the Commission shall seek to promote the purposes specified in section 1 of this Act and the following objectives:

''(A) the development and rapid deployment of new technologies, products, and services for the benefit of the public, including those residing in rural areas, without administrative or judicial delays;

''(B) promoting economic opportunity and competition and ensuring that new and innovative technologies are readily accessible to the American people by avoiding excessive concentration of licenses and by disseminating licenses among a wide variety of applicants, including small businesses and businesses owned by members of minority groups and women;

''(C) recovery for the public of a portion of the value of the public spectrum resource made available for commercial use and avoidance of unjust enrichment through the methods employed to award uses of that resource; and

''(D) efficient and intensive use of the electromagnetic spectrum.

''(4) CONTENTS OF REGULATIONS.—In prescribing rules pursuant to paragraph (3), the Commission shall—

''(A) consider alternative payment schedules and methods of calculation, including initial lump sums, installment or royalty payments, guaranteed annual minimum payments, or other schedules or methods that promote the objectives described in paragraph (3)(B), and combinations of such schedules and methods;

''(B) include performance requirements, such as appropriate deadlines and penalties for performance failures, to ensure prompt delivery of service to rural areas, to prevent stockpiling or warehousing of spectrum by licensees or permittees, and to promote investment in and rapid deployment of new technologies and services;

''(C) consistent with the public interest, convenience, and necessity, the purposes of this Act, and the characteristics of the proposed service, prescribe area designations and bandwidth assignments that promote (i) an equitable distribution of licenses and services among geographic areas, (ii) economic opportunity for a wide variety of applicants, including small businesses and businesses owned by members of minority groups and women, and (iii) investment in and rapid deployment of new technologies and services; and

''(D) require such transfer disclosures and antitrafficking restrictions and payment schedules as may be necessary to prevent unjust enrichment as a result of the methods employed to issue licenses and permits.

''(5) BIDDER AND LICENSEE QUALIFICATION.—No person shall be permitted to participate in a system of competitive bidding pursuant to this subsection unless such bidder submits

such information and assurances as the Commission may require to demonstrate that such bidder's application is acceptable for filing. No license shall be granted to an applicant selected pursuant to this subsection unless the Commission determines that the applicant is qualified pursuant to subsection (a) and sections 308(b) and 310. Consistent with the objectives described in paragraph (3), the Commission shall, by rule, prescribe expedited procedures consistent with the procedures authorized by subsection (i)(2) for the resolution of any substantial and material issues of fact concerning qualifications.

''(6) RULES OF CONSTRUCTION.—Nothing in this subsection, or in the use of competitive bidding, shall—

''(A) limit or otherwise affect the requirements of subsection (h) of this section, section 301, 304, 307, 310, or 706, or any other provision of this Act (other than subsections (d)(2) and (e) of this section);

''(B) be construed to convey any rights, including any expectation of renewal of a license, that differ from the rights that apply to other licenses within the same service that were not issued pursuant to this subsection; or

''(C) be construed to prohibit the Commission from issuing nationwide licenses or permits.

''(7) LIMITATION OF EFFECT ON ALLOCATION DECISIONS.—In making a decision pursuant to section 303(c) to assign a band of frequencies to a use for which licenses or permits will be issued pursuant to this subsection, and in prescribing regulations pursuant to paragraph (4)(A) and (4)(C) of this subsection, the Commission may not base a finding of public interest, convenience, and necessity solely or predominantly on the expectation of Federal revenues from the use of a system of competitive bidding under this subsection.

''(8) TREATMENT OF REVENUES.—All proceeds from the use of a competitive bidding system under this subsection shall be deposited in the Treasury in accordance with chapter 33 of title 31, United States Code. A license or permit issued by the Commission under this section shall not be treated as the property of the licensee for tax purposes by any State or local government entity.

''(9) TERMINATION; EVALUATION.—The authority of the Commission to grant a license or permit under this subsection shall expire September 30, 1998. Not later than September 30, 1997, the Commission shall conduct a public inquiry and submit to the Congress a report—

''(A) describing the methodologies established by the Commission pursuant to paragraphs (3) and (4);

''(B) comparing the relative advantages and disadvantages of such methodologies in terms of attaining the objectives described in such paragraphs;

''(C) evaluating the extent to which such methodologies have secured prompt delivery of service to rural areas; and

''(D) containing a statement of the revenues obtained, and a projection of the future revenues, from the use of competitive bidding systems under this subsection.''.

SEC. 5204. CONFORMING AMENDMENTS.

Section 309 of the Communications Act of 1934 is further amended—

(1) by striking subsection (i)(1) and inserting the following:

''(i) RANDOM SELECTION.—

''(1) GENERAL AUTHORITY.—If—

''(A) there is more than one application for any initial license or construction permit which will involve a use of the electromagnetic spectrum; and

''(B) the Commission has determined that the use is not described in subsection (j)(2)(A);

then the Commission shall have the authority to grant such license or permit to a qualified applicant through the use of a system of random selection.'';

(2) in paragraph (2)—

(A) by indenting paragraph (2), including subparagraphs (A) through (C), by an additional 2 em spaces; and

(B) by inserting ''DETERMINATIONS OF QUALIFICATIONS.—'' after ''(2)'';

(3) in paragraph (3)—

(A) by indenting subparagraphs (A) and (B), and so much of subparagraph (C) as precedes clause (i), by an additional 2 em spaces;

(B) by indenting clauses (i) and (ii) of subparagraph (C) by an additional 4 em spaces; and

(C) by inserting ''PREFERENCES; DIVERSITY.—'' after ''(3)'';

(4) in paragraph (4)—

(A) by indenting subparagraphs (A) and (B) of such paragraph by an additional 2 em spaces;

(B) by inserting ''RULEMAKING SCHEDULE AND AUTHORITY.—'' after ''(4)''; and

(C) by adding at the end the following new subparagraph:

''(C) Not later than 180 days after the date of enactment of this subparagraph, the Commission shall prescribe such transfer disclosures and antitrafficking restrictions and payment schedules as are necessary to prevent the unjust enrichment of recipients of licenses or permits as a result of the methods employed to issue licenses under this subsection.''.

SEC. 5205. REGULATORY PARITY.

(a) AMENDMENT.—Section 332 of the Communications Act of 1934 (47 U.S.C. 332) is amended—

(1) by striking ''PRIVATE LAND'' from the heading of the section; and

(2) by amending striking subsection (c) and inserting the following:

''(c) REGULATORY TREATMENT OF MOBILE SERVICES.—

''(1) COMMON CARRIER TREATMENT OF COMMERCIAL MOBILE SERVICES.—(A) A person engaged in the provision of commercial mobile services shall, insofar as such person is so engaged, be treated as a common carrier for purposes of this Act, except for such provisions of title II as the Commission may, consistent with the public interest, specify as inapplicable by rule. In prescribing any such rule, the Commission may not specify section 201, 202, or 208, or any other provision that the Commission determines to be necessary in order to ensure that the charges, practices, classifications, or regulations for or in connection with commercial mobile services are just and reasonable and are not unjustly or unreasonably discriminatory or is otherwise in the public interest.

''(B) Upon reasonable request of any person providing commercial mobile service, the Commission shall order a common carrier to establish physical connections with such service pursuant to the provisions of section 201 of this Act. Except to the extent that the Commission is required to respond to such a request, this subparagraph shall not be construed as a limitation or expansion of the Commission's authority to order interconnection pursuant to this Act.

''(2) NONCOMMON CARRIER TREATMENT OF PRIVATE LAND MOBILE SERVICES.—A person engaged in private land mobile service shall not, insofar as such person is so engaged, be treated as a common carrier for any purpose under this Act. A common carrier (other than a person that was treated as provider of private land mobile services prior to the enactment of the Licensing Improvement Act of 1993) shall not provide any dispatch service on any frequency allocated for common carrier service, except to the extent such dispatch service is provided on stations licensed in the domestic public land mobile radio service before January 1, 1982. The Commission may by regulation terminate, in whole or in part, the prohibition contained in the preceding sentence if the Commission determines that such termination will serve the public interest.

''(3) STATE AUTHORITY TO REGULATE.—(A) Notwithstanding sections 2(b) and 221(b), no State or local government shall have any authority to impose any rate or entry regulation upon any commercial mobile service or any private land mobile service, except that this paragraph shall not prohibit a State from regulating the other terms and conditions of commercial mobile services.

''(B) Notwithstanding subparagraph (A), a State may petition the Commission for authority to regulate the rates for any commercial mobile service, and the Commission shall grant such petition, if such State demonstrates that (i) such service is a substitute for land line telephone exchange service for a substantial portion of the public within such State, or (ii) market conditions with respect to such services fail to protect subscribers adequately from unjust and unreasonable rates or rates that are unjustly or unreasonably discriminatory. The Commission shall provide reasonable opportunity for public comment in response to such petition, and shall, within 9 months after the date of its submission, grant or deny such petition. If the Commission grants such petition, the Commission shall authorize the State to exercise under State law such authority over rates, for such periods of time, as the Commission deems necessary to ensure that such rates are just and reasonable and not unjustly or unreasonably discriminatory.

''(4) REGULATORY TREATMENT OF COMMUNICATIONS SATELLITE CORPORATION.—Nothing in this subsection shall be construed to alter or affect the regulatory treatment required by title IV of the Communications Satellite of 1962 of the corporation authorized by title III of such Act.

''(d) DEFINITIONS.—For purposes of this section—

''(1) the term 'commercial mobile service' means all mobile services (as defined in section 3(n)) that—

''(A) are provided for profit (i) to the public, (ii) on an indiscriminate basis, or (iii) to such broad classes of eligible users as to be effectively available to a substantial portion of the public; and

''(B) are interconnected (or have requested interconnection pursuant to paragraph (1)(B)) with the public switched network (as such terms are defined by regulation by the Commission); and

''(2) the term 'private mobile service' means any mobile service (as defined in section 3(n)) that is not a commercial mobile service.''.

(b) CONFORMING AMENDMENTS.—

(1) AMENDMENTS TO DEFINITIONS.—Section 3 of the Communications Act of 1934 (47 U.S.C. 153) is amended—

(A) in subsection (n)—

(i) by inserting ''(1)'' after ''and includes''; and

(ii) by inserting before the period at the end the following: '', (2) a mobile service which provides a regularly interacting group of base, mobile, portable, and associated control and relay stations (whether licensed on an individual, cooperative, or multiple basis) for private one-way or two-way land mobile radio communications by eligible users over designated areas of operation, and (3) any service for which a license is required in a personal communications service established pursuant to the proceeding entitled 'Amendment of the Commission's Rules to Establish New Personal Communications Services'

(GEN Docket No. 90–314; ET Docket No. 92–100), or any successor proceeding''; and

(B) by striking subsection (gg).

(2) CONFORMING AMENDMENTS TO SECTION 332.—Section 332 of such Act is further amended—

(A) in subsection (a), by inserting after ''(a)'' the following: ''MANAGEMENT OF PRIVATE LAND MOBILE FREQUENCIES.—'';

(B) in subsection (b)—

(i) by indenting the margin of paragraphs (2) through (4) by 2 em spaces;

(ii) by striking ''(b)(1)'' and inserting the following:

''(b) USE OF ADVISORY COMMITTEE.—

''(1) COORDINATION OF FREQUENCY ASSIGNMENT.—'';

(iii) by inserting ''EXEMPTION.—'' after ''(2)'';

(iv) by inserting ''NONEMPLOYEE STATUS.—'' after ''(3)''; and

(v) by inserting ''APPLICATION OF FEDERAL ADVISORY COMMITTEE ACT.—'' after ''(4).

SEC. 5206. EFFECTIVE DATES; DEADLINES FOR COMMISSION ACTION.

(a) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this chapter are effective on the date of enactment of this Act.

(2) EFFECTIVE DATE OF MOBILE SERVICE AMENDMENTS.—The amendments made by section 5205 shall be effective 1 year after such date of enactment, except that any person that provides private land mobile services before such date of enactment shall continue to be treated as a provider of private land mobile service until 3 years after such date of enactment.

(b) DEADLINES FOR COMMISSION ACTION.—

(1) GENERAL RULEMAKING.—The Federal Communications Commission shall prescribe rules to implement section 309(j) of the Communications Act of 1934 (as added by this chapter) within 210 days after the date of enactment of this Act.

(2) PCS ORDERS AND LICENSING.—The Commission shall—

(A) within 180 days after such date of enactment, issue a final report and order (i) in the matter entitled ''Redevelopment of Spectrum to Encourage Innovation in the Use of New Telecommunications Technologies'' (ET Docket No. 92–9); and (ii) in the matter entitled ''Amendment of the Commission's Rules to Establish New Personal Communications Services'' (GEN Docket No. 90–314; ET Docket No. 92–100); and

(B) within 270 days after such date of enactment, commence issuing licenses and permits in the personal communications service.

(3) MOBILE SERVICE RULEMAKING REQUIRED.—Within 1 year after the date of enactment of this Act, the Federal Communications Commission shall—

(A) issue such modifications or terminations of its regulations concerning private land mobile services as are necessary to implement the amendments made by section 5205;

(B) make such other modifications of such regulations as may be necessary to equalize the regulatory treatment of providers of all commercial mobile services that offer services that are substantially similar; and

(C) include in such modifications and terminations such provisions as are necessary to provide for an orderly transition to the regulatory treatment required by such amendments.

(c) SPECIAL RULE.—The Federal Communications Commission shall not issue any license or permit pursuant to section 309(i) of the Communications Act of 1934 after the date of enactment of this Act unless the Commission has made the determination required by paragraph (1)(B) of such section (as added by this chapter).

CHAPTER 2—EMERGING TELECOMMUNICATIONS TECHNOLOGIES

SEC. 5221. SHORT TITLE.

This chapter may be cited as the ''Emerging Telecommunications Technologies Act of 1993''.

SEC. 5222. AMENDMENT TO THE NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION ORGANIZATION ACT.

The National Telecommunications and Information Administration Organization Act is amended—

(1) by striking the heading of part B and inserting the following:

"PART D—SPECIAL AND TEMPORARY PROVISIONS";

(3) by redesignating sections 131 through 135 as sections 151 through 155, respectively; and

(2) by inserting after part A the following new part:

"PART B—EMERGING TELECOMMUNICATIONS TECHNOLOGIES

"SEC. 111. FINDINGS.

''The Congress finds that—

''(1) the Federal Government currently reserves for its own use, or has priority of access to, approximately 40 percent of the electromagnetic spectrum that is assigned for use pursuant to the Communications Act of 1934;

''(2) many of such frequencies are underutilized by Federal Government licensees;

''(3) the public interest requires that many of such frequencies be utilized more efficiently by Federal Government and non-Federal licensees;

''(4) additional frequencies are assigned for services that could be obtained more efficiently from commercial carriers or other vendors;

''(5) scarcity of assignable frequencies for licensing by the Commission can and will—

''(A) impede the development and commercialization of new telecommunications products and services;

''(B) limit the capacity and efficiency of the United States telecommunications systems;

''(C) prevent some State and local police, fire, and emergency services from obtaining urgently needed radio channels; and

''(D) adversely affect the productive capacity and international competitiveness of the United States economy;

''(6) a reassignment of these frequencies can produce significant economic returns; and

''(7) the Secretary of Commerce, the President, and the Federal Communications Commission should be directed to take appropriate steps to correct these deficiencies.

"SEC. 112. NATIONAL SPECTRUM PLANNING.

''(a) PLANNING ACTIVITIES.—The Assistant Secretary and the Chairman of the Commission shall meet, at least biannually, to conduct joint spectrum planning with respect to the following issues—

''(1) the future spectrum requirements for public and private uses, including State and local government public safety agencies;

''(2) the spectrum allocation actions necessary to accommodate those uses; and

''(3) actions necessary to promote the efficient use of the spectrum, including spectrum management techniques to promote increased shared use of the spectrum that does not cause harmful interference as a means of increasing commercial access.

''(b) REPORTS.—The Assistant Secretary and the Chairman of the Commission shall submit a joint annual report to the Committee on Energy and Commerce of the House of Representatives, the Committee on Commerce, Science, and Transportation of the Senate, the Secretary, and the Commission on the joint spectrum planning activities conducted under subsection (a) and recommendations for action developed pursuant to such activities.

''(c) REPORTING REQUIREMENTS.—The first annual report submitted after the date of the report by the advisory committee under section 113(d)(4) shall—

''(1) include an analysis of and response to that committee report; and

''(2) include an analysis of the effect on spectrum efficiency and the cost of equipment to Federal spectrum users of maintaining separate allocations for Federal Government and non-Federal Government licensees for the same or similar services.

"SEC. 113. IDENTIFICATION OF REALLOCABLE FREQUENCIES.

''(a) IDENTIFICATION REQUIRED.—The Secretary shall, within 24 months after the date of the enactment of this part, prepare and submit to the President and the Congress a report identifying bands of frequencies that—

''(1) are allocated on a primary basis for Federal Government use and eligible for licensing pursuant to section 305(a) of the Act (47 U.S.C. 305(a));

''(2) are not required for the present or identifiable future needs of the Federal Government;

''(3) can feasibly be made available, as of the date of submission of the report or at any time during the next 15 years, for use under the Act (other than for Federal Government stations under such section 305);

''(4) will not result in costs to the Federal Government, or losses of services or benefits to the public, that are excessive in relation to the benefits that may be obtained by non-Federal licensees; and

''(5) are most likely to have the greatest potential for productive uses and public benefits under the Act.

''(b) MINIMUM AMOUNT OF SPECTRUM RECOMMENDED.—

''(1) IN GENERAL.—Based on the report required by subsection (a), the Secretary shall recommend for reallocation, for use other than by Federal Government stations under section 305 of the Act (47 U.S.C. 305), bands of frequencies that span a total of not less than 200 megahertz, that are located below 6 gigahertz, and that meet the criteria specified in paragraphs (1) through (4) of subsection (a). The Secretary may not include, in such 200 megahertz, bands of frequencies that span more than 20 megahertz and that are located between 5 and 6 gigahertz. If the report identifies (as meeting such criteria) bands of frequencies spanning more than 200 megahertz, the report shall identify and recommend for reallocation those bands (spanning not less than 200 megahertz) that meet the criteria specified in paragraph (5) of such subsection.

''(2) MIXED USES PERMITTED TO BE COUNTED.—Bands of frequencies which the Secretary's report recommends be partially retained for use by Federal Government stations, but which are also recommended to be reallocated to be made available under the Act for use by non-Federal stations, may be counted toward the minimum spectrum required by paragraph (1) of this subsection, except that—

''(A) the bands of frequencies counted under this paragraph may not count toward more than one-half of the minimum required by paragraph (1) of this subsection;

''(B) a band of frequencies may not be counted under this paragraph unless the assignments of the band to Federal Government stations under section 305 of the Act (47 U.S.C. 305) are limited by geographic area, by time, or by other means so as to guarantee that the potential use to be made by such Federal Government stations is substan-

tially less (as measured by geographic area, time, or otherwise) than the potential use to be made by non-Federal stations; and

''(C) the operational sharing permitted under this paragraph shall be subject to coordination procedures which the Commission shall establish and implement to ensure against harmful interference.

''(c) CRITERIA FOR IDENTIFICATION.—

''(1) NEEDS OF THE FEDERAL GOVERNMENT.—In determining whether a band of frequencies meets the criteria specified in subsection (a)(2), the Secretary shall—

''(A) consider whether the band of frequencies is used to provide a communications service that is or could be available from a commercial carrier or other vendor;

''(B) seek to promote—

''(i) the maximum practicable reliance on commercially available substitutes;

''(ii) the sharing of frequencies (as permitted under subsection (b)(2));

''(iii) the development and use of new communications technologies; and

''(iv) the use of nonradiating communications systems where practicable; and

''(C) seek to avoid—

''(i) serious degradation of Federal Government services and operations; and

''(ii) excessive costs to the Federal Government and users of Federal Government services.

''(2) FEASIBILITY OF USE.—In determining whether a frequency band meets the criteria specified in subsection (a)(3), the Secretary shall—

''(A) assume such frequencies will be assigned by the Commission under section 303 of the Act (47 U.S.C. 303) over the course of not less than 15 years;

''(B) assume reasonable rates of scientific progress and growth of demand for telecommunications services;

''(C) determine the extent to which the reallocation or reassignment will relieve actual or potential scarcity of frequencies available for licensing by the Commission for non-Federal use;

''(D) seek to include frequencies which can be used to stimulate the development of new technologies; and

''(E) consider the immediate and recurring costs to reestablish services displaced by the reallocation of spectrum.

''(3) ANALYSIS OF BENEFITS.—In determining whether a band of frequencies meets the criteria specified in subsection (a)(4), the Secretary shall consider—

''(A) the extent to which equipment is or will be available that is capable of utilizing the band;

''(B) the proximity of frequencies that are already assigned for commercial or other non-Federal use; and

''(C) the activities of foreign governments in making frequencies available for experimentation or commercial assignments in order to support their domestic manufacturers of equipment.

''(4) POWER AGENCY FREQUENCIES.—

''(A) ELIGIBLE FOR MIXED USE ONLY.—The frequencies assigned to any Federal power agency may only be eligible for mixed use under subsection (b)(2) in geographically separate areas and shall not be recommended for the purposes of withdrawing that assignment. In any case where a frequency is to be shared by an affected Federal power agency and a non-Federal user, such use by the non-Federal user shall, consistent with the procedures established under subsection (b)(2)(C), not cause harmful interference to the affected Federal power agency or adversely affect the reliability of its power system.

''(B) DEFINITION.—As used in this paragraph, the term 'Federal power agency' means the Tennessee Valley Authority, the Bonneville Power Administration, the Western Area Power Administration, or the Southwestern Power Administration.

''(d) PROCEDURE FOR IDENTIFICATION OF REALLOCABLE BANDS OF FREQUENCIES.—

''(1) SUBMISSION OF PRELIMINARY IDENTIFICATION TO CONGRESS.—Within 12 months after the date of the enactment of this part, the Secretary shall prepare and submit to the Congress a report which makes a preliminary identification of reallocable bands of frequencies which meet the criteria established by this section.

''(2) CONVENING OF ADVISORY COMMITTEE.—Not later than the date the Secretary submits the report required by paragraph (1), the Secretary shall convene an advisory committee to—

''(A) review the bands of frequencies identified in such report;

''(B) advise the Secretary with respect to (i) the bands of frequencies which should be included in the final report required by subsection (a), and (ii) the effective dates which should be established under subsection (e) with respect to such frequencies;

''(C) receive public comment on the Secretary's report and on the final report; and

''(D) prepare and submit the report required by paragraph (4).

The advisory committee shall meet at least monthly until each of the actions required by section 114(a) have taken place.

''(3) COMPOSITION OF COMMITTEE; CHAIRMAN.—The advisory committee shall include—

''(A) the Chairman of the Commission and the Assistant Secretary, and one other representative of the Federal Government as designated by the Secretary; and

''(B) representatives of—

''(i) United States manufacturers of spectrum-dependent telecommunications equipment;

''(ii) commercial carriers;

''(iii) other users of the electromagnetic spectrum, including radio and television broadcast licensees, State and local public safety agencies, and the aviation industry; and

''(iv) other interested members of the public who are knowledgeable about the uses of the electromagnetic spectrum.

A majority of the members of the committee shall be members described in subparagraph (B), and one of such members shall be designated as chairman by the Secretary.

''(4) RECOMMENDATIONS ON SPECTRUM ALLOCATION PROCEDURES.—The advisory committee shall, not later than 36 months after the date of the enactment of this part, submit to the Secretary, the Commission, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Commerce, Science, and Transportation of the Senate, a report containing such recommendations as the advisory committee considers appropriate for the reform of the process of allocating the electromagnetic spectrum between Federal and non-Federal use, and any dissenting views thereon.

''(e) TIMETABLE FOR REALLOCATION AND LIMITATION.—

''(1) TIMETABLE REQUIRED.—The Secretary shall, as part of the report required by subsection (a), include a timetable that recommends immediate and delayed effective dates by which the President shall withdraw or limit assignments on the frequencies specified in the report.

''(2) EXPEDITED REALLOCATION OF INITIAL 30 MHZ PERMITTED.—The Secretary may prepare and submit to the President a report which specifically identifies an initial 30 megahertz of spectrum that meets the criteria described in subsection (a) and that can be made available for reallocation immediately upon issuance of the report required by this section.

''(3) DELAYED EFFECTIVE DATE.—The recommended delayed effective dates shall—

''(A) permit the earliest possible reallocation of the frequency bands, taking into account the requirements of section 115(1);

''(B) be based on the useful remaining life of equipment that has been purchased or contracted for to operate on identified frequencies;

''(C) be based on the need to coordinate frequency use with other nations; and

''(D) take into account the relationship between the costs to the Federal Government of changing to different frequencies and the benefits that may be obtained from commercial and other non-Federal uses of the reassigned frequencies.

"SEC. 114. WITHDRAWAL OF ASSIGNMENT TO FEDERAL GOVERNMENT STATIONS.

''(a) IN GENERAL.—The President shall—

''(1) within 6 months after receipt of the Secretary's report under section 113(a), withdraw the assignment to a Federal Government station of any frequency which the report recommends for immediate reallocation;

''(2) within such 6-month period, limit the assignment to a Federal Government station of any frequency which the report recommends be made immediately available for mixed use under section 113(b)(2);

''(3) by the delayed effective date recommended by the Secretary under section 113(e) (except as provided in subsection (b)(4) of this section), withdraw or limit the assignment to a Federal Government station of any frequency which the report recommends be reallocated or made available for mixed use on such delayed effective date;

''(4) assign or reassign other frequencies to Federal Government stations as necessary to adjust to such withdrawal or limitation of assignments; and

''(5) transmit a notice and description to the Commission and each House of Congress of the actions taken under this subsection.

''(b) EXCEPTIONS.—

''(1) AUTHORITY TO SUBSTITUTE.—If the President determines that a circumstance described in paragraph (2) exists, the President—

''(A) may substitute an alternative frequency or band of frequencies for the frequency or band that is subject to such determination and withdraw (or limit) the assignment of that alternative frequency or band in the manner required by subsection (a); and

''(B) shall submit a statement of the reasons for taking the action described in subparagraph (A) to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

''(2) GROUNDS FOR SUBSTITUTION.—For purposes of paragraph (1), the following circumstances are described in this paragraph:

''(A) the reassignment would seriously jeopardize the national defense interests of the United States;

''(B) the frequency proposed for reassignment is uniquely suited to meeting important governmental needs;

''(C) the reassignment would seriously jeopardize public health or safety; or

''(D) the reassignment will result in costs to the Federal Government that are excessive in relation to the benefits that may be obtained from commercial or other non-Federal uses of the reassigned frequency.

''(3) CRITERIA FOR SUBSTITUTED FREQUENCIES.—For purposes of paragraph (1), a frequency may not be substituted for a frequency identified by the report of the Secretary under section 113(a) unless the substituted frequency also meets each of the criteria specified by section 113(a).

''(4) DELAYS IN IMPLEMENTATION.—If the President determines that any action cannot

be completed by the delayed effective date recommended by the Secretary pursuant to section 113(e), or that such an action by such date would result in a frequency being unused as a consequence of the Commission's plan under section 115, the President may—

''(A) withdraw or limit the assignment to Federal Government stations on a later date that is consistent with such plan, except that the President shall notify each committee specified in paragraph (1)(B) and the Commission of the reason that withdrawal or limitation at a later date is required; or

''(B) substitute alternative frequencies pursuant to the provisions of this subsection.

''(c) LIMITATION ON DELEGATION.—Notwithstanding any other provision of law, the authorities and duties established by this section may not be delegated.

''SEC. 115. DISTRIBUTION OF FREQUENCIES BY THE COMMISSION.

''Not later than 1 year after the President notifies the Commission pursuant to section 114(a)(5), the Commission shall prepare, in consultation with the Assistant Secretary when necessary, and submit to the President and the Congress, a plan for the distribution under the Act of the frequency bands reallocated pursuant to the requirements of this part. Such plan shall—

''(1) not propose the immediate distribution of all such frequencies, but, taking into account the timetable recommended by the Secretary pursuant to section 113(e), shall propose—

''(A) gradually to distribute the frequencies remaining, after making the reservation required by subparagraph (B), over the course of a period of not less than 10 years beginning on the date of submission of such plan; and

''(B) to reserve a significant portion of such frequencies for distribution beginning after the end of such 10-year period;

''(2) contain appropriate provisions to ensure—

''(A) the availability of frequencies for new technologies and services in accordance with the policies of section 7 of the Act (47 U.S.C. 157); and

''(B) the availability of frequencies to stimulate the development of such technologies;

''(3) address (A) the feasibility of reallocating spectrum from current commercial and other non-Federal uses to provide for more efficient use of the spectrum, and (B) innovation and marketplace developments that may affect the relative efficiencies of different spectrum allocations; and

''(4) not prevent the Commission from allocating bands of frequencies for specific uses in future rulemaking proceedings.

''SEC. 116. AUTHORITY TO RECOVER REASSIGNED FREQUENCIES.

''(a) AUTHORITY OF PRESIDENT.—Subsequent to the withdrawal of assignment to Federal Government stations pursuant to section 114, the President may reclaim reassigned frequencies for reassignment to Federal Government stations in accordance with this section.

''(b) PROCEDURE FOR RECLAIMING FREQUENCIES.—

''(1) UNALLOCATED FREQUENCIES.—If the frequencies to be reclaimed have not been allocated or assigned by the Commission pursuant to the Act, the President shall follow the procedures for substitution of frequencies established by section 114(b) of this part.

''(2) ALLOCATED FREQUENCIES.—If the frequencies to be reclaimed have been allocated or assigned by the Commission, the President shall follow the procedures for substitution of frequencies established by section 114(b) of this part, except that the notification required by section 114(b)(1)(A) shall include—

''(A) a timetable to accommodate an orderly transition for licensees to obtain new frequencies and equipment necessary for its utilization; and

''(B) an estimate of the cost of displacing spectrum users licensed by the Commission.

''(c) COSTS OF RECLAIMING FREQUENCIES; APPROPRIATIONS AUTHORIZED.—The Federal Government shall bear all costs of reclaiming frequencies pursuant to this section, including the cost of equipment which is rendered unusable, the cost of relocating operations to a different frequency band, and any other costs that are directly attributable to the reclaiming of the frequency pursuant to this section. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

''(d) EFFECTIVE DATE OF RECLAIMED FREQUENCIES.—The Commission shall not withdraw licenses for any reclaimed frequencies until the end of the fiscal year following the fiscal year in which the President's notification is received.

''(e) EFFECT ON OTHER LAW.—Nothing in this section shall be construed to limit or otherwise affect the authority of the President under sections 305 and 706 of the Act (47 U.S.C. 305, 606).

''SEC. 117. DEFINITIONS.

''As used in this part:

''(1) The term 'allocation' means an entry in the National Table of Frequency Allocations of a given frequency band for the purpose of its use by one or more radiocommunication services.

''(2) The term 'assignment' means an authorization given to a station licensee to use specific frequencies or channels.

''(3) The term 'commercial carrier' means any entity that uses a facility licensed by the Federal Communications Commission pursuant to the Communications Act of 1934 for hire or for its own use, but does not include Federal Government stations licensed pursuant to section 305 of the Act (47 U.S.C. 305).

''(4) The term 'the Act' means the Communications Act of 1934 (47 U.S.C. 151 et seq.).''.

CHAPTER 3—COMMUNICATIONS TECHNICAL AMENDMENTS

SEC. 5241. CLERICAL CORRECTIONS.

(a) AMENDMENTS TO THE COMMUNICATIONS ACT OF 1934.—The Communications Act of 1934 is amended—

(1) in section 4(f)(3), by striking ''overtime exceeds beyond'' and inserting ''overtime extends beyond'';

(2) in section 5, by redesignating subsection (f) as subsection (e);

(3) in section 220(b), by striking ''clasess'' and inserting ''classes'';

(4) in section 223(b)(3), by striking ''defendant restrict access'' and inserting ''defendant restricted access'';

(5) in section 226(d), by striking paragraph (2) and redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively;

(6) in section 227(e)(2), by striking ''national datebase'' and inserting ''national database'';

(7) in section 228(c)(6)(D), by striking ''conservation'' and inserting ''conversation'';

(8) in section 308(c), by striking ''May 24, 1921'' and inserting ''May 27, 1921'';

(9) in section 331, by amending the heading of such section to read as follows:

''VERY HIGH FREQUENCY STATIONS AND AM RADIO STATIONS'';

(10) in section 358, by striking ''(a)'';

(11) in part III of title III—

(A) by inserting before section 381 the following heading:

''VESSELS TRANSPORTING MORE THAN SIX PASSENGERS FOR HIRE REQUIRED TO BE EQUIPPED WITH RADIO TELEPHONE'';

(B) by inserting before section 382 the following heading:

''VESSELS EXCEPTED FROM RADIO TELEPHONE REQUIREMENT'';

(C) by inserting before section 383 the following heading:

''EXEMPTIONS BY COMMISSION'';

(D) by inserting before section 384 the following heading:

''AUTHORITY OF COMMISSION; OPERATIONS, INSTALLATIONS, AND ADDITIONAL EQUIPMENT'';

(E) by inserting before section 385 the following heading:

''INSPECTIONS''; and

(F) by inserting before section 386 the following heading:

''FORFEITURES'';

(12) in section 410(c), by striking '', as referred to in sections 202(b) and 205(f) of the Interstate Commerce Act,'';

(13) in section 705(e)(3)(A), by striking ''paragraph (4) of subsection (d)'' and inserting ''paragraph (4) of this subsection'';

(14) in section 705, by redesignating subsections (f) and (g) (as added by Public Law 100–667) as subsections (g) and (h); and

(15) in section 705(h) (as so redesignated), by striking ''subsection (f)'' and inserting ''subsection (g)''.

(b) AMENDMENTS TO THE COMMUNICATIONS SATELLITE ACT OF 1962.—The Communications Satellite Act of 1962 is amended—

(1) in section 303(a)—

(A) by striking ''section 27(d)'' and inserting ''section 327(d)'';

(B) by striking ''sec. 29–911(d)'' and inserting ''sec. 29–327(d)'';

(C) by striking ''section 36'' and inserting ''section 336''; and

(D) by striking ''sec. 29–916d'' and inserting ''sec. 29–336(d)'';

(2) in section 304(d), by striking ''paragraphs (1), (2), (3), (4), and (5) of section 310(a)'' and inserting ''subsection (a) and paragraphs (1) through (4) of subsection (b) of section 310''; and

(3) in section 304(e)—

(A) by striking ''section 45(b)'' and inserting ''section 345(b)''; and

(B) by striking ''sec. 29–920(b)'' and inserting ''sec. 29–345(b)''; and

(4) in sections 502(b) and 503(a)(1), by striking ''Communications Satellite Corporation'' and inserting ''communications satellite corporation established pursuant to title III of this Act''.

(c) CONFORMING AMENDMENT.—Section 1253 of the Omnibus Budget Reconciliation Act of 1981 is repealed.

SEC. 5242. TRANSFER OF PROVISIONS OF LAW CONCERNING PUBLIC TELECOMMUNICATIONS FACILITIES, CHILDREN'S EDUCATIONAL TELEVISION, AND TELECOMMUNICATIONS DEMONSTRATION PROGRAM.

(a) AMENDMENTS.—The Communications Act of 1934 (hereinafter in this section referred to as ''the 1934 Act'') and the National Telecommunications and Information Administration Organization Act (hereinafter in this section referred to as ''the NTIAO Act'') are amended as follows:

(1) The NTIAO Act is amended by inserting after part B (as added by chapter 2 of this subtitle) a new part C, the heading of which shall be as follows:

''PART C—ASSISTANCE FOR PUBLIC TELECOMMUNICATIONS FACILITIES; CHILDREN'S EDUCATIONAL TELEVISION; TELECOMMUNICATIONS DEMONSTRATIONS'';

(2) Sections 390, 391, 392, 393, 393A, 394, and 395 of the 1934 Act are transferred to such new part C of the NTIAO Act and are redesignated as sections 121, 122, 123, 124, 125, 131, and 135, respectively, of the NTIAO Act.

(3) Such new part C of the NTIAO Act is amended—

(A) by inserting before section 121 the following:

"Subpart 1—Assistance for Public Telecommunications Facilities";

(B) by inserting before section 131 the following:

"Subpart 2—National Endowment for Children's Television";

(C) by inserting before section 135 the following:

"Subpart 3—Telecommunications Demonstrations".

(4) Section 125 of the NTIAO Act (as added by paragraph (2) of this subsection) is amended by striking ''section 390'' and inserting ''section 121''.

(5) Each of such sections 121 through 135 is amended so that the section designation and section heading of each such shall be in the form and typeface of the section designation and section heading of this section.

(b) CONFORMING AMENDMENT TO COMMUNICATIONS ACT OF 1934.—Part IV of title III of the 1934 Act is amended by striking out subparts A, B, and C.

(c) REFERENCES IN OTHER LAWS AND DOCUMENTS.—Any reference to any section or other provision of subpart A, B, or C of part IV of title III of the 1934 Act in any law, rule, regulation, certificate, directive, instruction, or other official paper in force on the date of enactment of this section shall be deemed to refer to the section or other provision of subpart 1, 2, or 3 of part C of the NTIAO Act to which such section or other provision is transferred by this section.

SEC. 5243. ELIMINATION OF EXPIRED AND OUTDATED PROVISIONS.

(a) AMENDMENTS TO THE COMMUNICATIONS ACT OF 1934.—The Communications Act of 1934 is amended—

(1) in section 7(b), by striking ''or twelve months after the date of the enactment of this section, if later'' both places it appears;

(2) in section 212, by striking ''After sixty days from the enactment of this Act it shall'' and inserting ''It shall'';

(3) in section 213, by striking subsection (g) and redesignating subsection (h) as subsection (g);

(4) in section 214(a), by striking ''section 221 or 222'' and inserting ''section 221'';

(5) in section 220(b), by striking '', as soon as practicable,'';

(6) in section 222—

(A) by striking paragraph (1) of subsection (a);

(B) by redesignating paragraphs (2) and (3) of such subsection as paragraphs (1) and (2), respectively;

(C) by striking paragraph (2) of subsection (b);

(D) by redesignating subsection (b)(1) as subsection (b); and

(E) by striking subsections (c), (d), and (e);

(7) in section 224(b)(2), by striking ''Within 180 days from the date of enactment of this section the Commission'' and inserting ''The Commission'';

(8) in 226(e)(1), by striking '', within 9 months after the date of enactment of this section,'';

(9) in section 309(i)(4)(A), by striking ''The commission, not later than 180 days after the date of the enactment of the Communications Technical Amendments Act of 1982, shall,'' and inserting ''The Commission shall,'';

(10) by striking section 328;

(11) in section 331(b), by striking the last sentence;

(12) in section 413, by striking '', within sixty days after the taking effect of this Act,'';

(13) in section 624(d)(2)—

(A) by striking out ''(A)'';

(B) by inserting ''of'' after ''restrict the viewing''; and

(C) by striking subparagraph (B);

(14) by striking sections 702 and 703;

(15) in section 704—

(A) by striking subsections (b) and (d); and

(B) by redesignating subsection (c) as subsection (b);

(16) in section 705(g) (as redesignated by section 5211(15)), by striking ''Within 6 months after the date of enactment of the Satellite Home Viewer Act of 1988, the Federal Communications Commission'' and inserting ''The Commission'';

(16) in section 710(f)—

(A) by striking the first and second sentences; and

(B) in the third sentence, by striking ''Thereafter, the Commission'' and inserting ''The Commission'';

(17) in section 712(a), by striking '', within 120 days after the effective date of the Satellite Home Viewer Act of 1988,''; and

(18) by striking section 713.

(b) AMENDMENTS TO THE COMMUNICATIONS SATELLITE ACT OF 1962.—The Communications Satellite Act of 1962 is amended—

(1) in section 201(a)(1), by striking ''as expeditiously as possible,'';

(2) by striking sections 301 and 302 and inserting the following:

"SEC. 301. CREATION OF CORPORATION.

''There is authorized to be created a communications satellite corporation for profit which will not be an agency or establishment of the United States Government.

"SEC. 302. APPLICABLE LAWS.

''The corporation shall be subject to the provisions of this Act and, to the extent consistent with this Act, to the District of Columbia Business Corporation Act. The right to repeal, alter, or amend this Act at any time is expressly reserved.'';

(3) in section 304(a), by striking ''at a price not in excess of $100 for each share and'';

(4) in section 404—

(A) by striking subsections (a) and (c); and

(B) by striking ''(b)'' at the beginning of subsection (b);

(5) in section 503—

(A) by striking paragraph (2) of subsection (a); and

(B) by redesignating paragraph (3) of subsection (a) as paragraph (2) of such subsection;

(C) by striking subsection (b);

(D) in subsection (g)—

(i) by striking ''subsection (c)(3)'' and inserting ''subsection (b)(3)''; and

(ii) by striking the last sentence; and

(E) by redesignating subsections (c) through (h) as subsections (b) through (g), respectively;

(5) by striking sections 505, 506, and 507; and

(6) by redesignating section 508 as section 505.

SEC. 5244. STYLISTIC CONSISTENCY.

The Communications Act of 1934 and the Communications Satellite Act of 1962 are amended so that the section designation and section heading of each section of such Acts shall be in the form and typeface of the section designation and heading of this section.

Subtitle D—Energy Programs

SEC. 5301. NUCLEAR REGULATORY COMMISSION ANNUAL CHARGES.

Section 6101(a)(3) of the Omnibus Budget Reconciliation Act of 1990 (42 U.S.C. 2214(a)(3)) is amended by striking ''September 30, 1995'' and inserting ''September 30, 1998''.

TITLE VI—COMMITTEE ON THE JUDICIARY

SEC. 6001. PATENT AND TRADEMARK FEES.

Section 10101 of the Omnibus Budget Reconciliation Act of 1990 (35 U.S.C. 41 note) is amended—

(1) in subsection (a) by striking ''1995'' and inserting ''1998'';

(2) in subsection (b)(2) by striking ''1995'' and inserting ''1998''; and

(3) in subsection (c)—

(A) by striking ''through 1995'' and inserting ''through 1998''; and

(B) by adding at the end the following:

''(6) $111,000,000 in fiscal year 1996.

''(7) $115,000,000 in fiscal year 1997.

''(8) $119,000,000 in fiscal year 1998.''.

TITLE VII—COMMITTEE ON MERCHANT MARINE AND FISHERIES

SEC. 7001. EXTENSION OF VESSEL TONNAGE DUTIES.

(a) EXTENSION OF DUTIES.—Section 36 of the Act of August 5, 1909 (36 Stat. 111; 46 App. U.S.C. 121), is amended by—

(1) striking ''and 1995,'' each place it appears and inserting ''1995, 1996, 1997, and 1998,'';

(2) striking ''place,'' and inserting ''place;''; and

(3) striking ''port, not, however, to include vessels in distress or not engaged in trade'' and inserting ''port. However, neither duty shall be imposed on vessels in distress or not engaged in trade''.

(b) CONFORMING AMENDMENT.—The Act of March 8, 1910 (36 Stat. 234; 46 App. U.S.C. 132), is amended by striking ''and 1995,'' and inserting ''1995, 1996, 1997, and 1998,''.

(c) TECHNICAL CORRECTION.—

(1) CORRECTION.—Section 10402(a) of the Omnibus Budget Reconciliation Act of 1990 (104 Stat. 1388-398) is amended by striking ''in the second paragraph''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on and after November 5, 1990.

TITLE VIII—COMMITTEE ON NATURAL RESOURCES

SEC. 8001. ANNUAL DIRECT GRANT ASSISTANCE.

(a) REPEAL.—Sections 3 and 4 of the Act of March 24, 1976 entitled ''a Joint Resolution to approve the 'Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America', and for other purposes'' (90 Stat. 263 and following; 48 U.S.C. 1681 note) are repealed, effective on October 1, 1993.

(b) DEFINITIONS.—As used in this section:

(1) COMMITTEES.—The term ''committees'' means the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.

(2) RECOMMENDATIONS.—The term ''Recommendations'' means the document executed December 17, 1992, between the special representative of the President of the United States and the special representatives of the Governor of the Commonwealth of the Northern Mariana Islands relating to future federal assistance for the Northern Mariana Islands.

(3) REPORTING DATE.—The term ''reporting date'' means the date on which the budget of the President for the fiscal year 1995 is required to be submitted to the Congress under section 1105 of title 31, United States Code.

(c) ASSISTANCE.—

(1) AMOUNTS.—Except as otherwise provided under this section, enactment of this section shall constitute a commitment and pledge of the full faith and credit of the United States for the payment of the following amounts:

(A) In fulfillment of the United States obligation under P.L. 94–241 and the authorization in P.L. 95–348, $3,000,000 for fiscal year 1994, which shall be available only for the American Memorial Park, located at Tanapag Harbor Reservation, Saipan, to be expended in accordance with section 5 of the Act entitled ''An Act to authorize appropriations for certain insular areas of the United States, and for other purposes'', approved

August 18, 1978 (92 Stat. 492), for the primary purpose of constructing an appropriate monument honoring the dead in the World War II Mariana Islands campaign.

(B) $19,000,000 for fiscal year 1994, to be held in trust in a special account by the Secretary of the Interior for American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, the Trust Territory of the Pacific Islands, and the Virgin Islands, and to be disbursed by the Secretary during fiscal year 1994 for essential capital improvement projects. Such disbursements shall be made by the Secretary for projects described in plans submitted to the Secretary by the governments of American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, the Trust Territory of the Pacific Islands, and the Virgin Islands. No such disbursements shall be made pursuant to any such plan until after the expiration of a period of 60 days after such plan has been submitted to the committees. No such disbursements shall be made to the Commonwealth of the Northern Mariana Islands during fiscal year 1994 pursuant to any such plan until the committees have received the reports required under subsection (d)(3) and a Joint Resolution has been adopted expressing the sense of Congress that disbursements are appropriate. The Inspector General of the Department of the Interior shall (i) monitor the expenditure of such funds to determine whether such funds are expended in accordance with applicable law, and (ii) submit a report of the findings to the committees not later than January 1, 1995.

(C) Subject to paragraphs (2), (3), and (4) and subject to subsection (d), not more than $98,000,000 for the 6-year period beginning October 1, 1994, for the government of the Commonwealth of the Northern Mariana Islands, for capital improvement projects, at annual amounts that shall not exceed those specified for the Federal contribution within the general funding schedule contained in the Recommendations.

(2) MATCHING RATIO AND INTEREST EARNINGS.—Nothing in this section shall be construed to—

(A) modify the matching ratio requirement specified in the funding schedule contained in the Recommendations; or

(B) modify the terms of the Recommendations as to the availability of interest earnings on funds contributed under Public Law 99–396 upon meeting the terms of the grant pledge agreements entered into under Public Law 99–396.

(3) ROTA, TINIAN, AND SAIPAN.—No less than ⅛th share of the funds made available under subsection (c)(1)(C) shall be expended in the islands of Rota and Tinian and no less than ¼th share shall be expended in Saipan.

(4) APPLICABILITY OF GRANT REGULATIONS.—The Federal assistance provided under this section shall be subject to the applicable Federal grant regulations set forth in the Common Rule (43 C.F.R. 12a, OMB Circular A–102, and OMB Circular A–128).

(d) CONDITION ON MULTI-YEAR ASSISTANCE.—

(1) JOINT RESOLUTION.—Amounts under subsection (c)(1)(C) for fiscal years 1995 through 2000 shall be as determined by the Congress by joint resolution. It is the intent of the Congress that the committees report such a joint resolution after considering the plan referred to in paragraph (2) and reports required by this subsection.

(2) CAPITAL IMPROVEMENT PROJECTS PLAN.—The plan referred to in paragraph (1) is a plan developed and submitted by the Governor of the Commonwealth of the Northern Mariana Islands to the Secretary of the Interior as approved by the legislature of the Commonwealth for new and reconstructed capital infrastructure projects, indicating the order of priority, together with cost estimates for each project and identification of sources of financing for each project. The Secretary of the Interior shall submit the plan, together with his recommendations, to the committees not later than the reporting date.

(3) REPORTS.—Each of the following reports shall be submitted to the committees not later than the reporting date as follows:

(A) REVENUE BURDEN.—The Comptroller General of the United States, after consultation with the government of the Northern Mariana Islands, shall submit a report describing the effective revenue burden (including all taxes and fees) imposed by the government of the Commonwealth of the Northern Mariana Islands. The report shall—

(i) address whether revenues raised are sufficient to meet the infrastructure needs of the Commonwealth; and

(ii) compare the revenue burden of the Commonwealth with that of Guam.

(B) COMPLIANCE WITH AUDIT RECOMMENDATIONS.—The Inspector General of the Department of the Interior shall submit a report on (i) compliance by the government of the Commonwealth of the Northern Mariana Islands with recommendations made by the Inspector General pursuant to audits of the government of the Commonwealth, and (ii) on all unfulfilled commitments made by the government of the Commonwealth in response to those recommendations.

(C) ASSESSMENT OF MINIMUM WAGE.—The Secretary of Labor, after consultation with the government of the Commonwealth of the Northern Mariana Islands, shall submit a report which assesses whether—

(i) the minimum wage policies of the Commonwealth are sufficient for the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers in the Commonwealth;

(ii) the prevailing wages paid in the Commonwealth are effectively reduced by the immigration policy of the Commonwealth; and

(iii) the wage rate in the Commonwealth gives industries in the Commonwealth a competitive advantage over industries in the United States outside of the Commonwealth.

(D) IMMIGRATION POLICY AND BURDEN ON INFRASTRUCTURE.—(i) The Attorney General of the United States, after consultation with the government of the Commonwealth of the Northern Mariana Islands, shall submit a report which assesses—

(I) whether the immigration laws of the Commonwealth are appropriate in light of the social and economic situation in the Commonwealth;

(II) the extent to which the Commonwealth is relying on temporary alien workers to meet the Commonwealth's permanent labor needs;

(III) whether the Commonwealth has taken steps to reduce its dependence on temporary alien workers; and

(IV) the political and civil rights of the alien population as compared to the resident population.

(ii) The Comptroller General of the United States shall submit a report to the Congress which analyzes the socioeconomic impact of the immigration policy of the Commonwealth of the Northern Mariana Islands, including the financial burden imposed by the alien population on the infrastructure.

(E) ENVIRONMENTAL LAWS.—The Secretary of the Interior and the Administrator of the Environmental Protection Agency shall each submit a report to the Congress on the compliance by the Commonwealth of the Northern Mariana Islands with United States environmental laws, including (but not limited to) the National Environmental Policy Act of 1969, the Endangered Species Act of 1973, and the Federal Water Pollution Control Act.

SEC. 8002. NET RECEIPTS SHARING.

Section 35 of the Mineral Leasing Act is amended as follows:

(1) Strike the last sentence.

(2) Insert ''(a) IN GENERAL.—'' after ''SEC. 35.''

(3) Insert ''and, subject to subsection (b),'' between ''United States;'' and ''50 percentum''.

(4) Add the following new subsection at the end thereof:

''(b) ADMINISTRATIVE COSTS.—(1) In calculating the amount to be paid to each State during any fiscal year under this section and under other provisions of law requiring payment to a State of any revenues derived from the leasing of any other onshore lands or interest in land owned by the United States for the production of the same types of minerals as are leasable under this Act or for the production of geothermal steam, prior to the division and distribution of such leasing receipts between the States and the United States, the Secretary shall deduct 50 percent of the portion of the enacted appropriations of the Department of the Interior and of other departments and agencies of the United States for the preceding fiscal year allocable to the administration and enforcement of this Act and such other provisions of law. Such deduction shall be in approximately equal amounts each month (subject to paragraph (3)).

''(2) The proportion of the deduction required under paragraph (1) which is allocable to each State shall be a percentage of the total deduction allocable to all States. The percentage shall be determined by dividing—

''(A) the monies disbursed to the State during the preceding fiscal year under the provisions of this section and the other provisions of law referred to in paragraph (1), by

''(B) the total money disbursed to all States during that fiscal year under such provisions.

''(3) If the amount otherwise deductible under this subsection in any month from the portion of revenues to be distributed to a State exceeds the amount payable to the State during that month, any amount exceeding the amount payable shall be carried forward and deducted from amounts payable to the State in subsequent months.

''(4) All amounts deducted under this subsection from monies otherwise payable to a State shall be credited to miscellaneous receipts in the Treasury.''.

SEC. 8003. HARD ROCK MINING CLAIM MAINTENANCE AND LOCATION FEES.

(a) CLAIM MAINTENANCE AND LOCATION FEES.—

(1) CLAIM MAINTENANCE FEES.—The holder of each unpatented mining claim, mill or tunnel site located pursuant to the Mining Laws of the United States (whether located before or after enactment of this Act) shall pay to the Secretary of the Interior or his designee for each assessment year a flat claim maintenance fee of not less than $100 per claim. Such claim maintenance fee shall be in lieu of the assessment work requirement contained in the Mining Law of 1872 (30 U.S.C. 28–28e) and the related filing requirements contained in section 314(a) and (c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744(a) and (c)).

(2) LOCATION FEE.—For each mining claim, mill or tunnel site located pursuant to the Mining Laws of the United States after the date of enactment of this Act, the claimant shall pay the Secretary a location fee of $25.

(b) TIME OF PAYMENT.—The claim maintenance fee payable under subsection (a)(1) for any assessment year shall be paid before the commencement of the assessment year, except that for the initial assessment year in which the location is made, the locator shall pay the claim maintenance fee at the time

the location notice is recorded with the Bureau of Land Management. The location fee imposed under subsection (a)(2) shall be payable not later than 90 days after the date of location

(c) DEPOSIT IN TREASURY.—The Secretary shall deposit monies received under this Act as miscellaneous receipts in the Treasury.

(d) CO-OWNERSHIP.—The co-ownership provisions of section 2324 of the Mining Law of 1872 (30 U.S.C. 28) shall remain in effect with respect to mining claims subject to such provisions except that the annual claim maintenance fee, where applicable, shall be paid in lieu of applicable assessment requirements and expenditures.

(e) FORFEITURE.—Failure to make the annual payment of any claim maintenance or location fee required with respect to any unpatented mining claim, mill, or tunnel site required by subsection (a) shall conclusively constitute a forfeiture by the holder of the unpatented mining claim, mill or tunnel site, effective at noon on the date the payment is due.

(f) FLPMA FILING REQUIREMENTS.—Nothing in this Act shall change or modify the requirements of section 314(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744(b)) or the requirements of section 314(c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744(c)) related to filings required by such section 314(b). Such requirements shall remain in effect with respect to claims, and mill or tunnel sites for which fees are required to be paid under this section.

(g) RULES AND REGULATIONS.—The Secretary of the Interior shall promulgate rules and regulations to carry out the purposes of this section as soon as practicable after the date of enactment of this Act.

(h) PURCHASING POWER ADJUSTMENT.—Every 5 years following the date of enactment of this Act, or more frequently if the Secretary determines a more frequent adjustment to be reasonable, the Secretary of the Interior shall adjust the fees specified in subsection (a) to reflect changes in the purchasing power of the dollar. The Secretary shall use the Consumer Price Index for all urban consumers published by the Department of Labor as the basis for adjustment, rounding according to the adjustment process of conditions of the Federal Civil Penalties Inflation Adjustment Act of 1990 (104 Stat. 890). The Secretary shall provide claimants notice of any adjustment made under this subsection not later than July 1 of any year in which the adjustment is made. A fee adjustment under this paragraph shall begin to apply the first assessment which begins after the adjustment is made.

(i) OIL SHALE CLAIMS SUBJECT TO CLAIM MAINTENANCE FEES UNDER ENERGY POLICY ACT OF 1992.—This section shall not apply to any oil shale claims for which a fee is required to be paid under section 2511(e)(2) of the Energy Policy Act of 1992 (Public Law 102–486; 106 Stat. 3111; 30 U.S.C. 242).

(j) EXCEPTION FOR HOLDERS OF FEWER THAN 50 CLAIMS.—

(1) ELIGIBILITY.—In accordance with paragraph (3), a claimant may be eligible for a waiver or reduction of the claim maintenance fees imposed under this section if the claimant certifies in writing to the Secretary that on the date the payment was due, the claimant and all related parties—

(A) held not more than 50 mining claims, mill sites, or tunnel sites, or any combination thereof, on public lands; and

(B) have performed assessment work sufficient to maintain the mining claims held by the claimant and such related parties for the assessment year ending on noon of September 1 of the calendar year in which payment of the claim maintenance fee was due; except that such performance of assessment work shall not be required by reason of section 5 of Public Law 94–429, commonly known as the Mining in the Parks Act, or such other laws that before the date of the enactment of this Act removed the applicability of the assessment work requirement of the general mining laws for any claim subject to such laws.

(2) HOLDER.—For purposes of paragraph (1), with respect to any claimant, the term ''related parties'' means—

(A) the spouse and dependent children (as defined in section 152 of the Internal Revenue Code of 1986), of the claimant; and

(B) a person affiliated with the claimant, including—

(i) a person controlled by, controlling, or under common control with the claimant; and

(ii) a subsidiary or parent company or corporation of the claimant.

(3) WAIVED OR REDUCED MAINTENANCE FEES.—

(A) 10 OR FEWER CLAIMS.—The Secretary of the Interior may waive the claim maintenance fee imposed under this section in its entirety for 10 or fewer claims held by a claimant eligible under paragraph (1).

(B) 11 OR MORE CLAIMS.—

(i) IN GENERAL.—Subject to clause (ii), for a claimant eligible under paragraph (1), the Secretary may reduce the claim maintenance fee imposed under this section to $25 per claim for each claim in excess of 10.

(ii) LIMITATION.—The reduction provided for in this subparagraph shall be available for no more than 50 claims held by a claimant who is eligible under paragraph (1).

(4) PAYMENT IN LIEU OF ANNUAL LABOR REQUIREMENTS.—The third sentence of section 2324 of the Revised Statutes (30 U.S.C. 28) is amended by inserting after ''On each claim located after the tenth day of May, eighteen hundred and seventy-two,'' the following: ''for which a waiver of the maintenance fee, or a reduced maintenance fee, under section 8003 of the Omnibus Budget Reconcilition Act of 1993 has been granted under subsection (j) of that section,''.

(5) FILING REQUIREMENTS.—The holder of any unpatented mining claim for which a waiver of the maintenance fee, or a reduced maintenance fee, has been granted pursuant to this subsection shall continue to be subject to the filing requirements contained in sections 314(a) and (c) of the Federal Land Policy Management Act of 1976 (43 U.S.C. 1744(a) and (c)).

(k) EFFECTIVE DATE.—This section shall take effect with respect to assessment years beginning after August 31, 1994.

SEC. 8004. FEDERAL IRRIGATION WATER SURCHARGE.

(a) FINDINGS AND PURPOSES.—

(1) FINDINGS.—The Congress finds that—

(A) the construction and operation of Federal reclamation projects have contributed to the depletion of streams, the alteration of riparian habitat, and the degradation of water quality;

(B) such impacts have had adverse impacts on fish and wildlife resources; and

(C) the restoration of fish and wildlife and related habitat affected by the construction or operation of Federal reclamation projects is a continuing responsibility of the beneficiaries of such projects.

(2) PURPOSES.—The purposes of this section are to—

(A) incorporate the restoration of fish and wildlife resources and related habitat affected by the construction or operation of Federal reclamation projects into the annual operation and maintenance requirements of such projects;

(B) establish a fair and equitable mechanism for securing timely payments from the beneficiaries of such projects for the implementation, operation, and maintenance of fish and wildlife restoration measures;

(C) accelerate the rate of restoration and recovery of depleted populations of indigenous fish and wildlife; and

(D) encourage more efficient use of water resources by the beneficiaries of Federal reclamation projects.

(b) OPERATIONAL CHARGES.—

(1) IN GENERAL.—Individuals or non-Federal entities that receive delivery of water (including by exchange) which is stored in or transported through Federal reclamation projects or project facilities or projects or project facilities constructed by the Secretary of the Army that meet the conditions specified in paragraph (1) or (2) of section 212(a) of the Reclamation Reform Act of 1982 (Public Law 97–293, 43 U.S.C. 390*ll*), except for facilities of the Central Valley Project, California (as that project is defined by title XXXIV of Public Law 102–575), shall, pursuant to such terms, conditions, and procedures as the Secretary of the Interior may prescribe, pay to the United States an operation and maintenance charge sufficient to yield at least $10,000,000 (January 1993 price levels) annually in the years 1994, 1995, and 1996 and at least $15,000,000 (January 1993 price levels) annually in 1997 and each year thereafter.

(2) PAYMENTS.—Payments required by paragraph (1) shall be made without reduction or deferral by the Secretary under any provision of reclamation law and without regard to whether an individual or entity has discharged its repayment obligation within the meaning of the first section of the Act of July 2, 1956 (70 Stat. 483; 43 U.S.C. 485h–1), section 213 of the Reclamation Reform Act of 1982 (Public Law 97–293, 43 U.S.C. 390mm), or any other provision of Federal Reclamation law. The payments shall be in addition to any other repayments owed or made to the United States and shall not be applied or credited to an individual's or entity's repayment of project construction costs, payment of other annual project operation and maintenance costs, payment of interest, or reduction of any contractual obligation the individual or entity may have with the United States.

(c) NATURAL RESOURCES RESTORATION FUND.—There is hereby established in the Treasury of the United States a fund to be known as the ''Natural Resources Restoration Fund'' (hereafter in this section referred to as the ''Fund''). All payments of the operation and maintenance charges authorized in subsection (b) shall be deposited in the Fund, and shall be available in the fiscal year following deposit and thereafter, to such extent or in such amounts as are provided in advance in appropriation Acts, for expenditures by the Secretary of the Interior for the benefit of fish and wildlife resources, including habitat, affected by construction or operation of the projects referred to in this section.

(d) INDIAN LAND OWNERS.—For the purposes of this section, Indian tribes or individual Indian beneficial owners of land held in trust by the United States or subject to a restriction against alienation by the United States shall be considered to be Federal entities.

(e) FEDERAL RECLAMATION LAW.—This section shall constitute an amendment of and a supplement to the Federal Reclamation laws (the Reclamation Act of 1902, 32 Stat. 388, and Acts amendatory thereof and supplementary thereto).

SEC. 8005. RECREATION USER FEES.

(a) LAND AND WATER CONSERVATION FUND ACT OF 1965.—

(1) IN GENERAL.—The first sentence of section 4(b) of the Land and Water Conservation Fund Act of 1965 (relating to recreation use fees) is amended by striking out ''picnic tables, or boat ramps'' and all that follows down through the period at the end thereof

and inserting the following: ''or picnic tables, and in no event shall there be any charge for the use of any campground not having a majority of the following: tent or trailer spaces, drinking water, access road, refuse containers, toilet facilities, fee collection by an employee or agent of the Federal agency operating the facility, reasonable visitor protection, and simple devices for containing a campfire (where campfires are permitted). For purposes of this subsection, the term 'specialized outdoor recreation site' includes but shall not be limited to campgrounds, swimming sites, boat launch facilities, and managed parking lots.''. The second sentence of such section 4(b) is hereby repealed.

(2) CONFORMING AMENDMENT.—Section 210 of Public Law 90–483 (82 Stat. 746; 16 U.S.C. 460d–3) is repealed.

(b) COSTS OF COLLECTION.—Section 4(i) of the Land and Water Conservation Fund Act of 1965 (relating to special accounts for fees collected) is amended by inserting ''(A)'' after ''(1)'' and by adding the following at the end of paragraph (1):

''(B) Notwithstanding subparagraph (A), in any fiscal year, the Secretary of Agriculture and the Secretary of the Interior may withhold from the special account established under subparagraph (A) such portion of all receipts the fees collected in that fiscal year under this section as such Secretary determines to be equal to the additional fee collection costs for that fiscal year. The amounts so withheld shall be retained by the Secretary of Agriculture or the Secretary of the Interior and shall be available, without further appropriation, for expenditure by the Secretary concerned in the fiscal year in which collected to cover such additional fee collection costs. The Secretary concerned shall deposit in the special account established pursuant to subparagraph (A) any amounts so retained which remain unexpended and unobligated at the end of such fiscal year. For the purposes of this subparagraph, for any fiscal year, the term 'additional fee collection costs' means those costs for personnel and infrastructure directly associated with the collection of fees imposed under this section which exceed the costs for personnel and infrastructure directly associated with the collection of such fees during fiscal year 1993.''.

(c) GOLDEN AGE PASSPORT.—The second sentence of section 4(a)(4) of the Land and Water Conservation Fund Act of 1965 (relating to Golden Age Passports) is amended to read as follows: ''Such permit shall be nontransferable, shall be issued for a charge of $10, and shall entitle the permittee and the permittee's spouse accompanying the permittee to general admission into any area designated pursuant to this section.''.

(d) USER FEES FOR RIGHTS-OF-WAY.—In each fiscal year after the enactment of this Act, the Secretary of the Interior shall impose and collect an annual fee for the use and occupancy of any right-of-way through any national park system unit for which a permit has been issued by the Secretary pursuant to any general or specific statutory right-of-way authority (whether issued before or after the enactment of this Act) or for any other right-of-way allowed as of the date of the enactment of this Act. The amount of such annual fee shall be equal to the fair market rental value, as determined by the Secretary, of such use and occupancy for the fiscal year concerned. The fair market value shall be reviewed (and revised if necessary) not less frequently than every 3 years. The Secretary shall deposit all fees collected under this subsection in the special account established under section 4(i) of the Land and Water Conservation Fund Act of 1965.

(e) COMMERCIAL TOUR USE FEES.—(1) In the case of each unit of the National Park System for which an admission fee is charged under section 4 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–4), the Secretary of the Interior shall establish, by October 1, 1993, a commercial tour use fee to be imposed on each vehicle or aircraft entering the unit (or the airspace of the unit) for the purpose of providing commercial tour services within (or within the air space of) the unit. Fee revenue derived from such commercial tour use fees shall be deposited into the special account established under section 4(i) of the Land and Water Conservation Fund Act of 1965.

(2) The Secretary shall establish the amount of fee to be imposed under this subsection per entry. The fee shall not be less than—

(A) $25 per vehicle or aircraft with a passenger capacity of 25 persons or less,

(B) $50 per vehicle or aircraft with a passenger capacity of 26 to 99 persons, and

(C) $100 per vehicle or aircraft with a passenger capacity of 100 to 299 persons.

The Secretary may periodically increase the fee imposed under this subsection as he deems necessary and justifiable.

(3) The commercial tour use fee imposed under this subsection shall not apply to either of the following:

(A) Any vehicle or aircraft transporting organized school groups or outings conducted for educational purposes by schools or other bona fide educational institutions.

(B) Any vehicle or aircraft entering a park system unit pursuant to a contract issued under the Act of October 9, 1965 (16 U.S.C. 20–20g) entitled ''An Act relating to the establishment of concession policies in the areas administered by the National Park Service and for other purposes''.

(f) FAIR MARKET VALUE FOR COMMUNICATION SITE FEES.—No permit or other authorization for the use of any area of the public lands of the United States for purposes of commercial telephone transmission facilities shall remain in force and effect after January 1, 1994 unless, before that date, and before January 1 of each year thereafter, the holder of such permit or other authorization pays to Secretary of the Department having administrative jurisdiction over such lands an amount equal to the fair market value, as determined by such Secretary, of the right to use and occupy such area for such purposes. For purposes of this subsection, the term ''public lands of the United States'' means lands owned by the United States and administered by the Secretary of the Interior (other than lands held for the benefit of Indians, Aleuts, and Eskimos) and lands within the National Forest System.

SEC. 8006. NUCLEAR REGULATORY COMMISSION ANNUAL CHARGES.

Section 6101(a)(3) of the Omnibus Budget Reconciliation Act of 1990 (42 U.S.C. 2214(a)(3)) is amended by striking ''September 30, 1995'' and inserting ''September 30, 1998''.

SEC. 8007. RECOVERING THE COST FOR GOVERNMENT SERVICES.

(a) REPORT.—Not later than January 1, 1994, the Secretary of the Interior and the Secretary of Energy shall each submit a report identifying fees, penalties, and other charges to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Each report shall—

(1) identify all fees, penalties, and other charges imposed by the respective Secretary for the provision of services;

(2) include the procedures for adjusting such fees to recover the cost of providing those services; and

(3) identify those services for which no fee is currently charged and make recommendations for a fee appropriate to cover the cost of providing each service.

(b) ADJUSTMENT OF FEES.—Except as provided in subsection (d), for fiscal year 1995 and each fiscal year thereafter, the Secretary of the Interior and the Secretary of Energy shall adjust each fee, penalty, and other charge for the provision of services identified pursuant to subsection (a)(1). Each such fee, penalty, and charge shall be adjusted in accordance with the procedures identified pursuant to subsection (a)(2).

(c) IMPLEMENTATION OF FEES FOR SERVICES NOT COVERED.—Beginning with fiscal year 1995, the Secretary of the Interior and the Secretary of Energy shall charge fees for each of the services identified pursuant to subsection (a)(3) in an amount sufficient to recover the cost of providing the service. For each fiscal year thereafter, the fee shall be adjusted in the same manner as adjustments are made pursuant to subsection (b), using fiscal year 1995 as the base year.

(d) CERTAIN FEES, PENALTIES AND CHARGES NOT COVERED..—Subsection (b) shall not apply to any fee, penalty, or charge the amount of which is expressly specified in any statute or contract.

SEC. 8008. UNFUNDED LIABILITIES OF THE FEDERAL GOVERNMENT.

Section 1105 of title 31, United States Code, is amended by adding the following subsection at the end thereof:

''(g) The President shall transmit with materials related to each budget an estimate of unfunded future liabilities of the Federal Government that are not accounted for in the budget itself. Such estimate shall include (but not be limited to) liabilities for future remediation of environmental and natural resources damage, and cleaning up waste sites, on Federal lands. Sources of liabilities shall include (but not be limited to) active, inactive, or abandoned mines or oil or gas wells, irrigation waste water impacts, decommissioning of nuclear power plants, and uranium mining and processing activities (without regard to the location of such mining or processing activities) affecting the health of Native Americans and carried out pursuant to a program administered by the United States.''.

SEC. 8009. HETCH HETCHY DAM.

Section 7 of the Act of December 13, 1913 (38 Stat. 242), is amended—

(1) by striking ''$30,000'' in the first sentence and inserting ''$20,000,000'', and

(2) by amending the second and third sentences to read as follows: ''These funds shall be placed in a separate fund by the United States and, notwithstanding any other provision of law, shall not be available for obligation or expenditure until appropriated by the Congress. The highest priority use of the funds shall be for annual operation of Yosemite National Park, with the remainder of any funds to be used to fund operations of other national parks in the State of California.''.

TITLE IX—COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Subtitle A—Civil Service

SEC. 9001. PERMANENT ELIMINATION OF THE ALTERNATIVE-FORM-OF-ANNUITY OPTION EXCEPT FOR INDIVIDUALS WITH A CRITICAL MEDICAL CONDITION.

(a) CIVIL SERVICE RETIREMENT SYSTEM; FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Sections 8343a and 8420a of title 5, United States Code, are each amended—

(1) in subsection (a) by striking ''an employee or Member may,'' and inserting ''any employee or Member who has a life-threatening affliction or other critical medical condition may,''; and

(2) by striking subsection (f).

(b) FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM.—Section 807(e)(1) of the

Foreign Service Act of 1980 (22 U.S.C. 4047(e)(1)) is amended by striking ''a participant may,'' and inserting ''any participant who has a life-threatening affliction or other critical medical condition may,''.

(c) CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM.—Section 294(a) of the Central Intelligence Agency Retirement Act (50 U.S.C. 2143(a)), as set forth in section 802 of the CIARDS Technical Corrections Act of 1992 (Public Law 102-496; 106 Stat. 3196), is amended by striking ''a participant may,'' and inserting ''any participant who has a life-threatening affliction or other critical medical condition may,''.

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on January 1, 1994, and shall apply with respect to any annuity commencing on or after that date.

SEC. 9002. APPLICATION OF MEDICARE PART B LIMITS TO PHYSICIANS' SERVICES FURNISHED TO FEDERAL EMPLOYEE HEALTH BENEFITS ENROLLEES AGE 65 OR OLDER.

(a) IN GENERAL.—Section 8904(b) of title 5, United States Code, is amended—

(1) in paragraph (1) by inserting ''(A)'' after ''(b)(1)'' and by adding at the end the following:

''(B)(i) A plan, other than a prepayment plan described in section 8903(4), may not provide benefits, in the case of any retired enrolled individual who is age 65 or older and is not entitled to Medicare supplementary medical insurance benefits under part B of title XVIII of the Social Security Act (42 U.S.C. 1395j et seq.), to pay a charge imposed for physicians' services (as defined in section 1848(j) of such Act, 42 U.S.C. 1395w–4(j)) which are covered for purposes of benefit payments under this chapter and under such part, to the extent that such charge exceeds the fee schedule amount under section 1848(a) of such Act (42 U.S.C. 1395w–4(a)).

''(ii) Physicians and suppliers who have in force participation agreements with the Secretary of Health and Human Services consistent with section 1842(h)(1) of such Act (42 U.S.C. 1395u(h)(1)), whereby the participating provider accepts Medicare benefits (including allowable deductible and coinsurance amounts) as full payment for covered items and services shall accept equivalent benefit and enrollee cost-sharing under this chapter as full payment for services described in clause (i). Physicians and suppliers who are nonparticipating physicians and suppliers for purposes of part B of title XVIII of such Act shall not impose charges that exceed the limiting charge under section 1848(g) of such Act (42 U.S.C. 1395w–4(g)) with respect to services described in clause (i) provided to enrollees described in such clause. The Office of Personnel Management shall notify a physician or supplier who is found to have violated this clause and inform them of the requirements of this clause and sanctions for such a violation. The Office of Personnel Management shall notify the Secretary of Health and Human Services if a physician or supplier is found to knowingly and willfully violate this clause on a repeated basis and the Secretary of Health and Human Services may invoke appropriate sanctions in accordance with sections 1128A(a) and section 1848(g)(1) of such Act (42 U.S.C. 1320a–7a(a), 1395w–4(g)(1)) and applicable regulations.

''(C) If the Secretary of Health and Human Services determines that a violation of this subsection warrants excluding a provider from participation for a specified period under title XVIII of the Social Security Act, the Office shall enforce a corresponding exclusion of such provider for purposes of this chapter.'';

(2) in paragraph (3)(B)—

(A) by inserting ''(i)'' after ''includes''; and

(B) by inserting before the period at the end the following: '', and (ii) the fee schedule amounts and limiting charges for physicians' services established under section 1848 of such Act (42 U.S.C. 1395w–4) and the identity of participating physicians and suppliers who have in force agreements with such Secretary under section 1842(h) of such Act (42 U.S.C. 1395u(h))''; and

(3) by adding at the end the following:

''(4) The Director of the Office of Personnel Management shall certify, before the first day of the fifth month that begins before each contract year, that there is in effect an arrangement with the Secretary of Health and Human Services under which, before the beginning of the contract year—

''(A) physicians and suppliers (whether or not participating) under the Medicare program will be notified of the requirements of paragraph (1)(B);

''(B) enforcement procedures will be in place to carry out such paragraph (including enforcement of protections against overcharging of beneficiaries); and

''(C) Medicare program information described in paragraph (3)(B)(ii) will be supplied to carriers under paragraph (3)(A).''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to contract years beginning on or after January 1, 1995.

SEC. 9003. TEMPORARY EXTENSION OF METHOD FOR DETERMINING GOVERNMENT CONTRIBUTIONS UNDER FEHBP IN THE ABSENCE OF A GOVERNMENT-WIDE INDEMNITY BENEFIT PLAN.

(a) IN GENERAL.—Public Law 101-76 (5 U.S.C. 8906 note) is amended in subsection (a)(1) by striking ''1993'' and inserting ''1998''.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that nothing in this section should be considered to reflect any view on the appropriateness, merits, or timing, or any other aspect of any comprehensive health care reform legislation.

Subtitle B—Postal Service

SEC. 9011. PAYMENTS TO BE MADE BY THE UNITED STATES POSTAL SERVICE.

(a) RELATING TO CORRECTED CALCULATIONS FOR PAST RETIREMENT COLAS.—In addition to any other payments required under section 8348(m) of title 5, United States Code, or any other provision of law, the United States Postal Service shall pay into the Civil Service Retirement and Disability Fund a total of $693,000,000, of which—

(1) at least one-third shall be paid not later than September 30, 1995;

(2) at least two-thirds shall be paid not later than September 30, 1996; and

(3) any remaining balance shall be paid not later than September 30, 1997.

(b) RELATING TO CORRECTED CALCULATIONS FOR PAST HEALTH BENEFITS.—In addition to any other payments required under section 8906(g)(2) of title 5, United States Code, or any other provision of law, the United States Postal Service shall pay into the Employees Health Benefits Fund a total of $348,000,000, of which—

(1) at least one-third shall be paid not later than September 30, 1995;

(2) at least two-thirds shall be paid not later than September 30, 1996; and

(3) any remaining balance shall be paid not later than September 30, 1997.

TITLE X—COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

SEC. 10001. AVIATION FEES FOR SERVICES.

(a) IN GENERAL.—Section 313(f) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1354(f)) is amended to read as follows:

''(f) FEES FOR SERVICES.—

''(1) IMPOSITION AND COLLECTION.—The following fees are imposed and shall be collected for services rendered:

''(A) AIRCRAFT REGISTRATION FEES.—

''(i) GENERAL RULE.—For registration of an aircraft, the fee to be collected from the owner of the aircraft in each fiscal year beginning after September 30, 1993, shall be determined under the following table:

If the maximum certificated gross weight of the aircraft is:	Amount of fee is:
Not over 3,500 pounds	$40.00
Over 3,500 lbs. but not over 6,500 lbs.	$175.00
Over 6,500 lbs. but not over 10,000 lbs.	$500.00
Over 10,000 lbs. but not over 100,000 lbs.	$1,000.00
Over 100,000 lbs.	$2,000.00.

If the ownership of the aircraft is also transferred in such fiscal year, the fee to be collected for registration of the aircraft in such fiscal year under this subparagraph, as determined from the table, shall be increased by such amount as the Administrator shall determine so that the average amount of the increase for all aircraft collected under this sentence in such fiscal year will be approximately $200.00.

''(ii) EXEMPTIONS.—No fee shall be collected under this subparagraph for registration of an aircraft in a fiscal year if the aircraft—

''(I) is owned or operated by an air carrier exclusively to provide air transportation;

''(II) is owned by, or operated exclusively by or for, the United States Government;

''(III) is registered under a dealer's aircraft registration certificate issued under section 505 of this Act;

''(IV) is not originally certificated with an engine driven electrical system or has not subsequently been certified by the Administrator with such a system installed; or

''(V) is a balloon or glider.

''(B) DESIGNATION AS AVIATION MEDICAL EXAMINERS.—For designation of a person as an aviation medical examiner, the fee to be collected from such person in each fiscal year beginning after September 30, 1993, shall be $500.

''(C) ISSUANCE OF CERTIFICATES TO PILOTS.—After September 30, 1993, the fee to be collected for issuance or renewal of an airman's certificate to a pilot shall be $12. The fee shall be collected from each pilot at least once every 3 fiscal years.

''(2) CONTINUATION OF FEE FOR PROCESSING OF FORMS FOR MAJOR FUEL TANK ALTERATIONS.—

''(A) ESTABLISHMENT AND COLLECTION.—The Administrator may establish such fees as may be necessary to cover the costs associated with processing of forms for major repairs and alterations of fuel tanks and fuel systems of aircraft.

''(B) MAXIMUM AMOUNT.—The amount of any fee under this subsection with respect to processing of a form for a major repair or alternation of a fuel tank or fuel system of an aircraft may not exceed $7.50. Such maximum amount shall be adjusted annually by the Administrator for changes in the Consumer Price Index of All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

''(3) COLLECTION AND DEPOSIT IN TRUST FUND.—The amounts of all fees established by or under this subsection shall be collected by the Administrator, or the Secretary of the Treasury for the Administrator, and shall be deposited in the Airport and Airway Trust Fund.''.

(b) CONFORMING AMENDMENT.—The portion of the table of contents contained in the first section of such Act relating to section 313 is amended by striking

''(f) Processing fees.''

and inserting

''(f) Fees for services.''.

SEC. 10002. RECREATIONAL USER FEES.

(a) IN GENERAL.—Section 210 of the Flood Control Act of 1968 (16 U.S.C. 460d–3) is amended—

(1) by striking ''SEC. 210. No entrance'' and inserting the following:

''SEC. 210. RECREATIONAL USER FEES.

''(a) PROHIBITION ON ADMISSIONS FEES.—No entrance'';

(2) by striking the second sentence; and

(3) by adding at the end the following new subsection:

''(b) FEES FOR USE OF DEVELOPED RECREATION SITES AND FACILITIES.—

''(1) ESTABLISHMENT AND COLLECTION.—Notwithstanding section 4(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(b)), the Secretary of the Army is authorized, subject to paragraphs (2) and (3), to establish and collect fees for the use of developed recreation sites and facilities, including campsites, swimming beaches, and boat launching ramps.

''(2) EXEMPTION OF CERTAIN FACILITIES.—The Secretary shall not establish or collect fees under this subsection for the use or provision of drinking water, wayside exhibits, general purpose roads, overlook sites, picnic tables, toilet facilities, surface water areas, undeveloped or lightly developed shoreland, or general visitor information.

''(3) PER VEHICLE LIMIT.—The fee under this subsection for use of a site or facility (other than an overnight camping site or facility or any other site or facility at which a fee is charged for use of the site or facility as of the date of the enactment of this paragraph) for persons entering the site or facility by private, noncommercial vehicle shall not exceed $3 per day per vehicle. Such maximum amount may be adjusted annually by the Secretary for changes in the Consumer Price Index of All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

''(4) DEPOSIT INTO TREASURY ACCOUNT.—All fees collected under this subsection shall be deposited into the Treasury account for the Corps of Engineers established by section 4(i) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(i)).''.

(b) CONFORMING AMENDMENT FOR CAMPSITES.—Section 4(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(b)) is amended by striking the next to the last sentence.

TITLE XI—COMMITTEE ON VETERANS AFFAIRS

SEC. 11001. SHORT TITLE.

This title may be cited as the ''Veterans Reconciliation Act of 1993''.

SEC. 11002. EXTENSION OF AUTHORITY TO REQUIRE THAT CERTAIN VETERANS AGREE TO MAKE COPAYMENTS IN EXCHANGE FOR RECEIVING HEALTH-CARE BENEFITS.

(a) HOSPITAL AND MEDICAL CARE.—Section 8013(e) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508; 38 U.S.C. 1710 note) is amended—

(1) by striking out ''September 30, 1992'' in the first sentence and inserting in lieu thereof ''September 30, 1998''; and

(2) by striking out the second sentence.

(b) OUTPATIENT MEDICATIONS.—Section 1722A(c) of title 38, United States Code, is amended—

(1) by striking out ''September 30, 1992'' in the first sentence and inserting in lieu thereof ''September 30, 1998''; and

(2) by striking out the second sentence.

SEC. 11003. EXTENSION OF AUTHORITY FOR MEDICAL CARE COST RECOVERY.

(a) IN GENERAL.—Section 1729(a) of title 38, United States Code, is amended—

(1) in paragraph (1), by striking out ''non-service-connected''; and

(2) in paragraph (2)—

(A) by inserting ''disability and, during the period before October 1, 1998, to a service-connected'' after ''non-service-connected'' in the matter preceding subparagraph (A); and

(B) by striking out ''before August 1, 1994,'' in subparagraph (E) and inserting in lieu thereof ''before October 1, 1998,''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to care and services furnished under chapter 17 of title 38, United States Code, after September 30, 1993.

SEC. 11004. EXTENSION OF AUTHORITY FOR CERTAIN INCOME VERIFICATION PROVISIONS UNDER THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990.

(a) AUTHORITY FOR SECRETARY OF VETERANS AFFAIRS TO OBTAIN INFORMATION.—Section 5317(g) of title 38, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

(b) AUTHORITY FOR SECRETARY OF TREASURY TO PROVIDE INFORMATION.—Subparagraph (D) of section 6103(l)(7) of the Internal Revenue Code of 1986 is amended by striking out ''September 30, 1997'' in the last sentence and inserting in lieu thereof ''September 30, 1998''.

SEC. 11005. EXTENSION OF LIMITATION ON PENSION FOR CERTAIN RECIPIENTS OF MEDICAID-COVERED NURSING HOME CARE.

Section 5503(f)(7) of title 38, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 1998''.

SEC. 11006. DENIAL OF FISCAL YEAR 1994 COST-OF-LIVING ADJUSTMENT FOR CERTAIN DIC RECIPIENTS.

During fiscal year 1994, no increase may be provided in the rates of dependency and indemnity compensation in effect under section 1311(a)(3) of title 38, United States Code.

SEC. 11007. EXTENSION OF PROCEDURES APPLICABLE TO LIQUIDATION SALES ON DEFAULTED HOME LOANS GUARANTEED BY THE DEPARTMENT OF VETERANS AFFAIRS.

(a) INCLUSION OF LOSSES.—Section 3732(c) of title 38, United States Code, is amended—

(1) in paragraph (1)(C), by striking out ''resale,'' and inserting in lieu thereof ''resale (including losses sustained on the resale of the property),''; and

(2) in paragraph (11), by striking out ''December 31, 1992'' and inserting in lieu thereof ''September 30, 1998''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a)(1) shall apply to all liquidation sales occurring on or after October 1, 1993.

SEC. 11008. INCREASE IN HOME LOAN FEES.

Paragraph (6) of section 3729(a) of title 38, United States Code, is amended to read as follows:

''(6) With respect to a loan closed after September 30, 1993, and before October 1, 1998, for which a fee is collected under paragraph (1), the amount of such fee, as computed under paragraph (2), shall be increased by 0.75 percent of the total loan amount other than in the case of a loan described in subparagraph (A), (D)(ii), or (E) of paragraph (2).''.

SEC. 11009. REDUCTION OF FISCAL YEAR 1994 COST-OF-LIVING ADJUSTMENT FOR MONTGOMERY GI BILL BENEFITS.

(a) BENEFITS PAYABLE UNDER CHAPTER 30.—Section 3015(g)(1) of title 38, United States Code, is amended by inserting ''less one percentage point'' after ''June 30, 1993,''.

(b) BENEFITS PAYABLE UNDER SELECTED RESERVE PROGRAM.—Section 2131(b)(2)(A) of title 10, United States Code, is amended by inserting ''less one percentage point'' after ''June 30, 1993,''.

(c) TECHNICAL AMENDMENTS.—(1) Section 301(c) of Public Law 102–568 (106 Stat. 4326) is amended by striking out ''Section 3015(f)'' and inserting in lieu thereof ''Section 3015(g) (as redesignated by section 307(a)(1))''.

(2) Section 307(a) of such Public Law (106 Stat. 4328) is amended by striking out ''(as amended by section 301)''.

(3) The amendments made by paragraphs (1) and (2) shall apply as if included in the enactment of Public Law 102–568.

SEC. 11010. LIMITATION ON CHILDREN ELIGIBLE FOR SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE.

(a) REVISION IN DEFINITION OF CHILDREN ELIGIBLE.—Section 3501(a)(2) of title 38, United States Code, is amended by inserting '', but does not include an individual who is not the natural or legally adopted child of the parent from whom eligibility under this chapter is derived'' before the period at the end.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) does not apply with respect to any individual who, before October 1, 1993, files an original application for educational assistance under chapter 35 of title 38, United States Code.

TITLE XII—COMMITTEE ON WAYS AND MEANS—SAVINGS

Subtitle A—Old-Age, Survivors, and Disability Insurance Program

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SEC. 12001. EXPLICIT REQUIREMENTS FOR MAINTENANCE OF TELEPHONE ACCESS TO LOCAL OFFICES OF THE SOCIAL SECURITY ADMINISTRATION.

(a) MAINTENANCE OF SERVICE TO LOCAL OFFICES.—

(1) IN GENERAL.—Section 5110(a) of the Omnibus Budget Reconciliation Act of 1990 (104 Stat. 1388-272) is amended by adding at the end the following new sentence: ''In carrying out the requirements of the preceding sentence, the Secretary shall reestablish and maintain in service at least the same number of telephone lines to each such local office as was in place as of such date, including telephone sets for connections to such lines.''.

(2) EFFECTIVE DATE.—The Secretary of Health and Human Services shall ensure that the requirements of the amendment made by paragraph (1) are carried out no later than 90 days after the date of the enactment of this Act.

(3) GAO REPORT.—The Comptroller General of the United States shall make an independent determination of the number of telephone lines to each local office of the Social Security Administration which are in place as of 90 days after the enactment of this Act and shall report his findings to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate no later than 150 days after the date of the enactment of this Act.

(b) MAINTENANCE OF TOLL-FREE TELEPHONE NUMBER SERVICE.—The Secretary of Health and Human Services shall ensure that toll-free telephone service provided by the Social Security Administration is maintained at a level which is at least equal to that in effect on the date of the enactment of this Act.

SEC. 12002. EXPANSION OF STATE OPTION TO EXCLUDE SERVICE OF ELECTION OFFICIALS OR ELECTION WORKERS FROM COVERAGE.

(a) LIMITATION ON MANDATORY COVERAGE OF STATE ELECTION OFFICIALS AND ELECTION WORKERS WITHOUT STATE RETIREMENT SYSTEM.—

(1) AMENDMENT TO SOCIAL SECURITY ACT.—Section 210(a)(7)(F)(iv) of the Social Security Act (42 U.S.C. 410(a)(7)(F)(iv)) (as amended by section 11332(a) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking ''$100'' and inserting ''$1,000 with respect to service performed during 1994, and the adjusted amount determined under section 218(c)(8)(B) for any subsequent year with respect to service performed during such subsequent year''.

(2) AMENDMENT TO FICA.—Section 3121(b)(7)(F)(iv) of the Internal Revenue Code of 1986 (as amended by section 11332(b) of the Omnibus Budget Reconciliation Act of 1990) is amended by striking ''$100'' and inserting ''$1,000 with respect to service performed during 1994, and the adjusted amount determined under section 218(c)(8)(B) of the Social Security Act for any subsequent year with respect to service performed during such subsequent year''.

(b) CONFORMING AMENDMENTS RELATING TO MEDICARE QUALIFIED GOVERNMENT EMPLOYMENT.—

(1) AMENDMENT TO SOCIAL SECURITY ACT.—Section 210(p)(2)(E) of the Social Security Act (42 U.S.C. 410(p)(2)(E)) is amended by striking ''$100'' and inserting ''$1,000 with respect to service performed during 1994, and the adjusted amount determined under section 218(c)(8)(B) for any subsequent year with respect to service performed during such subsequent year''.

(2) AMENDMENT TO FICA.—Section 3121(u)(2)(B)(ii)(V) of the Internal Revenue Code of 1986 is amended by striking ''$100'' and inserting ''$1,000 with respect to service performed during 1994, and the adjusted amount determined under section 218(c)(8)(B) of the Social Security Act for any subsequent year with respect to service performed during such subsequent year''.

(c) AUTHORITY FOR STATES TO MODIFY COVERAGE AGREEMENTS WITH RESPECT TO ELECTION OFFICIALS AND ELECTION WORKERS.—Section 218(c)(8) of the Social Security Act (42 U.S.C. 418(c)(8)) is amended—

(1) by striking ''on or after January 1, 1968,'' and inserting ''at any time'';

(2) by striking ''$100'' and inserting ''$1,000 with respect to service performed during 1994, and the adjusted amount determined under subparagraph (B) for any subsequent year with respect to service performed during such subsequent year''; and

(3) by striking the last sentence and inserting the following new sentence: ''Any modification of an agreement pursuant to this paragraph shall be effective with respect to services performed in and after the calendar year in which the modification is mailed or delivered by other means to the Secretary.''.

(d) INDEXATION OF EXEMPT AMOUNT.—Section 218(c)(8) of such Act (as amended by subsection (c)) is further amended—

(1) by inserting ''(A)'' after ''(8)''; and

(2) by adding at the end the following new subparagraph:

''(B) For each year after 1994, the Secretary shall adjust the amount referred to in subparagraph (A) at the same time and in the same manner as is provided under section 215(a)(1)(B)(ii) with respect to the amounts referred to in section 215(a)(1)(B)(i), except that—

''(i) for purposes of this subparagraph, 1992 shall be substituted for the calendar year referred to in section 215(a)(1)(B)(ii)(II), and

''(ii) such amount as so adjusted, if not a multiple of $100, shall be rounded to the next higher multiple of $100 where such amount is a multiple of $50 and to the nearest multiple of $100 in any other case.

The Secretary shall determine and publish in the Federal Register each adjusted amount determined under this subparagraph not later than November 1 preceding the year for which the adjustment is made.''.

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply with respect to service performed on or after January 1, 1994.

SEC. 12003. USE OF SOCIAL SECURITY NUMBERS BY STATES AND LOCAL GOVERNMENTS AND FEDERAL DISTRICT COURTS FOR JURY SELECTION PURPOSES.

(a) IN GENERAL.—Section 205(c)(2) of the Social Security Act (42 U.S.C. 405(c)(2)) is amended—

(1) in subparagraph (B)(i), by striking ''(E)'' in the matter preceding subclause (I) and inserting ''(F)'';

(2) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(3) by inserting after subparagraph (D) the following:

''(E)(i) It is the policy of the United States that—

''(I) any State (or any political subdivision of a State) may utilize the social security account numbers issued by the Secretary for the additional purposes described in clause (ii) if such numbers have been collected and are otherwise utilized by such State (or political subdivision) in accordance with applicable law, and

''(II) any district court of the United States may use, for such additional purposes, any such social security account numbers which have been so collected and are so utilized by any State.

''(ii) The additional purposes described in this clause are the following:

''(I) identifying duplicate names of individuals on master lists used for jury selection purposes, and

''(II) identifying on such master lists those individuals who are ineligible to serve on a jury by reason of their conviction of a felony.

''(iii) To the extent that any provision of Federal law enacted before the date of the enactment of this subparagraph is inconsistent with the policy set forth in clause (i), such provision shall, on and after that date, be null, void, and of no effect.

''(iv) For purposes of this subparagraph, the term 'State' has the meaning such term has in subparagraph (D).''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 12004. AUTHORIZATION FOR ALL STATES TO EXTEND COVERAGE TO STATE AND LOCAL POLICEMEN AND FIREMEN UNDER EXISTING COVERAGE AGREEMENTS.

(a) IN GENERAL.—Section 218(l) of the Social Security Act (42 U.S.C. 418(l)) is amended—

(1) in paragraph (1), by striking ''(1)'' after ''(l)'', and by striking ''the State of'' and all that follows through ''prior to the date of enactment of this subsection'' and inserting ''a State entered into pursuant to this section''; and

(2) by striking paragraph (2).

(b) CONFORMING AMENDMENT.—Section 218(d)(8)(D) of such Act (42 U.S.C. 418(d)(8)(D)) is amended by striking ''agreements with the States named in'' and inserting ''State agreements modified as provided in''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to modifications filed by States after the date of the enactment of this Act.

SEC. 12005. LIMITED EXEMPTION FOR CANADIAN MINISTERS FROM CERTAIN SELF-EMPLOYMENT TAX LIABILITY.

(a) IN GENERAL.—Notwithstanding any other provision of law, if—

(1) an individual performed services described in section 1402(c)(4) of the Internal Revenue Code of 1986 which are subject to tax under section 1401 of such Code,

(2) such services were performed in Canada at a time when no agreement between the United States and Canada pursuant to section 233 of the Social Security Act was in effect, and

(3) such individual was required to pay contributions on the earnings from such services under the social insurance system of Canada, then such individual may file a certificate under this section in such form and manner, and with such official, as may be prescribed in regulations issued under chapter 2 of such Code. Upon the filing of such certificate, notwithstanding any judgment which has been entered to the contrary, such individual shall be exempt from payment of such tax with respect to services described in paragraphs (1) and (2) and from any penalties or interest for failure to pay such tax or to file a self-employment tax return as required under section 6017 of such Code.

(b) PERIOD FOR FILING.—A certificate referred to in subsection (a) may be filed only during the 180-day period commencing with the date on which the regulations referred to in subsection (a) are issued.

(c) TAXABLE YEARS AFFECTED BY CERTIFICATE.—A certificate referred to in subsection (a) shall be effective for taxable years ending after December 31, 1978, and before January 1, 1985.

(d) RESTRICTION ON CREDITING OF EXEMPT SELF-EMPLOYMENT INCOME.—In any case in which an individual is exempt under this section from paying a tax imposed under section 1401 of the Internal Revenue Code of 1986, any income on which such tax would

have been imposed but for such exemption shall not constitute self-employment income under section 211(b) of the Social Security Act (42 U.S.C. 411(b)), and, if such individual's primary insurance amount has been determined under section 215 of such Act (42 U.S.C. 415), notwithstanding section 215(f)(1) of such Act, the Secretary of Health and Human Services shall recompute such primary insurance amount so as to take into account the provisions of this subsection. The recomputation under this subsection shall be effective with respect to benefits for months following approval of the certificate of exemption.

SEC. 12006. EXCLUSION OF TOTALIZATION BENEFITS FROM THE APPLICATION OF THE WINDFALL ELIMINATION PROVISION.

(a) IN GENERAL.—Section 215(a)(7) of the Social Security Act (42 U.S.C. 415(a)(7)) is amended—

(1) in subparagraph (A), by striking ''but excluding'' and all that follows through ''1937'' and inserting ''but excluding (I) a payment under the Railroad Retirement Act of 1974 or 1937, and (II) a payment by a social security system of a foreign country based on an agreement concluded between the United States and such foreign country pursuant to section 233''; and

(2) in subparagraph (E), by inserting after ''in the case of an individual'' the following: ''whose eligibility for old-age or disability insurance benefits is based on an agreement concluded pursuant to section 233 or an individual''.

(b) CONFORMING AMENDMENT RELATING TO BENEFITS UNDER 1939 ACT.—Section 215(d)(3) of such Act (42 U.S.C. 415(d)(3)) is amended by striking ''but excluding'' and all that follows through ''1937'' and inserting ''but excluding (I) a payment under the Railroad Retirement Act of 1974 or 1937, and (II) a payment by a social security system of a foreign country based on an agreement concluded between the United States and such foreign country pursuant to section 233''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply (notwithstanding section 215(f)(1) of the Social Security Act (42 U.S.C. 415(f)(1))) with respect to benefits payable for months after October 1993.

SEC. 12007. EXCLUSION OF MILITARY RESERVISTS FROM APPLICATION OF THE GOVERNMENT PENSION OFFSET AND WINDFALL ELIMINATION PROVISIONS.

(a) EXCLUSION FROM GOVERNMENT PENSION OFFSET PROVISIONS.—Subsections (b)(4), (c)(2), (e)(7), (f)(2), and (g)(4) of section 202 of the Social Security Act (42 U.S.C. 402 (b)(4), (c)(2), (e)(7), (f)(2), and (g)(4)) are each amended—

(1) in subparagraph (A)(ii), by striking ''unless subparagraph (B) applies.'';

(2) in subparagraph (A), by striking ''The'' in the matter following clause (ii) and inserting ''unless subparagraph (B) applies. The''; and

(3) in subparagraph (B), by redesignating the existing matter as clause (ii), and by inserting before such clause (ii) (as so redesignated) the following:

''(B)(i) Subparagraph (A)(i) shall not apply with respect to monthly periodic benefits based wholly on service as a member of a uniformed service (as defined in section 210(m)).''.

(b) EXCLUSION FROM WINDFALL ELIMINATION PROVISIONS.—Section 215(a)(7)(A) of such Act (as amended by section 13006(a) of this Act) and section 215(d)(3) of such Act (as amended by section 13006(b) of this Act) are each further amended—

(1) by striking ''and'' before ''(II)''; and

(2) by striking ''section 233'' and inserting ''section 233, and (III) a payment based wholly on service as a member of a uniformed service (as defined in section 210(m))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply (notwithstanding section 215(f) of the Social Security Act) with respect to benefits payable for months after October 1993.

SEC. 12008. REPEAL OF THE FACILITY-OF-PAYMENT PROVISION.

(a) REPEAL OF RULE PRECLUDING REDISTRIBUTION UNDER FAMILY MAXIMUM.—Section 203(i) of the Social Security Act (42 U.S.C. 403(i)) is repealed.

(b) COORDINATION UNDER FAMILY MAXIMUM OF REDUCTION IN BENEFICIARY'S AUXILIARY BENEFITS WITH SUSPENSION OF AUXILIARY BENEFITS OF OTHER BENEFICIARY UNDER EARNINGS TEST.—Section 203(a)(4) of such Act (42 U.S.C. 403(a)(4)) is amended by striking ''section 222(b). Whenever'' and inserting the following: ''section 222(b). Notwithstanding the preceding sentence, any reduction under this subsection in the case of an individual who is entitled to a benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 for any month on the basis of the same wages and self-employment income as another person—

''(A) who also is entitled to a benefit under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 for such month,

''(B) who does not live in the same household as such individual, and

''(C) whose benefit for such month is suspended (in whole or in part) pursuant to subsection (h)(3) of this section,

shall be made before the suspension under subsection (h)(3). Whenever''.

(c) CONFORMING AMENDMENT APPLYING EARNINGS REPORTING REQUIREMENT DESPITE SUSPENSION OF BENEFITS.—The third sentence of section 203(h)(1)(A) of such Act (42 U.S.C. 403(h)(1)(A)) is amended by striking ''Such report need not be made'' and all that follows through ''The Secretary may grant'' and inserting the following: ''Such report need not be made for any taxable year—

''(i) beginning with or after the month in which such individual attained age 70, or

''(ii) if benefit payments for all months (in such taxable year) in which such individual is under age 70 have been suspended under the provisions of the first sentence of paragraph (3) of this subsection, unless—

''(I) such individual is entitled to benefits under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202,

''(II) such benefits are reduced under subsection (a) of this section for any month in such taxable year, and

''(III) in any such month there is another person who also is entitled to benefits under subsection (b), (c), (d), (e), (f), (g), or (h) of section 202 on the basis of the same wages and self-employment income and who does not live in the same household as such individual.

The Secretary may grant''.

(d) CONFORMING AMENDMENT DELETING SPECIAL INCOME TAX TREATMENT OF BENEFITS NO LONGER REQUIRED BY REASON OF REPEAL.—Section 86(d)(1) of the Internal Revenue Code of 1986 (relating to income tax on social security benefits) is amended by striking the last sentence.

(e) EFFECTIVE DATES.—

(1) The amendments made by subsections (a), (b), and (c) shall apply with respect to benefits payable for months after December 1994.

(2) The amendment made by subsection (d) shall apply with respect to benefits received after December 31, 1994, in taxable years ending after such date.

SEC. 12009. MAXIMUM FAMILY BENEFITS IN GUARANTEE CASES.

(a) IN GENERAL.—Section 203(a) of the Social Security Act (42 U.S.C. 403(a)) is amended by adding at the end the following new paragraph:

''(10)(A) Subject to subparagraphs (B) and (C)—

''(i) the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for a month on the basis of the wages and self-employment income of an individual whose primary insurance amount is computed under section 215(a)(2)(B)(i) shall equal the total monthly benefits which were authorized by this section with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits, increased for this purpose by the general benefit increases and other increases under section 215(i) that would have applied to such total monthly benefits had the individual remained entitled to disability insurance benefits until the month in which he became entitled to old-age insurance benefits or reentitled to disability insurance benefits or died, and

''(ii) the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 for a month on the basis of the wages and self-employment income of an individual whose primary insurance amount is computed under section 215(a)(2)(C) shall equal the total monthly benefits which were authorized by this section with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits.

''(B) In any case in which—

''(i) the total monthly benefits with respect to such individual's primary insurance amount for the last month of his prior entitlement to disability insurance benefits was computed under paragraph (6), and

''(ii) the individual's primary insurance amount is computed under subparagraph (B)(i) or (C) of section 215(a)(2) by reason of the individual's entitlement to old-age insurance benefits or death,

the total monthly benefits shall equal the total monthly benefits that would have been authorized with respect to the primary insurance amount for the last month of his prior entitlement to disability insurance benefits if such total monthly benefits had been computed without regard to paragraph (6).

''(C) This paragraph shall apply before the application of paragraph (3)(A), and before the application of section 203(a)(1) of this Act as in effect in December 1978.''.

(b) CONFORMING AMENDMENT.—Section 203(a)(8) of such Act (42 U.S.C. 403(a)(8)) is amended by striking ''Subject to paragraph (7),'' and inserting ''Subject to paragraph (7) and except as otherwise provided in paragraph (10)(C),''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply for the purpose of determining the total monthly benefits to which beneficiaries may be entitled under sections 202 and 223 of the Social Security Act based on the wages and self-employment income of an individual who—

(1) becomes entitled to an old-age insurance benefit under section 202(a) of such Act,

(2) becomes reentitled to a disability insurance benefit under section 223 of such Act, or

(3) dies,

after October 1993.

SEC. 12010. AUTHORIZATION FOR DISCLOSURE BY THE SECRETARY OF HEALTH AND HUMAN SERVICES OF INFORMATION FOR PURPOSES OF PUBLIC OR PRIVATE EPIDEMIOLOGICAL AND SIMILAR RESEARCH.

(a) IN GENERAL.—Section 1106 of the Social Security Act (42 U.S.C. 1306) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively;

(2) in subsection (f) (as so redesignated), by striking ''subsection (d)'' and inserting ''subsection (e)''; and

(3) by inserting after subsection (c) the following new subsection:

''(d) Notwithstanding any other provision of this section, in any case in which—

''(1) information regarding whether an individual is shown on the records of the Secretary as being alive or deceased is requested from the Secretary for purposes of epidemiological or similar research which the Secretary finds may reasonably be expected to contribute to a national health interest, and

''(2) the requester agrees to reimburse the Secretary for providing such information and to comply with limitations on safeguarding and rerelease or redisclosure of such information as may be specified by the Secretary,

the Secretary shall comply with such request, except to the extent that compliance with such request would constitute a violation of the terms of any contract entered into under section 205(r).''.

(b) AVAILABILITY OF INFORMATION RETURNS REGARDING WAGES PAID EMPLOYEES.—Section 6103(l)(5) of the Internal Revenue Code of 1986 (relating to disclosure of returns and return information to the Department of Health and Human Services for purposes other than tax administration) is amended—

(1) by striking ''for the purpose of'' and inserting ''for the purpose of—'';

(2) by striking ''carrying out, in accordance with an agreement'' and inserting the following:

''(A) carrying out, in accordance with an agreement'';

(3) by striking ''program.'' and inserting ''program; or''; and

(4) by adding at the end the following new subparagraph:

''(B) providing information regarding the mortality status of individuals for epidemiological and similar research in accordance with section 1106(d) of the Social Security Act.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to requests for information made after the date of the enactment of this Act.

SEC. 12011. IMPROVEMENT AND CLARIFICATION OF PROVISIONS PROHIBITING MISUSE OF SYMBOLS, EMBLEMS, OR NAMES IN REFERENCE TO SOCIAL SECURITY PROGRAMS AND AGENCIES.

(a) PROHIBITION OF UNAUTHORIZED REPRODUCTION, REPRINTING, OR DISTRIBUTION FOR FEE OF CERTAIN OFFICIAL PUBLICATIONS.—Section 1140(a) of the Social Security Act (42 U.S.C. 1320b–10(a)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting ''(1)'' after ''(a)''; and

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

''(2) No person may, for a fee, reproduce, reprint, or distribute any item consisting of a form, application, or other publication of the Social Security Administration unless such person has obtained specific, written authorization for such activity in accordance with regulations which the Secretary shall prescribe.''.

(b) ADDITION TO PROHIBITED WORDS, LETTERS, SYMBOLS, AND EMBLEMS.—Paragraph (1) of section 1140(a) of such Act (as redesignated by subsection (a)) is further amended—

(1) in subparagraph (A) (as redesignated), by striking ''Administration', the letters 'SSA' or 'HCFA','' and inserting ''Administration', 'Department of Health and Human Services', 'Health and Human Services', 'Supplemental Security Income Program', or 'Medicaid', the letters 'SSA', 'HCFA', 'DHHS', 'HHS', or 'SSI',''; and

(2) in subparagraph (B) (as redesignated), by striking ''Social Security Administration'' each place it appears and inserting ''Social Security Administration, Health Care Financing Administration, or Department of Health and Human Services'', and by striking ''or of the Health Care Financing Administration''.

(c) EXEMPTION FOR USE OF WORDS, LETTERS, SYMBOLS, AND EMBLEMS OF STATE AND LOCAL GOVERNMENT AGENCIES BY SUCH AGENCIES.—Paragraph (1) of section 1140(a) of such Act (as redesignated by subsection (a)) is further amended by adding at the end the following new sentence: ''The preceding provisions of this subsection shall not apply with respect to the use by any agency or instrumentality of a State or political subdivision of a State of any words or letters which identify an agency or instrumentality of such State or of a political subdivision of such State or the use by any such agency or instrumentality of any symbol or emblem of an agency or instrumentality of such State or a political subdivision of such State.''.

(d) INCLUSION OF REASONABLENESS STANDARD.—Section 1140(a)(1) of such Act (as amended by the preceding provisions of this section) is further amended, in the matter following subparagraph (B) (as redesignated), by striking ''convey'' and inserting ''convey, or in a manner which reasonably could be interpreted or construed as conveying,''.

(e) INEFFECTIVENESS OF DISCLAIMERS.—Subsection (a) of section 1140 of such Act (as amended by the preceding provisions of this section) is further amended by adding at the end the following new paragraph:

''(3) Any determination of whether the use of one or more words, letters, symbols, or emblems (or any combination or variation thereof) in connection with an item described in paragraph (1) or the reproduction, reprinting, or distribution of an item described in paragraph (2) is a violation of this subsection shall be made without regard to any inclusion in such item (or any so reproduced, reprinted, or distributed copy thereof) of a disclaimer of affiliation with the United States Government or any particular agency or instrumentality thereof.''.

(f) VIOLATIONS WITH RESPECT TO INDIVIDUAL ITEMS.—Section 1140(b)(1) of such Act (42 U.S.C. 1320b–10(b)(1)) is amended by adding at the end the following new sentence: ''In the case of any items referred to in subsection (a)(1) consisting of pieces of mail, each such piece of mail which contains one or more words, letters, symbols, or emblems in violation of subsection (a) shall represent a separate violation. In the case of any item referred to in subsection (a)(2), the reproduction, reprinting, or distribution of such item shall be treated as a separate violation with respect to each copy thereof so reproduced, reprinted, or distributed.''.

(g) ELIMINATION OF CAP ON AGGREGATE LIABILITY AMOUNT.—

(1) REPEAL.—Paragraph (2) of section 1140(b) of such Act (42 U.S.C. 1320b–10(b)(2)) is repealed.

(2) CONFORMING AMENDMENTS.—Section 1140(b) of such Act is further amended—

(A) by striking ''(1) Subject to paragraph (2), the'' and inserting ''The'';

(B) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(C) in paragraph (1) (as redesignated), by striking ''subparagraph (B)'' and inserting ''paragraph (2)''.

(h) REMOVAL OF FORMAL DECLINATION REQUIREMENT.—Section 1140(c)(1) of such Act (42 U.S.C. 1320b–10(c)(1)) is amended by inserting ''and the first sentence of subsection (c)'' after ''and (i)''.

(i) PENALTIES RELATING TO SOCIAL SECURITY ADMINISTRATION DEPOSITED IN OASI TRUST FUND.—Section 1140(c)(2) of such Act (42 U.S.C. 1320b–10(c)(2)) is amended in the second sentence by striking ''United States.'' and inserting ''United States, except that, to the extent that such amounts are recovered under this section as penalties imposed for misuse of words, letters, symbols, or emblems relating to the Social Security Administration, such amounts shall be deposited into the Federal Old-Age and Survivor's Insurance Trust Fund.''.

(j) ENFORCEMENT.—Section 1140 of such Act (42 U.S.C. 1320b–10) is amended by adding at the end the following new subsection:

''(d) The preceding provisions of this section shall be enforced through the Office of Inspector General of the Department of Health and Human Services.''.

(k) ANNUAL REPORTS.—Section 1140 of such Act (as amended by the preceding provisions of this section) is further amended by adding at the end the following new subsection:

''(e) The Secretary shall include in the annual report submitted pursuant to section 704 a report on the operation of this section during the year covered by such annual report. Such report shall specify—

''(1) the number of complaints of violations of this section received by the Social Security Administration during the year,

''(2) the number of cases in which a notice of violation of this section was sent by the Social Security Administration during the year requesting that an individual cease activities in violation of this section,

''(3) the number of complaints of violations of this section referred by the Social Security Administration to the Inspector General in the Department of Health and Human Services during the year,

''(4) the number of investigations of violations of this section undertaken by the Inspector General during the year,

''(5) the number of cases in which a demand letter was sent during the year assessing a civil money penalty under this section,

''(6) the total amount of civil money penalties assessed under this section during the year,

''(7) the number of requests for hearings filed during the year pursuant to subsection (c)(1) of this section and section 1128A(c)(2),

''(8) the disposition during such year of hearings filed pursuant to sections 1140(c)(1) and 1128A(c)(2), and

''(9) the total amount of civil money penalties under this section deposited into the Federal Old-Age and Survivors Insurance Trust Fund during the year.''.

(l) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to violations occurring after the date of the enactment of this Act.

SEC. 12012. INCREASED PENALTIES FOR UNAUTHORIZED DISCLOSURE OF SOCIAL SECURITY INFORMATION.

(a) UNAUTHORIZED DISCLOSURE.—Section 1106(a) of the Social Security Act (42 U.S.C. 1306(a)) is amended—

(1) by striking ''misdemeanor'' and inserting ''felony'';

(2) by striking ''$1,000'' and inserting ''$10,000 for each occurrence of a violation''; and

(3) by striking ''one year'' and inserting ''5 years''.

(b) UNAUTHORIZED DISCLOSURE BY FRAUD.—Section 1107(b) of such Act (42 U.S.C. 1307(b)) is amended—

(1) by inserting ''social security account number,'' after ''information as to the'';

(2) by striking ''misdemeanor'' and inserting ''felony'';

(3) by striking ''$1,000'' and inserting ''$10,000 for each occurrence of a violation''; and

(4) by striking ''one year'' and inserting ''5 years''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to violations occurring on or after the date of the enactment of this Act.

SEC. 12013. SIMPLIFICATION OF EMPLOYMENT TAXES ON DOMESTIC SERVICES.

(a) COORDINATION OF COLLECTION OF DOMESTIC SERVICE EMPLOYMENT WITH COLLECTION OF INCOME TAXES.—

(1) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 (relating to general provisions relating to employment taxes) is amended by adding at the end thereof the following new section:

"SEC. 3510. COORDINATION OF COLLECTION OF DOMESTIC SERVICE EMPLOYMENT TAXES WITH COLLECTION OF INCOME TAXES.

''(a) GENERAL RULE.—Except as otherwise provided in this section—

''(1) returns with respect to domestic service employment taxes shall be made on a calendar year basis,

''(2) any such return for any calendar year shall be filed on or before the 15th day of the fourth month following the close of the employer's taxable year which begins in such calendar year, and

''(3) no requirement to make deposits (or to pay installments under section 6157) shall apply with respect to such taxes.

''(b) DOMESTIC SERVICE EMPLOYMENT TAXES SUBJECT TO ESTIMATED TAX PROVISIONS.—

''(1) IN GENERAL.—Solely for purposes of section 6654, domestic service employment taxes imposed with respect to any calendar year shall be treated as a tax imposed by chapter 2 for the taxable year of the employer which begins in such calendar year.

''(2) ANNUALIZATION.—Under regulations prescribed by the Secretary, appropriate adjustments shall be made in the application of section 6654(d)(2) in respect of the amount treated as tax under paragraph (1).

''(3) TRANSITIONAL RULE.—For purposes of applying section 6654 to a taxable year beginning in 1993, the amount referred to in clause (ii) of section 6654(d)(1)(B) shall be increased by 90 percent of the amount treated as tax under paragraph (1) for such taxable year.

''(c) DOMESTIC SERVICE EMPLOYMENT TAXES.—For purposes of this section, the term 'domestic service employment taxes' means—

''(1) any taxes imposed by chapter 21 or 23 on remuneration paid for domestic service in a private home of the employer, and

''(2) any amount withheld from such remuneration pursuant to an agreement under section 3402(p).

For purposes of this subsection, the term 'domestic service in a private home of the employer' does not include service described in section 3121(g)(5).

''(d) EXCEPTION WHERE EMPLOYER LIABLE FOR OTHER EMPLOYMENT TAXES.—To the extent provided in regulations prescribed by the Secretary, this section shall not apply to any employer for any calendar year if such employer is liable for any tax under this subtitle with respect to remuneration for services other than domestic service in a private home of the employer.

''(e) GENERAL REGULATORY AUTHORITY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section. Such regulations may treat domestic service employment taxes as taxes imposed by chapter 1 for purposes of coordinating the assessment and collection of such employment taxes with the assessment and collection of domestic employers' income taxes.

''(f) AUTHORITY TO ENTER INTO AGREEMENTS TO COLLECT STATE UNEMPLOYMENT TAXES.—

''(1) IN GENERAL.—The Secretary is hereby authorized to enter into an agreement with any State to collect, as the agent of such State, such State's unemployment taxes imposed on remuneration paid for domestic service in a private home of the employer. Any taxes to be collected by the Secretary pursuant to such an agreement shall be treated as domestic service employment taxes for purposes of this section.

''(2) TRANSFERS TO STATE ACCOUNT.—Any amount collected under an agreement referred to in paragraph (1) shall be transferred by the Secretary to the account of the State in the Unemployment Trust Fund.

''(3) SUBTITLE F MADE APPLICABLE.—For purposes of subtitle F, any amount required to be collected under an agreement under paragraph (1) shall be treated as a tax imposed by chapter 23.

''(4) STATE.—For purposes of this subsection, the term 'State' has the meaning given such term by section 3306(j)(1).''

(2) CLERICAL AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding at the end thereof the following:

''Sec. 3510. Coordination of collection of domestic service employment taxes with collection of income taxes.''

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to remuneration paid in calendar years beginning after December 31, 1993.

(4) EXPANDED INFORMATION TO EMPLOYERS.—The Secretary of the Treasury or his delegate shall prepare and make available information on the Federal tax obligations of employers with respect to employees performing domestic service in a private home of the employer. Such information shall also include a statement that such employers may have obligations with respect to such employees under State laws relating to unemployment insurance and workers compensation.

(b) THRESHOLD REQUIREMENT FOR SOCIAL SECURITY TAXES.—

(1) AMENDMENTS OF INTERNAL REVENUE CODE.—

(A) Subparagraph (B) of section 3121(a)(7) of the Internal Revenue Code of 1986 (defining wages) is amended to read as follows:

''(B) cash remuneration paid by an employer in any calendar year to an employee for domestic service in a private home of the employer (within the meaning of subsection (y)), if the cash remuneration paid in such year by the employer to the employee for such service is less than the applicable dollar threshold (as defined in subsection (y)) for such year;''.

(B) Section 3121 of such Code is amended by adding at the end thereof the following new subsection:

''(y) DOMESTIC SERVICE IN A PRIVATE HOME.—For purposes of subsection (a)(7)(B)—

''(1) EXCLUSION FOR CERTAIN FARM SERVICE.—The term 'domestic service in a private home of the employer' does not include service described in subsection (g)(5).

''(2) APPLICABLE DOLLAR THRESHOLD.—The term 'applicable dollar threshold' means $1,800. In the case of calendar years after 1994, the Secretary of Health and Human Services shall adjust such $1,800 amount at the same time and in the same manner as under section 215(a)(1)(B)(ii) of the Social Security Act with respect to the amounts referred to in section 215(a)(1)(B)(i) of such Act, except that, for purposes of this subparagraph, 1992 shall be substituted for the calendar year referred to in section 215(a)(1)(B)(ii)(II) of such Act. If the amount determined under the preceding sentence is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.''

(C) The second sentence of section 3102(a) of such Code is amended—

(i) by striking ''calendar quarter'' each place it appears and inserting ''calendar year'', and

(ii) by striking ''$50'' and inserting ''the applicable dollar threshold (as defined in section 3121(y)(2)) for such year''.

(2) AMENDMENT OF SOCIAL SECURITY ACT.—Subparagraph (B) of section 209(a)(6) of the Social Security Act (42 U.S.C. 409(a)(6)(B)) is amended to read as follows:

''(B) Cash remuneration paid by an employer in any calendar year to an employee for domestic service in a private home of the employer, if the cash remuneration paid in such year by the employer to the employee for such service is less than the applicable dollar threshold (as defined in section 3121(y)(2) of the Internal Revenue Code of 1986) for such year. As used in this subparagraph, the term 'domestic service in a private home of the employer' does not include service described in section 210(f)(5).''

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to remuneration paid in calendar years beginning after December 31, 1993.

(4) RELIEF FROM LIABILITY FOR CERTAIN UNDERPAYMENT AMOUNTS.—

(A) IN GENERAL.—On and after the date of the enactment of this Act, an underpayment to which this paragraph applies (and any penalty, addition to tax, and interest with respect to such underpayment) shall not be assessed (or, if assessed, shall not be collected).

(B) UNDERPAYMENTS TO WHICH PARAGRAPH APPLIES.—This paragraph shall apply to an underpayment to the extent of the amount thereof which would not be an underpayment if—

(i) the amendments made by paragraph (1) had applied to all calendar years after 1950 and before 1994, and

(ii) the applicable dollar threshold for any such calendar year were the amount determined under the following table:

In the case of calendar year:	The applicable dollar threshold is:
1951, 1952, or 1953	$ 200
1954, 1955, 1956, or 1957	250
1958, 1959, 1960, 1961, or 1962	300
1963, 1964, 1965, or 1966	350
1967, 1968, 1969	400
1970	450
1971, 1972, or 1973	500
1974 or 1975	600
1976	650
1977	700
1978	750
1979	800
1980	850
1981	900
1982	1,000
1983	1,100
1984	1,200
1985	1,250
1986	1,300
1987	1,350
1988	1,400
1989	1,500
1990	1,550
1991	1,600
1992	1,700
1993	1,750

SEC. 12014. INCREASE IN AUTHORIZED PERIOD FOR EXTENSION OF TIME TO FILE ANNUAL EARNINGS REPORT.

(a) IN GENERAL.—Section 203(h)(1)(A) of the Social Security Act (42 U.S.C. 403(h)(1)(A)) is amended in the last sentence by striking ''three months'' and inserting ''four months''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to reports of earnings for taxable years ending on or after December 31, 1993.

SEC. 12015. ALLOCATIONS TO FEDERAL DISABILITY INSURANCE TRUST FUND.

(a) ALLOCATION WITH RESPECT TO WAGES.—Section 201(b)(1) of the Social Security Act

(42 U.S.C. 401(b)(1)) is amended to read as follows:

''(1) 1.75 percent of the wages (as defined in section 3121 of the Internal Revenue Code of 1986) paid after December 31, 1992, and reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of the Internal Revenue Code of 1986, which wages shall be certified by the Secretary of Health and Human Services on the basis of the records of wages established and maintained by such Secretary in accordance with such reports; and''.

(b) ALLOCATION WITH RESPECT TO SELF-EMPLOYMENT INCOME.—Section 201(b)(2) of such Act (42 U.S.C. 401(b)(2)) is amended to read as follows:

''(2) 1.75 percent of the self-employment income (as defined in section 1402 of the Internal Revenue Code of 1986) reported to the Secretary of the Treasury or his delegate on tax returns under subtitle F of the Internal Revenue Code of 1986 for any taxable year beginning after December 31, 1992, which self-employment income shall be certified by the Secretary of Health and Human Services on the basis of the records of self-employment income established and maintained by the Secretary of Health and Human Services in accordance with such returns.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to wages paid after December 31, 1992, and self-employment income for taxable years beginning after such date.

(d) STUDY ON RISING COSTS OF DISABILITY BENEFITS.—

(1) IN GENERAL.—As soon as practicable after the date of the enactment of this Act, the Secretary of Health and Human Services shall conduct a comprehensive study of the reasons for rising costs payable from the Federal Disability Insurance Trust Fund.

(2) MATTERS TO BE INCLUDED IN STUDY.—In conducting the study under this subsection, the Secretary shall—

(A) determine the relative importance of the following factors in increasing the costs payable from the Trust Fund:

(i) increased numbers of applications for benefits;

(ii) higher rates of benefit allowances; and

(iii) decreased rates of benefit terminations; and

(B) identify, to the extent possible, underlying social, economic, demographic, programmatic, and other trends responsible for changes in disability benefit applications, allowances, and terminations.

(3) REPORT.—Not later than December 31, 1995, the Secretary shall transmit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate setting forth the results of the study conducted under this subsection, together with any recommendations for legislative changes which the Secretary determines appropriate.

SEC. 12016. TECHNICAL AND CLERICAL AMENDMENTS.

(a) AMENDMENTS TO TITLE II OF THE SOCIAL SECURITY ACT.—

(1) Section 201(a) of the Social Security Act (42 U.S.C. 401(a)) is amended, in the matter following clause (4), by striking ''and and'' and inserting ''and''.

(2) Section 202(d)(8)(D)(ii) of such Act (42 U.S.C. 402(d)(8)(D)(ii)) is amended by adding a period at the end and by adjusting the left hand margination thereof so as to align with section 202(d)(8)(D)(i) of such Act.

(3) Section 202(q)(1)(A) of such Act (42 U.S.C. 402(q)(1)(A)) is amended by striking the dash at the end.

(4) Section 202(q)(9) of such Act (42 U.S.C. 402(q)(9)) is amended, in the matter preceding subparagraph (A), by striking ''parargaph'' and inserting ''paragraph''.

(5) Section 202(t)(4)(D) of such Act (42 U.S.C. 402(t)(4)(D)) is amended by inserting ''if the'' before ''Secretary'' the second and third places it appears.

(6) Clauses (i) and (ii) of section 203(f)(5)(C) of such Act (42 U.S.C. 403(f)(5)(C)) are amended by adjusting the left-hand margination thereof so as to align with clauses (i) and (ii) of section 203(f)(5)(B) of such Act.

(7) Paragraph (3)(A) and paragraph (3)(B) of section 205(b) of such Act (42 U.S.C. 405(b)) are amended by adjusting the left-hand margination thereof so as to align with the matter following section 205(b)(2)(C) of such Act.

(8) Section 205(c)(2)(B)(iii) of such Act (42 U.S.C. 405(c)(2)(B)(iii)) is amended by striking ''non-public'' and inserting ''nonpublic''.

(9) Section 205(c)(2)(C) of such Act (42 U.S.C. 405(c)(2)(C)) is amended—

(A) by striking the clause (vii) added by section 2201(c) of Public Law 101-624; and

(B) by redesignating the clause (iii) added by section 2201(b)(3) of Public Law 101-624, clause (iv), clause (v), clause (vi), and the clause (vii) added by section 1735(b) of Public Law 101-624 as clause (iv), clause (v), clause (vi), clause (vii), and clause (viii), respectively;

(C) in clause (v) (as redesignated), by striking ''subclause (I) of'', and by striking ''subclause (II) of clause (i)'' and inserting ''clause (ii)''; and

(D) in clause (viii)(IV) (as redesignated), by inserting ''a social security account number or'' before ''a request for''.

(10) The heading for section 205(j) of such Act (42 U.S.C. 405(j)) is amended to read as follows:

''Representative Payees''.

(11) The heading for section 205(s) of such Act (42 U.S.C. 405(s)) is amended to read as follows:

''Notice Requirements''.

(12) Section 208(c) of such Act (42 U.S.C. 408(c)) is amended by striking ''subsection (g)'' and inserting ''subsection (a)(7)''.

(13) Section 210(a)(5)(B)(i)(V) of such Act (42 U.S.C. 410(a)(5)(B)(i)(V)) is amended by striking ''section 105(e)(2)'' and inserting ''section 104(e)(2)''.

(14) Section 211(a) of such Act (42 U.S.C. 411(a)) is amended—

(A) in paragraph (13), by striking ''and'' at the end; and

(B) in paragraph (14), by striking the period and inserting ''; and''.

(15) Section 213(c) of such Act (42 U.S.C. 413(c)) is amended by striking ''section'' the first place it appears and inserting ''sections''.

(16) Section 215(a)(5)(B)(i) of such Act (42 U.S.C. 415(a)(5)(B)(i)) is amended by striking ''subsection'' the second place it appears and inserting ''subsections''.

(17) Section 215(f)(7) of such Act (42 U.S.C. 415(f)(7)) is amended by inserting a period after ''1990''.

(18) Subparagraph (F) of section 218(c)(6) of such Act (42 U.S.C. 418(c)(6)) is amended by adjusting the left-hand margination thereof so as to align with section 218(c)(6)(E) of such Act.

(19) Section 223(i) of such Act (42 U.S.C. 423(i)) is amended by adding at the beginning the following heading:

''Limitation on Payments to Prisoners''.

(b) RELATED AMENDMENTS.—

(1) Section 603(b)(5)(A) of Public Law 101-649 (amending section 202(n)(1) of the Social Security Act) (104 Stat. 5085) is amended by inserting ''under'' before ''paragraph (1),'' and by striking ''(17), or (18)'' and inserting ''(17), (18), or (19)'', effective as if this paragraph were included in such section 603(b)(5)(A).

(2) Section 10208(b)(1) of Public Law 101-239 (amending section 230(b)(2)(A) of the Social Security Act) (103 Stat. 2477) is amended by striking ''230(b)(2)(A)'' and ''430(b)(2)(A)'' and inserting ''230(b)(2)'' and ''430(b)(2)'', respectively, effective as if this paragraph were included in such section 10208(b)(1).

(c) CONFORMING, CLERICAL AMENDMENTS UPDATING, WITHOUT SUBSTANTIVE CHANGE, REFERENCES IN TITLE II OF THE SOCIAL SECURITY ACT TO THE INTERNAL REVENUE CODE.—

(1)(A) Section 201(a) of such Act (42 U.S.C. 401(a)) is amended—

(i) by striking clauses (1) and (2);

(ii) in clause (3), by striking ''(3) the taxes imposed'' and all that follows through ''December 31, 1954,'' and inserting ''(1) the taxes imposed by chapter 21 (other than sections 3101(b) and 3111(b)) of the Internal Revenue Code of 1986 with respect to wages (as defined in section 3121 of such Code) reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of such Code,'', and by striking ''subchapter or'';

(iii) in clause (4), by striking ''(4) the taxes imposed'' and all that follows through ''such Code,'' and inserting ''(2) the taxes imposed by chapter 2 (other than section 1401(b)) of the Internal Revenue Code of 1986 with respect to self-employment income (as defined in section 1402 of such Code) reported to the Secretary of the Treasury or his delegate on tax returns under subtitle F of such Code,'', and by striking ''subchapter or chapter'' and inserting ''chapter''; and

(iv) in the matter following the clauses amended by this subparagraph, by striking ''clauses (3) and (4)'' each place it appears and inserting ''clauses (1) and (2)''.

(B) The amendments made by subparagraph (A) shall apply only with respect to taxes imposed with respect to wages paid on or after January 1, 1993, or with respect to self-employment income for taxable years beginning on or after such date.

(2)(A)(i) Section 201(g)(1) of such Act (42 U.S.C. 401(g)(1)) is amended—

(I) in subparagraph (A)(i), by striking ''and subchapter E'' and all that follows through ''1954'' and inserting ''and chapters 2 and 21 of the Internal Revenue Code of 1986'';

(II) in subparagraph (A)(ii), by striking ''1954'' and inserting ''1986'';

(III) in the matter in subparagraph (A) following clause (ii), by striking ''subchapter E'' and all that follows through ''1954.'' and inserting ''chapters 2 and 21 of the Internal Revenue Code of 1986.'', and by striking ''1954 other'' and inserting ''1986 other''; and

(IV) in subparagraph (B), by striking ''1954'' each place it appears and inserting ''1986''.

(ii) The amendments made by clause (i) shall apply only with respect to periods beginning on or after the date of the enactment of this Act.

(B)(i) Section 201(g)(2) of such Act (42 U.S.C. 401(g)(2)) is amended by striking ''section 3101(a)'' and all that follows through ''1950.'' and inserting ''section 3101(a) of the Internal Revenue Code of 1986 which are subject to refund under section 6413(c) of such Code with respect to wages (as defined in section 3121 of such Code).'', and by striking ''wages reported'' and all that follows through ''1954,'' and inserting ''wages reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of such Code,''.

(ii) The amendments made by clause (i) shall apply only with respect to wages paid on or after January 1, 1993.

(C) Section 201(g)(4) of such Act (42 U.S.C. 401(g)(4)) is amended—

(i) by striking ''The Board of Trustees shall prescribe before January 1, 1981, the method'' and inserting ''If at any time or times the Boards of Trustees of such Trust Funds deem such action advisable, they may modify the method prescribed by such Boards'';

(ii) by striking ''1954'' and inserting ''1986''; and

(iii) by striking the last sentence.

(3) Section 202(v) of such Act (42 U.S.C. 402(v)) is amended—

(A) in paragraph (1), by striking ''1954'' and inserting ''1986''; and

(B) in paragraph (3)(A), by inserting ''of the Internal Revenue Code of 1986'' after ''3127''.

(4) Section 205(c)(5)(F)(i) of such Act (42 U.S.C. 405(c)(5)(F)(i)) is amended by inserting ''or the Internal Revenue Code of 1986'' after ''1954''.

(5)(A) Section 208(a)(1) of such Act (42 U.S.C. 408(a)(1)) is amended—

(i) in the matter preceding subparagraph (A), by striking ''subchapter E'' and all that follows through ''1954'' and inserting ''chapter 2 or 21 or subtitle F of the Internal Revenue Code of 1986'';

(ii) in subparagraph (A), by inserting ''of 1986'' after ''Internal Revenue Code''; and

(iii) in subparagraph (B), by inserting ''of 1986'' after ''Internal Revenue Code''.

(B) The amendments made by subparagraph (A) shall apply only with respect to violations occurring on or after the date of the enactment of this Act.

(6)(A) Section 209(a)(4)(A) of such Act (42 U.S.C. 409(a)(4)(A)) is amended by inserting ''or the Internal Revenue Code of 1986'' after ''Internal Revenue Code of 1954''.

(B) Section 209(a) of such Act (42 U.S.C. 409(a)) is amended—

(i) in subparagraphs (C) and (E) of paragraph (4),

(ii) in paragraph (5)(A),

(iii) in subparagraphs (A) and (B) of paragraph (14),

(iv) in paragraph (15),

(v) in paragraph (16), and

(vi) in paragraph (17),

by striking ''1954'' each place it appears and inserting ''1986''.

(C) Subsections (b), (f), (g), (i)(1), and (j) of section 209 of such Act (42 U.S.C. 409) are amended by striking ''1954'' each place it appears and inserting ''1986''.

(7) Section 211(a)(15) of such Act (42 U.S.C. 411(a)(15)) is amended by inserting ''of the Internal Revenue Code of 1986'' after ''section 162(m)''.

(8) Title II of such Act is further amended—

(A) in subsections (f)(5)(B)(ii) and (k) of section 203 (42 U.S.C. 403),

(B) in section 205(c)(1)(D)(i) (42 U.S.C. 405(c)(1)(D)(i)),

(C) in the matter in section 210(a) (42 U.S.C. 410(a)) preceding paragraph (1) and in paragraphs (8), (9), and (10) of section 210(a),

(D) in subsections (p)(4) and (q) of section 210 (42 U.S.C. 410),

(E) in the matter in section 211(a) (42 U.S.C. 411(a)) preceding paragraph (1) and in paragraphs (3), (4), (6), (10), (11), and (12) and clauses (iii) and (iv) of section 211(a),

(F) in the matter in section 211(c) (42 U.S.C. 411(c)) preceding paragraph (1), in paragraphs (3) and (6) of section 211(c), and in the matter following paragraph (6) of section 211(c),

(G) in subsections (d), (e), and (h)(1)(B) of section 211 (42 U.S.C. 411),

(H) in section 216(j) (42 U.S.C. 416(j)),

(I) in section 218(e)(3) (42 U.S.C. 418(e)(3)),

(J) in section 229(b) (42 U.S.C. 429(b)),

(K) in section 230(c) (42 U.S.C. 430(c)), and

(L) in section 232 (42 U.S.C. 432),

by striking ''1954'' each place it appears and inserting ''1986''.

(d) RULES OF CONSTRUCTION.—

(1) The preceding provisions of this section shall be construed only as technical and clerical corrections and as reflecting the original intent of the provisions amended thereby.

(2) Any reference in title II of the Social Security Act to the Internal Revenue Code of 1986 shall be construed to include a reference to the Internal Revenue Code of 1954 to the extent necessary to carry out the provisions of paragraph (1).

(e) UTILIZATION OF NATIONAL AVERAGE WAGE INDEX FOR WAGE-BASED ADJUSTMENTS.—

(1) DEFINITION OF NATIONAL AVERAGE WAGE INDEX.—Section 209(k) of the Social Security Act (42 U.S.C. 409(k)) is amended—

(A) by redesignating paragraph (2) as paragraph (3);

(B) in paragraph (3) (as redesignated), by striking ''paragraph (1)'' and inserting ''this subsection''; and

(C) by striking paragraph (1) and inserting the following new paragraphs:

''(k)(1) For purposes of sections 203(f)(8)(B)(ii), 213(d)(2)(B), 215(a)(1)(B)(ii), 215(a)(1)(C)(ii), 215(a)(1)(D), 215(b)(3)(A)(ii), 215(i)(1)(E), 215(i)(2)(C)(ii), 224(f)(2)(B), and 230(b)(2) (and 230(b)(2) as in effect immediately prior to the enactment of the Social Security Amendments of 1977), the term 'national average wage index' for any particular calendar year means, subject to regulations of the Secretary under paragraph (2), the average of the total wages for such particular calendar year.

''(2) The Secretary shall prescribe regulations under which the national average wage index for any calendar year shall be computed—

''(A) on the basis of amounts reported to the Secretary of the Treasury or his delegate for such year,

''(B) by disregarding the limitation on wages specified in subsection (a)(1),

''(C) with respect to calendar years after 1990, by incorporating deferred compensation amounts and factoring in for such years the rate of change from year to year in such amounts, in a manner consistent with the requirements of section 10208 of the Omnibus Budget Reconciliation Act of 1989, and

''(D) with respect to calendar years before 1978, in a manner consistent with the manner in which the average of the total wages for each of such calendar years was determined as provided by applicable law as in effect for such years.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 203(f)(8)(B)(ii) of such Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended by striking ''deemed average total wages'' each place it appears and inserting ''national average wage index''.

(B) Section 213(d)(2)(B) of such Act (42 U.S.C. 413(d)(2)(B)) is amended by striking ''deemed average total wages'' and inserting ''national average wage index'', and by striking ''the average of the total wages'' and all that follows and inserting ''the national average wage index (as so defined) for 1976,''.

(C) Section 215(a)(1)(B)(ii) of such Act (42 U.S.C. 415(a)(1)(B)(ii)) is amended—

(i) in subclause (I), by striking ''deemed average total wages'' and inserting ''national average wage index''; and

(ii) in subclause (II), by striking ''the average of the total wages'' and all that follows and inserting ''the national average wage index (as so defined) for 1977.''.

(D) Section 215(a)(1)(C)(ii) of such Act (42 U.S.C. 415(a)(1)(C)(ii)) is amended by striking ''deemed average total wages'' and inserting ''national average wage index''.

(E) Section 215(a)(1)(D) of such Act (42 U.S.C. 415(a)(1)(D)) is amended—

(i) by striking ''after 1978'';

(ii) by striking ''and the average of the total wages (as described in subparagraph (B)(ii)(I))'' and inserting ''and the national average wage index (as defined in section 209(k)(1))''; and

(iii) by striking the last sentence.

(F) Section 215(b)(3)(A)(ii) of such Act (42 U.S.C. 415(b)(3)(A)(ii)) is amended by striking ''deemed average total wages'' each place it appears and inserting ''national average wage index''.

(G) Section 215(i)(1) of such Act (42 U.S.C. 415(i)(1)) is amended—

(i) in subparagraph (E), by striking ''SSA average wage index'' and inserting ''national average wage index (as defined in section 209(k)(1))''; and

(ii) by striking subparagraph (G) and redesignating subparagraph (H) as subparagraph (G).

(H) Section 215(i)(2)(C)(ii) of such Act (42 U.S.C. 415(i)(1)(C)(ii)) is amended to read as follows:

''(ii) The Secretary shall determine and promulgate the OASDI fund ratio for the current calendar year on or before November 1 of the current calendar year, based upon the most recent data then available. The Secretary shall include a statement of the fund ratio and the national average wage index (as defined in section 209(k)(1)) and a statement of the effect such ratio and the level of such index may have upon benefit increases under this subsection in any notification made under clause (i) and any determination published under subparagraph (D).''.

(I) Section 224(f)(2) of such Act (42 U.S.C. 424a(f)(2)) is amended—

(i) in subparagraph (A), by adding ''and'' at the end;

(ii) by striking subparagraph (C); and

(iii) by striking subparagraph (B) and inserting the following:

''(B) the ratio of (i) the national average wage index (as defined in section 209(k)(1)) for the calendar year before the year in which such redetermination is made to (ii) the national average wage index (as so defined) for the calendar year before the year in which the reduction was first computed (but not counting any reduction made in benefits for a previous period of disability).''.

(J) Section 230(b)(2) of such Act (42 U.S.C. 430(b)(2)) is amended by striking ''deemed average total wages'' each place it appears and inserting ''national average wage index''.

(K) Section 230(d) of such Act (42 U.S.C. 430(d)) is amended by striking ''deemed average total wage'' and inserting ''national average wage index''.

SEC. 12017. CROSS-MATCHING OF SOCIAL SECURITY ACCOUNT NUMBER INFORMATION AND EMPLOYER IDENTIFICATION NUMBER INFORMATION MAINTAINED BY THE DEPARTMENT OF AGRICULTURE.

(a) SOCIAL SECURITY ACCOUNT NUMBER INFORMATION.—Clause (iii) of section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) (as added by section 1735(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3791)) is amended—

(1) by inserting ''(I)'' after ''(iii)''; and

(2) by striking ''The Secretary of Agriculture shall restrict'' and all that follows and inserting the following:

''(II) The Secretary of Agriculture may share any information contained in any list referred to in subclause (I) with any other agency or instrumentality of the United States which otherwise has access to social security account numbers in accordance with this subsection or other applicable Federal law, except that the Secretary of Agriculture may share such information only to the extent that such Secretary determines such sharing would assist in verifying and matching such information against information maintained by such other agency or instrumentality. Any such information shared pursuant to this subclause may be used by such other agency or instrumentality only for the purpose of effective administration

and enforcement of the Food Stamp Act of 1977 or for the purpose of investigation of violations of other Federal laws or enforcement of such laws.

''(III) The Secretary of Agriculture, and the head of any other agency or instrumentality referred to in this subclause, shall restrict, to the satisfaction of the Secretary of Health and Human Services, access to social security account numbers obtained pursuant to this clause only to officers and employees of the United States whose duties or responsibilities require access for the purposes described in subclause (II).

''(IV) The Secretary of Agriculture, and the head of any agency or instrumentality with which information is shared pursuant to clause (II), shall provide such other safeguards as the Secretary of Health and Human Services determines to be necessary or appropriate to protect the confidentiality of the social security account numbers.''.

(b) EMPLOYER IDENTIFICATION NUMBER INFORMATION.—Subsection (f) of section 6109 of the Internal Revenue Code of 1986 (as added by section 1735(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3792)) (relating to access to employer identification numbers by Secretary of Agriculture for purposes of Food Stamp Act of 1977) is amended—

(1) by striking paragraph (2) and inserting the following:

''(2) SHARING OF INFORMATION AND SAFEGUARDS.—

''(A) SHARING OF INFORMATION.—The Secretary of Agriculture may share any information contained in any list referred to in paragraph (1) with any other agency or instrumentality of the United States which otherwise has access to employer identification numbers in accordance with this section or other applicable Federal law, except that the Secretary of Agriculture may share such information only to the extent that such Secretary determines such sharing would assist in verifying and matching such information against information maintained by such other agency or instrumentality. Any such information shared pursuant to this subparagraph may be used by such other agency or instrumentality only for the purpose of effective administration and enforcement of the Food Stamp Act of 1977 or for the purpose of investigation of violations of other Federal laws or enforcement of such laws.

''(B) SAFEGUARDS.—The Secretary of Agriculture, and the head of any other agency or instrumentality referred to in subparagraph (A), shall restrict, to the satisfaction of the Secretary of the Treasury, access to employer identification numbers obtained pursuant to this subsection only to officers and employees of the United States whose duties or responsibilities require access for the purposes described in subparagraph (A). The Secretary of Agriculture, and the head of any agency or instrumentality with which information is shared pursuant to subparagraph (A), shall provide such other safeguards as the Secretary of the Treasury determines to be necessary or appropriate to protect the confidentiality of the employer identification numbers.'';

(2) in paragraph (3), by striking ''by the Secretary of Agriculture pursuant to this subsection'' and inserting ''pursuant to this subsection by the Secretary of Agriculture or the head of any agency or instrumentality with which information is shared pursuant to paragraph (2)'', and by striking ''social security account numbers'' and inserting ''employer identification numbers''; and

(3) in paragraph (4), by striking ''by the Secretary of Agriculture pursuant to this subsection'' and inserting ''pursuant to this subsection by the Secretary of Agriculture or any agency or instrumentality with which information is shared pursuant to paragraph (2)''.

SEC. 12018. PROHIBITION OF MISUSE OF DEPARTMENT OF THE TREASURY NAMES, SYMBOLS, ETC.

(a) GENERAL RULE.—Subchapter II of chapter 3 of title 31, United States Code, is amended by adding at the end thereof the following new section:

''§ 333. Prohibition of misuse of Department of the Treasury names, symbols, etc.

''(a) GENERAL RULE.—No person may use, in connection with, or as a part of, any advertisement, solicitation, business activity, or product, whether alone or with other words, letters, symbols, or emblems—

''(1) the words 'Department of the Treasury', or the name of any service, bureau, office, or other subdivision of the Department of the Treasury,

''(2) the titles 'Secretary of the Treasury' or 'Treasurer of the United States' or the title of any other officer or employee of the Department of the Treasury,

''(3) the abbreviations or initials of any entity referred to in paragraph (1),

''(4) the words 'United States Savings Bond' or the name of any other obligation issued by the Department of the Treasury,

''(5) any symbol or emblem of an entity referred to in paragraph (1) (including the design of any envelope or stationary used by such an entity), and

''(6) any colorable imitation of any such words, titles, abbreviations, initials, symbols, or emblems,

in a manner which could reasonably be interpreted or construed as conveying the false impression that such advertisement, solicitation, business activity, or product is in any manner approved, endorsed, sponsored, or authorized by, or associated with, the Department of the Treasury or any entity referred to in paragraph (1) or any officer or employee thereof.

''(b) TREATMENT OF DISCLAIMERS.—Any determination of whether a person has violated the provisions of subsection (a) shall be made without regard to any use of a disclaimer of affiliation with the United States Government or any particular agency or instrumentality thereof.

''(c) CIVIL PENALTY.—

''(1) IN GENERAL.—The Secretary of the Treasury may impose a civil penalty on any person who violates the provisions of subsection (a).

''(2) AMOUNT OF PENALTY.—The amount of the civil penalty imposed by paragraph (1) shall not exceed $5,000 for each use of any material in violation of subsection (a). If such use is in a broadcast or telecast, the preceding sentence shall be applied by substituting '$25,000' for '$5,000'.

''(3) TIME LIMITATIONS.—

''(A) ASSESSMENTS.—The Secretary of the Treasury may assess any civil penalty under paragraph (1) at any time before the end of the 3-year period beginning on the date of the violation with respect to which such penalty is imposed.

''(B) CIVIL ACTION.—The Secretary of the Treasury may commence a civil action to recover any penalty imposed under this subsection at any time before the end of the 2-year period beginning on the date on which such penalty was assessed.

''(4) COORDINATION WITH SUBSECTION (d).—No penalty may be assessed under this subsection with respect to any violation after a criminal proceeding with respect to such violation has been commenced under subsection (d).

''(d) CRIMINAL PENALTY.—

''(1) IN GENERAL.—If any person knowingly violates subsection (a), such person shall, upon conviction thereof, be fined not more than $10,000 for each such use or imprisoned not more than 1 year, or both. If such use is in a broadcast or telecast, the preceding sentence shall be applied by substituting '$50,000' for '$10,000'.

''(2) TIME LIMITATIONS.—No person may be prosecuted, tried, or punished under paragraph (1) for any violation of subsection (a) unless the indictment is found or the information instituted during the 3-year period beginning on the date of the violation.

''(3) COORDINATION WITH SUBSECTION (c).—No criminal proceeding may be commenced under this subsection with respect to any violation if a civil penalty has previously been assessed under subsection (c) with respect to such violation.''

(b) CLERICAL AMENDMENT.—The analysis for chapter 3 of title 31, United States Code, is amended by adding after the item relating to section 332 the following new item:

''333. Prohibition of misuse of Department of the Treasury names, symbols, etc.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(d) REPORT.—Not later than May 1, 1995, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the implementation of the amendments made by this section. Such report shall include the number of cases in which the Secretary has notified persons of violations of section 333 of title 31, United States Code (as added by subsection (a)), the number of prosecutions commenced under such section, and the total amount of the penalties collected in such prosecutions.

SEC. 12019. AVAILABILITY AND USE OF DEATH INFORMATION UNDER THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM.

(a) IMPROVEMENTS IN PROGRAM FOR USE OF DEATH CERTIFICATES TO CORRECT PROGRAM INFORMATION.—

(1) ELIMINATION OF STATE RESTRICTIONS ON USE OF INFORMATION.—Section 205(r)(1) of the Social Security Act (42 U.S.C. 405(r)(1)) is amended by adding at the end, after and below subparagraph (B), the following new sentence:

''Any contract entered into pursuant to subparagraph (A) shall not include any restriction on the use of information obtained by the Secretary pursuant to such contract, except to the extent that such use may be restricted under paragraph (6).''.

(2) INFORMATION PROVIDED TO STATE AGENCIES FREE OF CHARGE.—

(A) IN GENERAL.—Section 205(r)(4) of such Act (42 U.S.C. 405(r)(4)) is amended to read as follows:

''(4)(A) In the case of individuals with respect to whom federally funded benefits are provided by (or through) a State agency other than under this Act, the Secretary shall to the extent feasible provide such information free of charge through a cooperative arrangement with such agency, for ensuring proper payment of those benefits with respect to such individuals, if such arrangement does not conflict with the duties of the Secretary under paragraph (1).

''(B) The Secretary may enter into similar agreements with States to provide information free of charge for their use in programs wholly funded by the States if such arrangement does not conflict with the duties of the Secretary under paragraph (1).''.

(B) CONFORMING AMENDMENT.—Section 205(r)(3) of such Act (42 U.S.C. 405(r)(3)) is amended by striking ''or State''.

(3) USE BY STATES OF SOCIAL SECURITY ACCOUNT NUMBERS CONTINGENT UPON PARTICIPATION IN PROGRAM.—Section 205(r)(2) of such Act (42 U.S.C. 405(r)(2)) is amended—

(A) by inserting ''(A)'' after ''(2)''; and

(B) by adding at the end the following new subparagraph:

''(B) Notwithstanding section 7(a)(2)(B) of the Privacy Act of 1974 and clauses (i) and (v) of subsection (c)(2)(C) of this section, any State which is not a party to a contract with the Secretary meeting the requirements of paragraph (1) (and any political subdivision thereof) may not utilize an individual's social security account number in the administration of any driver's license or motor vehicle registration law.''.

(b) STUDY REGARDING IMPROVEMENTS IN GATHERING AND REPORTING OF DEATH INFORMATION.

(1) IN GENERAL.—As soon as practicable after the date of the enactment of this Act, the Secretary of Health and Human Services shall conduct a study of possible improvements in the current methods of gathering and reporting death information by the Federal, State, and local governments which would result in more efficient and expeditious handling of such information.

(2) SPECIFIC MATTERS TO BE STUDIED.—In carrying out the study required under this subsection, the Secretary shall—

(A) ascertain the delays in the receipt of death information which are currently encountered by the Social Security Administration and other agencies in need of such information on a regular basis,

(B) analyze the causes of such delays,

(C) develop alternative options for improving Federal, State, and local agency cooperation in reducing such delays, and

(D) evaluate the costs and benefits associated with the options referred to in subparagraph (C).

(3) REPORT.—Not later than June 1, 1994, the Secretary shall submit a written report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate setting forth the results of the study conducted pursuant to this subsection, together with such administrative and legislative recommendations as the Secretary may consider appropriate.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect 1 year after the date of the enactment of this Act.

(2) PROMOTION OF ENTRY INTO NEW CONTRACTS.—As soon as practicable after the date of the enactment of this Act, the Secretary of Health and Human Services shall take such actions as are necessary and appropriate to promote entry into contracts under section 205(r) of the Social Security Act which are in compliance with the requirements of the amendments made by subsection (a).

Subtitle B—Human Resources Amendments

SEC. 12201. TABLE OF CONTENTS.

The table of contents of this subtitle is as follows:

Subtitle B—Human Resources Amendments

Sec. 12201. Table of contents.
Sec. 12202. References.

CHAPTER 1—CHILD WELFARE

Sec. 12211. Independent living.

CHAPTER 2—CHILD SUPPORT ENFORCEMENT

Sec. 12221. State paternity establishment programs.
Sec. 12222. Enforcement of health insurance support.
Sec. 12223. Reports to credit bureaus on persons delinquent in child support payments.

CHAPTER 3—SUPPLEMENTAL SECURITY INCOME

Sec. 12231. Fees for Federal administration of State supplementary payments.
Sec. 12232. Valuation of certain in-kind support and maintenance when there is a cost of living adjustment in benefits.

CHAPTER 4—AID TO FAMILIES WITH DEPENDENT CHILDREN

Sec. 12241. 50 percent Federal match of State administrative costs.

SEC. 12202. REFERENCES.

Except as otherwise expressly provided, wherever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Social Security Act.

CHAPTER 1—CHILD WELFARE

SEC. 12211. INDEPENDENT LIVING.

(a) TREATMENT OF ASSETS OF PARTICIPATING YOUTHS.—Section 477 (42 U.S.C. 677) is amended—

(1) by redesignating subsection (i) as subsection (j); and

(2) by inserting after subsection (h) the following:

''(i) Notwithstanding any other provision of this title, with respect to a child who is included in a program established by a State agency under subsection (a), an amount of the assets of the child which would otherwise be regarded as resources for purposes of determining eligibility for benefits under this title may be disregarded for the purpose of allowing the child to establish a household, pursue education, or otherwise complete the transition to independent living. The amount disregarded may not exceed an amount determined by the State agency to be reasonable for such purposes.''.

(b) PERMANENT EXTENSION OF PROGRAM.—Section 477 (42 U.S.C. 677) is amended—

(1) in subsection (a)(1), by striking the 3rd sentence;

(2) in subsection (c), by striking ''of the fiscal years 1988 through 1992'' and inserting ''succeeding fiscal year'';

(3) in subsection (e)(1)(A), by striking ''each of the fiscal years 1987 through 1992'' and inserting ''fiscal year 1987 and any succeeding fiscal year'';

(4) in subsection (e)(1)(B), by striking ''fiscal years 1991 and 1992'' and inserting ''fiscal year 1991 and any succeeding fiscal year''; and

(5) in subsection (e)(1)(C)(ii), by striking ''fiscal year 1992'' and inserting ''any succeeding fiscal year''.

(c) EFFECTIVE DATES.—

(1) TREATMENT OF ASSETS OF PARTICIPATING YOUTHS.—The amendments made by subsection (a) shall apply to activities in fiscal years beginning on or after October 1, 1995.

(2) PERMANENT EXTENSION OF PROGRAM.—The amendments made by subsection (b) shall apply to activities engaged in on or after October 1, 1992.

CHAPTER 2—CHILD SUPPORT ENFORCEMENT

SEC. 12221. STATE PATERNITY ESTABLISHMENT PROGRAMS.

(a) PERFORMANCE STANDARDS.—Section 452(g) (42 U.S.C. 652(g)) is amended—

(1) in paragraph (1)—

(A) by striking ''1991'' and inserting ''1994'';

(B) by inserting ''is based on reliable data and'' before ''equals or exceeds''; and

(C) by striking subparagraphs (A), (B), and (C) and inserting the following:

''(A) 75 percent;

''(B) for a State with a paternity establishment percentage of not less than 50 percent but less than 75 percent for the fiscal year, the paternity establishment percentage of the State for the immediately preceding year plus 3 percentage points; or

''(C) for a State with a paternity establishment percentage of less than 50 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding year plus 6 percentage points.''; and

(2) in paragraph (2)—

(A) by striking ''(or under all such plans)'' each place such term appears;

(B) by inserting ''or part E'' after ''under part A'' each place such term appears;

(C) by amending subparagraph (B) to read as follows:

''(B) the term 'reliable data' means the most recent data available which are found by the Secretary to be reliable for purposes of this section.'';

(D) by inserting ''unless paternity is established for such child'' after ''the death of a parent'';

(E) by striking ''parent or'' and inserting ''parent,''; and

(F) by inserting '', or any child with respect to whom the State agency administering the plan under part E determines (as provided in section 454(4)(B)) that it is against the best interest of such child to do so'' after ''cooperate under section 402(a)(26)''.

(b) STATE PLAN REQUIREMENTS.—

(1) REQUIRED PROCEDURES.—Section 466(a) (42 U.S.C. 666(a)) is amended—

(A) in paragraph (2)—

(i) by striking ''at the option of the State,''; and

(ii) by inserting ''and paternity establishment'' after ''support order issuance and enforcement'';

(B) in paragraph (5), by adding at the end the following:

''(C) Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must explain the rights and responsibilities of acknowledging paternity, and afford due process safeguards. Such procedures must include (i) a hospital-based program for the voluntary acknowledgment of paternity during the period immediately before or after the birth of a child, and (ii) the inclusion of signature lines on applications for official birth certificates which, once signed by the father and the mother, are considered a voluntary acknowledgment of paternity.

''(D) Procedures under which the voluntary acknowledgment of paternity of a child by an individual in the manner described in subparagraph (C)(ii) creates a rebuttable or, at the option of the State, conclusive presumption that the individual is the father of the child, and under which such a voluntary acknowledgment is admissible as evidence of paternity.

''(E) Procedures under which a voluntary acknowledgment of paternity in the manner described in subparagraph (C)(ii) must be recognized as a basis for seeking a support order without first requiring any further proceedings to establish paternity.

''(F) Procedures requiring that (i) any objection to genetic testing results be made in writing within a specified number of days before any hearing at which such results may be introduced into evidence, and (ii) if no objection is made, the test results be admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy.

''(G) Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity of a child, upon genetic testing results indicating a threshold probability of the alleged father being the father of the child.

''(H) Procedures requiring a default order to be entered in a paternity case upon a showing that process has been served on the defendant and any additional showing required by State law.''; and

(C) by inserting after paragraph (10) the following:

''(11) Procedures under which a State must give full faith and credit to a determination of paternity made by any other State, whether established through voluntary ac-

knowledgment or through administrative or judicial processes.''.

(2) FURNISHING OF SOCIAL SECURITY NUMBERS.—

(A) IN GENERAL.—Section 466(a) (42 U.S.C. 666(a)), as amended by paragraph (1)(C) of this subsection, is amended by inserting after paragraph (11) the following:

''(12)(A) Procedures under which, in the administration of any law involving the issuance, reissuance, or amendment of a birth certificate, the State shall require each parent to furnish to the State, or any agency or political subdivision thereof having administrative responsibility for the law involved, the social security account number (or numbers, if the parent has more than 1 such number) issued to the parent, unless the State (in accordance with regulations prescribed by the Secretary) finds good cause for not requiring the furnishing of the number.

''(B) Procedures under which any number furnished under subparagraph (A) shall be made available to the agency administering the State plan under this part, in accordance with Federal or State law or regulation.

''(C) Procedures under which—

''(i) any number furnished under subparagraph (A) shall not be recorded on the birth certificate; and

''(ii) any social security account number, obtained with respect to the issuance by the State of any birth certificate, shall not be used for other than child support purposes, unless section 7(a) of the Privacy Act of 1974 does not prohibit the State from requiring the disclosure of the number, by reason of the State having adopted, before January 1, 1975, a statute or regulation requiring such disclosure.''.

(B) CONFORMING AMENDMENTS.—Section 205(c)(2)(C)(ii) (42 U.S.C. 405(c)(2)(C)(ii)) is amended—

(i) by striking ''(ii) In the administration of any law involving the issuance'' and inserting ''(ii) In the administration of any law involving the issuance, reissuance, or amendment''; and

(ii) by striking ''any purpose other than for the enforcement of child support orders in effect in the State'' and inserting ''other than child support purposes''.

(c) CONFORMING REPEAL.—Section 468 (42 U.S.C. 668) is hereby repealed.

(d) EFFECTIVE DATE.—The amendments and repeal made by this section shall become effective with respect to a State—

(1) on October 1, 1993, or, if later

(2) upon enactment by the legislature of the State of all laws required by such amendments,

but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 12222. ENFORCEMENT OF HEALTH INSURANCE SUPPORT.

(a) STATE PLAN REQUIREMENTS.—Section 454(a) (42 U.S.C. 654(a)) is amended—

(1) by striking ''and'' at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting ''; and''; and

(3) by inserting after paragraph (24) the following:

''(25) provide assurances satisfactory to the Secretary that the State has in effect laws applicable to health insurers and insurance policies or programs subject to the laws of the State that—

''(A) prohibit insurers' consideration, in determining an individual's eligibility for or coverage under any such policy or program, of such individual's eligibility for or coverage under the plan of any State under title XIX;

''(B) provide that, where an individual assigns rights to any State in accordance with section 1912, that State is subrogated, to the extent of medical assistance furnished, to the individual's rights under any health insurance policy or program;

''(C) prohibit insurers from applying, to State agencies administering programs under title XIX and acting as agents or subrogees (for purposes of insurance policies or programs of such insurers) of individuals receiving medical assistance under such State programs, requirements (with respect to deadlines for filing claims or any other matters) different from requirements applicable to any other applicant, beneficiary, agent, or subrogee;

''(D) prohibit insurers from denying enrollment of a child under the health insurance coverage of the child's parent on grounds that—

''(i) the child does not reside with the parent, or

''(ii) the child was born out of wedlock;

''(E) in any case where a parent is required by court or administrative order to provide health insurance coverage for a child, require insurers, without regard to otherwise applicable enrollment season restrictions—

''(i) to permit such parent, upon application, to enroll in family coverage (if otherwise eligible and not already so enrolled), and to enroll such child under such family coverage, and

''(ii) where such a parent who is enrolled in family coverage fails to make application, to enroll such child under such family coverage upon application by the child's other parent or by the State agency administering the program under this part or title XIX; and

''(F) in any case where a child is covered under the health insurance of a noncustodial parent, require insurers—

''(i) to permit the custodial parent (or service provider, with the custodial parent's approval), or any State agency administering a program under title XIX, to submit claims for covered services without the approval of the noncustodial parent, and

''(ii) to make payment on claims submitted in accordance with clause (i) directly to the custodial parent, service provider, or State agency submitting such claim;

''(26) provide assurances satisfactory to the Secretary that the State has in effect laws requiring employers doing business in the State—

''(A) upon notice of a court or administrative order requiring an employee to provide health insurance coverage for the employee's child, and upon application by such employee (or, where such employee fails to make application, by the child's other parent or the State agency administering the program under this part or title XIX), to permit enrollment of such child at any time as a dependent of the employee under the employer's group health insurance;

''(B) to permit disenrollment from such group health insurance by such employee, or elimination of coverage of such child, only upon receipt of satisfactory evidence, in writing, that—

''(i) such court or administrative order is no longer in effect, or

''(ii) the employee has enrolled or will enroll in alternative health insurance covering such child which will take effect immediately upon the effective date of such disenrollment; and

''(C) to withhold from such employee's compensation the employee's share (if any) of premiums for such health insurance, and to pay such share of premiums to the insurer;

''(27) provide assurances satisfactory to the Secretary that the State has in effect laws requiring the State agency to garnish the wages, salary, or other employment income of, and to withhold amounts from State tax refunds to, any person who—

''(A) is required by court or administrative order to provide coverage of the costs of medical services to an individual eligible for medical assistance under title XIX,

''(B) has received payment from a third party for the costs of medical services to such individual, and

''(C) has not used such payments to reimburse, as appropriate, either such individual or the provider of such services,

to the extent necessary to reimburse the State agency for expenditures for such costs under its plan under title XIX, but any claims for current or past-due child support shall take priority over any such claims for the costs of medical services.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) apply to calendar quarters beginning on or after April 1, 1994, except as provided in paragraph (2).

(2) EXTENSION FOR STATE LAW AMENDMENT.—In the case of a State plan under part D of title IV of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by subsection (a), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 12223. REPORTS TO CREDIT BUREAUS ON PERSONS DELINQUENT IN CHILD SUPPORT PAYMENTS.

(a) IN GENERAL.—Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended—

(1) by striking ''upon the request of such agency'' and inserting '', and procedures which require the State to periodically report to any such agency the name of any parent who owes overdue support and is at least 2 months delinquent in the payment of such support and the amount of such delinquency unless the agency requests not to receive such information''; and

(2) by striking ''(C) a fee'' and all that follows through ''by the State'' and inserting '', and (C) such information shall not be made available to (i) a consumer reporting agency which the State determines does not have sufficient capability to systematically and timely make accurate use of such information, or (ii) an entity which has not furnished evidence satisfactory to the State that the entity is a consumer reporting agency''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (a) shall take effect on October 1, 1994.

(2) EXCEPTION.—If the Secretary of Health and Human Services determines that a State is unable to comply with the amendments made by subsection (a), such State shall be exempt from compliance with such amendments until the State establishes an automated data processing and information retrieval system under section 454(24) of the Social Security Act, or October 1, 1995, whichever occurs earlier.

CHAPTER 3—SUPPLEMENTAL SECURITY INCOME

SEC. 12231. FEES FOR FEDERAL ADMINISTRATION OF STATE SUPPLEMENTARY PAYMENTS.

(a) IN GENERAL.—

(1) OPTIONAL STATE SUPPLEMENTARY PAYMENTS.—Section 1616(d) (42 U.S.C. 1382e(d)) is amended—

(A) by inserting ''(1)'' after ''(d)'';

(B) by inserting '', plus an administration fee assessed in accordance with paragraph (2) and any additional services fee charged in accordance with paragraph (3)'' before the period; and

(C) by adding after and below the end the following:

''(2)(A) The Secretary shall assess each State an administration fee in an amount equal to—

''(i) the number of supplementary payments made by the Secretary on behalf of the State under this section for any month in a fiscal year; multiplied by

''(ii) the applicable rate for the fiscal year.

''(B) As used in subparagraph (A), the term 'applicable rate' means—

''(i) for fiscal year 1994, $1.67;

''(ii) for fiscal year 1995, $3.33;

''(iii) for fiscal year 1996, $5.00; and

''(iv) for fiscal year 1997 and each succeeding fiscal year, $5.00, or such different rate as the Secretary determines pursuant to criteria established in regulations is appropriate for the State, taking into account the complexity of the State's supplementary payment program.

''(C) All fees collected pursuant to this paragraph shall be transferred to the United States at the same time that amounts for such supplementary payments are required to be so transferred.

''(3)(A) The Secretary shall charge a State an additional services fee if, at the request of the State, the Secretary provides additional services beyond the level customarily provided, in the administration of State supplementary payments pursuant to this section.

''(B) The additional services fee shall be in an amount that the Secretary determines is necessary to cover all costs (including indirect costs) incurred by the Federal Government in furnishing the additional services referred to in subparagraph (A).

''(C) The additional services fee shall be payable in advance or by way of reimbursement.

''(4) All administration fees and additional services fees collected pursuant to this subsection shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.''.

(2) MANDATORY STATE SUPPLEMENTARY PAYMENTS.—Section 212(b)(3) of Public Law 93–66 (42 U.S.C. 1382 note) is amended—

(A) by inserting ''(A)'' after ''(3)'';

(B) by inserting '', plus an administration fee assessed in accordance with subparagraph (B) and any additional services fee charged in accordance with subparagraph (C)'' before the period; and

(C) by adding after and below the end the following:

''(B)(i) The Secretary shall assess each State an administration fee in an amount equal to—

''(I) the number of supplementary payments made by the Secretary on behalf of the State under this subsection for any month in a fiscal year; multiplied by

''(II) the applicable rate for the fiscal year.

''(ii) As used in clause (i), the term 'applicable rate' means—

''(I) for fiscal year 1994, $1.67;

''(II) for fiscal year 1995, $3.33;

''(III) for fiscal year 1996, $5.00; and

''(IV) for fiscal year 1997 and each succeeding fiscal year, $5.00, or such different rate as the Secretary determines pursuant to regulations established in regulations is appropriate for the State, taking into account the complexity of the State's supplementary payment program.

''(iii) All fees collected pursuant to this subparagraph shall be transferred to the United States at the same time that amounts for such supplementary payments are required to be so transferred.

''(C)(i) The Secretary shall charge a State an additional services fee if, at the request of the State, the Secretary provides additional services beyond the level customarily provided, in the administration of State supplementary payments pursuant to this subsection.

''(ii) The additional services fee shall be in an amount that the Secretary determines is necessary to cover all costs (including indirect costs) incurred by the Federal Government in furnishing the additional services referred to in clause (i).

''(iii) The additional services fee shall be payable in advance or by way of reimbursement.

''(D) All administration fees and additional services fees collected pursuant to this paragraph shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to supplementary payments made pursuant to section 1616(a) of the Social Security Act or section 212(a) of Public Law 93–66 for any calendar month beginning after September 30, 1993, and to services furnished after such date, regardless of whether regulations to implement such amendments have been promulgated by such date, or whether any agreement entered into under such section 1616(a) or such section 212(a) has been modified.

SEC. 12232. VALUATION OF CERTAIN IN-KIND SUPPORT AND MAINTENANCE WHEN THERE IS A COST OF LIVING ADJUSTMENT IN BENEFITS.

(a) IN GENERAL.—Section 1611(c) (42 U.S.C. 1382(c)) is amended—

(1) in paragraph (1), by striking ''and (5)'' and inserting ''(5), and (6)''; and

(2) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively; and

(3) by inserting after paragraph (5) the following:

''(6) The dollar amount in effect under subsection (b) as a result of any increase in benefits under this title by reason of section 1617 shall be used to determine the value of any in-kind support and maintenance required to be taken into account in determining the benefit payable under this title to an individual (and the eligible spouse, if any, of the individual) for the 1st 2 months for which the increase in benefits applies.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to benefits paid for months after the calendar year 1993.

CHAPTER 4—AID TO FAMILIES WITH DEPENDENT CHILDREN

SEC. 12241. 50 PERCENT FEDERAL MATCH OF STATE ADMINISTRATIVE COSTS.

(a) IN GENERAL.—Section 403(a)(3) (42 U.S.C. 603(a)(3)) is amended by striking ''the sum of'' and all that follows through the end of subparagraph (D) and inserting ''50 percent of the total amounts expended during such quarter as the Secretary has found necessary for the proper and efficient administration of the State plan (including any amounts expended by the State to carry out initial evaluations under section 486(a)),''.

(b) OPTIONAL USE OF CERTAIN PROCEDURES TO VERIFY IMMIGRATION STATUS OF AFDC APPLICANTS.—Section 1137(d) (42 U.S.C. 1320b–7(d)) is amended—

(1) in each of paragraphs (3) and (4)(B)(i), by inserting ''(or, in the case of the program specified in subsection (b)(1), may)'' after ''shall''; and

(2) in paragraph (4), by inserting ''(if required)'' after ''verified''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to payments made for calendar quarters beginning on or after April 1, 1994.

(2) DELAYED APPLICABILITY TO CERTAIN STATES.—

(A) IN GENERAL.—The Secretary of Health and Human Services may delay the applicability to a qualified State of the amendments made by subsection (a) until the 1st calendar quarter that begins after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this section.

(B) QUALIFIED STATE DEFINED.—As used in subparagraph (A), the term ''qualified State'' means a State that meets such criteria as the Secretary shall establish and apply uniformly, including whether the State legislature meets biennially and does not have a regular session scheduled in calendar year 1994.

Subtitle C—Medicare Program

SEC. 12400. REFERENCES IN SUBTITLE; TABLE OF CONTENTS OF SUBTITLE.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this subtitle an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(b) REFERENCES TO OBRA.—In this subtitle, the terms ''OBRA–1986'', ''OBRA–1987'', ''OBRA–1989'', and ''OBRA–1990'' refer to the Omnibus Budget Reconciliation Act of 1986 (Public Law 99–509), the Omnibus Budget Reconciliation Act of 1987 (Public Law 100–203), the Omnibus Budget Reconciliation Act of 1989 (Public Law 101–239), and the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508), respectively.

(c) TABLE OF CONTENTS OF SUBTITLE.—The table of contents of this subtitle is as follows:

Sec. 12400. References in subtitle; table of contents of subtitle.

CHAPTER 1—PROVISIONS RELATING TO PART A

SUBCHAPTER A—ELIMINATION OF INFLATION UPDATE FOR SERVICES PROVIDED UNDER PART A

Sec. 12401. Inpatient hospital services and hospice care.

Sec. 12402. Limits on per diem routine service costs for extended care services.

SUBCHAPTER B—OTHER PROVISIONS RELATING TO PART A

Sec. 12411. Wage index provisions.

Sec. 12412. Transition for hospital outlier thresholds.

Sec. 12413. Essential access community hospital (EACH) amendments.

Sec. 12414. Rural health transition grant program extension.

Sec. 12415. Regional referral center extension.

Sec. 12416. Medicare-dependent, small rural hospital payment extension.

Sec. 12417. Extension of rural hospital demonstration.

Sec. 12418. Hemophilia pass-through extension.

Sec. 12419. State hospital payment programs.

Sec. 12420. Psychology services in hospitals.

Sec. 12421. Graduate medical education payments in hospital-owned community health centers.

Sec. 12422. Treatment of certain military facilities.

Sec. 12423. Epilepsy DRG.
Sec. 12424. Skilled nursing facility wage index.
Sec. 12425. Hospice notification to beneficiaries.
Sec. 12426. Reduction in part A premium for certain individuals with 30 or more quarters of Social Security coverage.
Sec. 12427. Periodic updates to salary equivalency guidelines for physical therapy and respiratory therapy services.
Sec. 12428. Extension of deadline for application for geographic classification for certain reclassified hospitals.
Sec. 12429. Elimination of return on equity for proprietary skilled nursing facilities.
Sec. 12430. Clarification of DRG payment window expansion; miscellaneous and technical corrections.
CHAPTER 2—PROVISIONS RELATING TO PART B
SUBCHAPTER A—ELIMINATION OF INFLATION UPDATE
Sec. 12431. Elimination of inflation update for physician and related professional services.
Sec. 12432. Elimination of cost-of-living adjustments for certain items and services.
Sec. 12433. Ambulatory surgical center services.
Sec. 12434. Other items and services under part B.
SUBCHAPTER B—PHYSICIANS' SERVICES
Sec. 12441. Retaining payment for actual anesthesia time.
Sec. 12442. Geographic cost of practice index refinements.
Sec. 12443. Relative values for pediatric services.
Sec. 12444. Antigens under physician fee schedule.
Sec. 12445. Administration of claims relating to physicians' services.
Sec. 12446. Miscellaneous and technical corrections.
SUBCHAPTER C—AMBULATORY SURGICAL CENTER SERVICES
Sec. 12451. Designation of certain hospitals as eye or eye and ear hospitals.
Sec. 12452. Technical amendments.
SUBCHAPTER D—OTHER PROVISIONS
Sec. 12461. Clarifying payments for medically directed certified registered nurse anesthetist services.
Sec. 12462. Extension of Alzheimer's disease demonstration projects.
Sec. 12463. Oral cancer drugs.
Sec. 12464. Payment for ostomy supplies and other supplies.
Sec. 12465. Coverage of services of speech-language pathologists and audiologists.
Sec. 12466. Extension of municipal health service demonstration projects.
Sec. 12467. Imposition of coinsurance on clinical diagnostic laboratory tests.
Sec. 12468. Miscellaneous and technical corrections.
SUBCHAPTER E—PART B PREMIUM
Sec. 12471. Part B premium.
Sec. 12472. Increase in medicare part B premium for individuals with high income.
CHAPTER 3—PROVISIONS RELATING TO PARTS A AND B
SUBCHAPTER A—ELIMINATION OF UPDATES
Sec. 12501. Elimination of cost-of-living update in per resident amounts for direct medical education.
Sec. 12502. Elimination of inflation update in cost limits for home health services.
SUBCHAPTER B—MEDICARE SECONDARY PAYER PROVISIONS
Sec. 12511. Extension of transfer of data.
Sec. 12512. 3-year extension of medicare secondary payer to disabled beneficiaries.
Sec. 12513. 3-year extension of 18-month rule for ESRD beneficiaries.
Sec. 12514. Medicare secondary payer reforms.
SUBCHAPTER C—MODIFICATION OF PROVISIONS RELATING TO PHYSICIAN OWNERSHIP AND REFERRAL
Sec. 12521. Modification of provisions relating to physician ownership and referral.
SUBCHAPTER D—OTHER PROVISIONS
Sec. 12531. Direct graduate medical education.
Sec. 12532. Immunosuppressive drug therapy.
Sec. 12533. Reduction in payments for erythropoientin.
Sec. 12534. Qualified medicare beneficiary outreach.
Sec. 12535. Extension of social health maintenance organization demonstrations.
Sec. 12536. Hospice notification to home health beneficiaries.
Sec. 12537. Interest payments.
Sec. 12538. Peer review organizations.
Sec. 12539. Health maintenance organizations.
Sec. 12540. Medicare administration budget process.
Sec. 12541. Other provisions.
CHAPTER 4—MEDICARE SUPPLEMENTAL INSURANCE POLICIES
Sec. 12551. Standards for medicare supplemental insurance policies.
CHAPTER 5—TREATMENT OF CERTAIN STATE HEALTH CARE PROGRAMS
Sec. 12561. Treatment of certain State health care programs.
CHAPTER 6—THIRD PARTY LIABILITY.
Sec. 12571. Access to employment-based health insurance information.

CHAPTER 1—PROVISIONS RELATING TO PART A

Subchapter A—Elimination of Inflation Update for Services Provided Under Part A

SEC. 12401. INPATIENT HOSPITAL SERVICES AND HOSPICE CARE.

Section 1886(b)(3)(B)(iii) (42 U.S.C. 1395ww(b)(3)(B)(iii)) is amended—

(1) by striking ''(iii) For purposes of this subparagraph'' and inserting ''(iii)(I) Except as provided in subclause (II), for purposes of this subparagraph'', and

(2) by adding at the end the following new subclause:

''(II) For purposes of this subparagraph and section 1814(i)(1)(C)(ii), the 'market basket percentage increase', with respect to cost reporting periods and discharges occurring in fiscal year 1994 or 1995, is 0 percent.''.

SEC. 12402. LIMITS ON PER DIEM ROUTINE SERVICE COSTS FOR EXTENDED CARE SERVICES.

The Secretary of Health and Human Services shall not provide for any increase, on the basis of inflation or changes in the cost of goods and services, in the limits on per diem routine service costs for extended care services under section 1888 of the Social Security Act for cost reporting periods beginning during fiscal year 1994 or fiscal year 1995.

Subchapter B—Other Provisions Relating to Part A

SEC. 12411. WAGE INDEX PROVISIONS.

(a) WAGE INDEX HOLD HARMLESS PROTECTION.—

(1) IN GENERAL.—Section 1886(d)(8)(C) (42 U.S.C. 1395ww(d)(8)(C)) is amended by adding at the end the following new clause:

''(iv) The application of subparagraph (B) or a decision of the Medicare Geographic Classification Review Board or the Secretary under paragraph (1)) may not result in a reduction in an urban area's wage index if—

''(I) the urban area has a wage index below the wage index for rural areas in the State in which it is located; or

''(II) the urban area is located in a State that is composed of a single urban area.''.

(2) NO STANDARDIZED AMOUNT ADJUSTMENT.—The Secretary of Health and Human Services shall not revise the fiscal year 1992 or fiscal year 1993 standardized amounts pursuant to subsections (d)(3)(B) and (d)(8)(D) of section 1886 of the Social Security Act to account for the amendment made by paragraph (1).

(3) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to discharges occurring—

(A) on or after October 1, 1991, in the case of hospitals located in an urban area described in section 1886(d)(8)(C)(iv)(I) of the Social Security Act (as added by paragraph (1)); and

(B) on or after the date of the enactment of this Act, in the case of hospitals located in an urban area described in section 1886(d)(8)(C)(iv)(II) of the Social Security Act (as added by paragraph (1)).

(b) UPDATING STANDARDS FOR TREATING RURAL COUNTIES AS URBAN COUNTIES BASED ON RATES OF COMMUTATION.—

(1) IN GENERAL.—Section 1886(d)(8)(B) (42 U.S.C. 1395ww(d)(8)(B)) is amended—

(A) by striking ''standards'' each place it appears and inserting ''standards most recently used'', and

(B) by striking ''published in the Federal Register on January 3, 1980''.

(2) HOLD HARMLESS FOR COUNTIES CURRENTLY TREATED AS URBAN.—Any hospital that is treated as being located in an urban metropolitan statistical area pursuant to section 1886(d)(8)(B) of the Social Security Act as of September 30, 1992, shall continue to be so treated notwithstanding the amendments made by paragraph (1).

(3) EFFECTIVE DATE.—The amendments made by paragraph (1) shall be effective on October 1, 1993.

(c) USE OF OCCUPATIONAL MIX IN GUIDELINES.—

(1) IN GENERAL.—Section 1886(d)(10)(D)(i)(I) (42 U.S.C. 1395ww(d)(10)(D)(i)(I)) is amended by inserting ''(to the extent the Secretary determines appropriate)'' after ''taking into account''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the enactment of OBRA–1989.

SEC. 12412. TRANSITION FOR HOSPITAL OUTLIER THRESHOLDS.

Section 1886(d)(5)(A) (42 U.S.C. 1395ww(d)(5)(A)) is amended—

(1) in clause (i), by striking ''The Secretary'' and inserting ''For discharges occurring during fiscal years ending on or before September 30, 1997, the Secretary''; and

(2) by adding at the end the following new clauses:

''(v) The Secretary shall provide that—

''(I) the day outlier percentage for fiscal year 1995 shall be 75 percent of the day outlier percentage for fiscal year 1994;

''(II) the day outlier percentage for fiscal year 1996 shall be 50 percent of the day outlier percentage for fiscal year 1994; and

''(III) the day outlier percentage for fiscal year 1997 shall be 25 percent of the day outlier percentage for fiscal year 1994.

''(vi) For purposes of this subparagraph, the term 'day outlier percentage' means, for a fiscal year, the percentage of the total additional payments made by the Secretary under this subparagraph for discharges in that fiscal year which are additional payments under clause (i).''.

SEC. 12413. ESSENTIAL ACCESS COMMUNITY HOSPITAL (EACH) AMENDMENTS.

(a) INCREASING NUMBER OF PARTICIPATING STATES.—Section 1820(a)(1) (42 U.S.C. 1395i–4(a)(1)) is amended by striking ''7'' and inserting ''9''.

(b) TREATMENT OF INPATIENT HOSPITAL SERVICES PROVIDED IN RURAL PRIMARY CARE HOSPITALS.—

(1) IN GENERAL.—Section 1820(f)(1)(F) (42 U.S.C. 1395i–4(f)(1)(F)) is amended to read as follows:

''(F) subject to paragraph (4), provides not more than 6 inpatient beds (meeting such conditions as the Secretary may establish) for providing inpatient care to patients requiring stabilization before discharge or transfer to a hospital, except that the facility may not provide any inpatient hospital services—

''(i) to any patient whose attending physician does not certify that the patient may reasonably be expected to be discharged or transferred to a hospital within 72 hours of admission to the facility; or

''(ii) consisting of surgery or any other service requiring the use of general anesthesia (other than surgical procedures specified by the Secretary under section 1833(i)(1)(A)), unless the attending physician certifies that the risk associated with transferring the patient to a hospital for such services outweighs the benefits of transferring the patient to a hospital for such services.''.

(2) LIMITATION ON AVERAGE LENGTH OF STAY.—Section 1820(f) (42 U.S.C. 1395i–4(f)) is amended by adding at the end the following new paragraph:

''(4) LIMITATION ON AVERAGE LENGTH OF INPATIENT STAYS.—The Secretary may terminate a designation of a rural primary care hospital under paragraph (1) if the Secretary finds that the average length of stay for inpatients at the facility during the previous year in which the designation was in effect exceeded 72 hours. In determining the compliance of a facility with the requirement of the previous sentence, there shall not be taken into account periods of stay of inpatients in excess of 72 hours to the extent such periods exceed 72 hours because transfer to a hospital is precluded because of inclement weather or other emergency conditions.''.

(3) CONFORMING AMENDMENT.—Section 1814(a)(8) (42 U.S.C. 1395f(a)(8)) is amended by striking ''such services'' and all that follows and inserting ''the individual may reasonably be expected to be discharged or transferred to a hospital within 72 hours after admission to the rural primary care hospital.''.

(4) GAO REPORTS.—Not later than 2 years after the date of the enactment of this Act, the Comptroller General shall submit reports to Congress on—

(A) the application of the requirements under section 1820(f) of the Social Security Act (as amended by this subsection) that rural primary care hospitals provide inpatient care only to those individuals whose attending physicians certify may reasonably be expected to be discharged within 72 hours after admission and maintain an average length of inpatient stay during a year that does not exceed 72 hours; and

(B) the extent to which such requirements have resulted in such hospitals providing inpatient care beyond their capabilities or have limited the ability of such hospitals to provide needed services.

(c) DESIGNATION OF HOSPITALS.—

(1) PERMITTING DESIGNATION OF HOSPITALS LOCATED IN URBAN AREAS.—

(A) IN GENERAL.—Section 1820 (42 U.S.C. 1395i–4) is amended—

(i) by striking paragraph (1) of subsection (e) and redesignating paragraphs (2) through (6) as paragraphs (1) through (5); and

(ii) in subsection (e)(1)(A) (as redesignated by subparagraph (A))—

(I) by striking ''is located'' and inserting ''except in the case of a hospital located in an urban area, is located',

(II) by striking '', (ii)'' and inserting ''or (ii)'',

(III) by striking ''or (iii)'' and all that follows through ''section,'', and

(IV) in subsection (i)(1)(B), by striking ''paragraph (3)'' and inserting ''paragraph (2)''.

(B) NO CHANGE IN MEDICARE PROSPECTIVE PAYMENT.—Section 1886(d)(5)(D) (42 U.S.C. 1395ww(d)(5)(D)) is amended—

(i) in clause (iii)(III), by inserting ''located in a rural area and'' after ''that is'', and

(ii) in clause (v), by inserting ''located in a rural area and'' after ''in the case of a hospital''.

(2) PERMITTING HOSPITALS LOCATED IN ADJOINING STATES TO PARTICIPATE IN STATE PROGRAM.—

(A) IN GENERAL.—Section 1820 (42 U.S.C. 1395i–4) is amended—

(i) by redesignating subsection (k) as subsection (l); and

(ii) by inserting after subsection (j) the following new subsection:

''(k) ELIGIBILITY OF HOSPITALS NOT LOCATED IN PARTICIPATING STATES.—Notwithstanding any other provision of this section—

''(1) for purposes of including a hospital or facility as a member institution of a rural health network, a State may designate a hospital or facility that is not located in the State as an essential access community hospital or a rural primary care hospital if the hospital or facility is located in an adjoining State and is otherwise eligible for designation as such a hospital;

''(2) the Secretary may designate a hospital or facility that is not located in a State receiving a grant under subsection (a)(1) as an essential access community hospital or a rural primary care hospital if the hospital or facility is a member institution of a rural health network of a State receiving a grant under such subsection; and

''(3) a hospital or facility designated pursuant to this subsection shall be eligible to receive a grant under subsection (a)(2).''.

(B) CONFORMING AMENDMENTS.—(i) Section 1820(c)(1) (42 U.S.C. 1395i–4(c)(1)) is amended by striking ''paragraph (3)'' and inserting ''paragraph (3) or subsection (k)''.

(ii) Paragraphs (1)(A) and (2)(A) of section 1820(i) (42 U.S.C. 1395i–4(i)) are each amended—

(I) in clause (i), by striking ''(a)(1)'' and inserting ''(a)(1) (except as provided in subsection (k))'', and

(II) in clause (ii), by striking ''subparagraph (B)'' and inserting ''subparagraph (B) or subsection (k)''.

(d) SKILLED NURSING SERVICES IN RURAL PRIMARY CARE HOSPITALS.—Section 1820(f)(3) (42 U.S.C. 1395i–4(f)(3)) is amended by striking ''because the facility'' and all that follows and inserting the following: ''because, at the time the facility applies to the State for designation as a rural primary care hospital, there is in effect an agreement between the facility and the Secretary under section 1883 under which the facility's inpatient hospital facilities are used for the furnishing of extended care services, except that the number of beds used for the furnishing of such services may not exceed the total number of licensed inpatient beds at the time the facility applies to the State for such designation (minus the number of inpatient beds used for providing inpatient care pursuant to paragraph (1)(F)). For purposes of the previous sentence, the number of beds of the facility used for the furnishing of extended care services shall not include any beds of a unit of the facility that is licensed as a distinct-part skilled nursing facility at the time the facility applies to the State for designation as a rural primary care hospital.''.

(e) PAYMENT FOR OUTPATIENT RURAL PRIMARY CARE HOSPITAL SERVICES.—

(1) IMPLEMENTATION OF PROSPECTIVE PAYMENT SYSTEM.—Section 1834(g) (42 U.S.C. 1395m(g)) is amended—

(A) in paragraph (1), by striking ''during a year before 1993'' and inserting ''during a year before the prospective payment system described in paragraph (2) is in effect''; and

(B) in paragraph (2), by striking ''January 1, 1993,'' and inserting ''January 1, 1996,''.

(2) NO USE OF CUSTOMARY CHARGE IN DETERMINING PAYMENT.—Section 1834(g)(1) (42 U.S.C. 1395m(g)(1)) is amended by adding at the end the following:

''The amount of payment shall be determined under either method without regard to the amount of the customary or other charge.''.

(f) CLARIFICATION OF PHYSICIAN STAFFING REQUIREMENT FOR RURAL PRIMARY CARE HOSPITALS.—Section 1820(f)(1)(H) (42 U.S.C. 1395i–4(f)(1)(H)) is amended by striking the period and inserting the following: '', except that in determining whether a facility meets the requirements of this subparagraph, subparagraphs (E) and (F) of that paragraph shall be applied as if any reference to a 'physician' is a reference to a physician as defined in section 1861(r)(1).''.

(g) TECHNICAL AMENDMENTS RELATING TO PART A DEDUCTIBLE, COINSURANCE, AND SPELL OF ILLNESS.—(1) Section 1812(a)(1) (42 U.S.C. 1395d(a)(1)) is amended—

(A) by striking ''inpatient hospital services'' the first place it appears and inserting ''inpatient hospital services or inpatient rural primary care hospital services'';

(B) by striking ''inpatient hospital services'' the second place it appears and inserting ''such services''; and

(C) by striking ''and inpatient rural primary care hospital services''.

(2) Sections 1813(a) and 1813(b)(3)(A) (42 U.S.C. 1395e(a), 1395e(b)(3)(A)) are each amended by striking ''inpatient hospital services'' each place it appears and inserting ''inpatient hospital services or inpatient rural primary care hospital services''.

(3) Section 1813(b)(3)(B) (42 U.S.C. 1395e(b)(3)(B)) is amended by striking ''inpatient hospital services'' and inserting ''inpatient hospital services, inpatient rural primary care hospital services''.

(4) Section 1861(a) (42 U.S.C. 1395x(a)) is amended—

(A) in paragraphs (1), by striking ''inpatient hospital services'' and inserting ''inpatient hospital services, inpatient rural primary care hospital services''; and

(B) in paragraph (2), by striking ''hospital'' and inserting ''hospital or rural primary care hospital''.

(h) AUTHORIZATION OF APPROPRIATIONS.—Section 1820(k) (42 U.S.C. 1395i–4(k)) is amended by striking ''1990, 1991, and 1992'' and inserting ''1990 through 1995''.

(i) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 12414. RURAL HEALTH TRANSITION GRANT PROGRAM EXTENSION.

Section 4005(e)(9) of OBRA–1987 is amended—

(1) by striking ''1989 and'' and inserting ''1989,''; and

(2) by striking ''1992'' and inserting ''1992 and $30,000,000 for each of fiscal years 1993 through 1997''.

SEC. 12415. REGIONAL REFERRAL CENTER EXTENSION.

(a) EXTENSION OF CLASSIFICATION THROUGH FISCAL YEAR 1994.—Effective on the date of the enactment of this Act, section 6003(d) of

such Act (42 U.S.C. 1395ww note) is amended by striking ''October 1, 1992'' and inserting ''October 1, 1994''.

(b) PERMITTING HOSPITALS TO DECLINE RECLASSIFICATION.—If any hospital fails to qualify as a rural referral center under section 1886(d)(5)(C) of the Social Security Act as a result of a decision by the Medicare Geographic Classification Review Board under section 1886(d)(10) of such Act to reclassify the hospital as being located in an urban area for fiscal year 1993 or fiscal year 1994, the Secretary of Health and Human Services shall—

(1) notify such hospital of such failure to qualify,

(2) provide an opportunity for such hospital to decline such reclassification, and

(3) if the hospital declines such reclassification, administer the Social Security Act (other than section 1886(d)(8)(D)) for such fiscal year as if the decision by the Review Board had not occurred.

(c) REQUIRING LUMP-SUM RETROACTIVE PAYMENT FOR HOSPITALS LOSING CLASSIFICATION.—

(1) IN GENERAL.—In the case of an affected regional referral center (as described in paragraph (2)), the Secretary of Health and Human Services shall make a lump sum payment to the center equal to the difference between the aggregate payment made to the center under section 1886 of such Act (excluding outlier payments under subsection (d)(5)(A) of such section) during the period of applicability described in paragraph (3) and the aggregate payment that would have been made to the center under such section if, during the period of applicability, the center was classified a regional referral center under section 1886(d)(5)(C) of such Act.

(2) AFFECTED CENTERS DESCRIBED.—In paragraph (1), an ''affected regional referral center'' is a hospital classified as regional referral center under section 1886(d)(5)(C) of the Social Security Act as of September 30, 1992, that was not classified as such a center after such date but would have been so classified if the reference in section 6003(d) of OBRA–1989 to ''October 1, 1992,'' had been deemed a reference to ''October 1, 1994,''.

(3) PERIOD OF APPLICABILITY.—In paragraph (1), the ''period of applicability'' is the period that begins on October 1, 1992, and ends on the date of the enactment of this Act.

SEC. 12416. MEDICARE-DEPENDENT, SMALL RURAL HOSPITAL PAYMENT EXTENSION.

(a) EXTENSION OF ADDITIONAL PAYMENTS.—Effective on the date of the enactment of this Act, section 1886(d)(5)(G) (42 U.S.C. 1395ww(d)(5)(G)) is amended—

(1) in clause (i) in the matter preceding subclause (I)—

(A) by inserting ''(or portion thereof)'' after ''cost reporting period'', and

(B) by striking ''March 31, 1993,'' and all that follows and inserting the following: ''September 30, 1994, in the case of a subsection (d) hospital which is a medicare-dependent, small rural hospital, payment under paragraph (1)(A) shall be equal to the sum of the amount determined under clause (ii) and the amount determined under paragraph (1)(A)(iii).'';

(2) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv); and

(3) by inserting after clause (i) the following new clause:

''(ii) The amount determined under this clause is

''(I) for discharges occurring during the first 3 12-month cost reporting periods that begin on or after April 1, 1990, the amount by which the hospital's target amount for the cost reporting period (as defined in subsection (b)(3)(D)) exceeds the amount determined under paragraph (1)(A)(iii); and

''(II) for discharges occurring during any subsequent cost reporting period (or portion thereof), 50 percent of the amount by which the hospital's target amount for the cost reporting period (as defined in subsection (b)(3)(D)) exceeds the amount determined under paragraph (1)(A)(iii).''.

(b) PERMITTING HOSPITALS TO DECLINE RECLASSIFICATION.—If any hospital fails to qualify as a medicare-dependent, small rural hospital under section 1886(d)(5)(G)(i) of the Social Security Act as a result of a decision by the Medicare Geographic Classification Review Board under section 1886(d)(10) of such Act to reclassify the hospital as being located in an urban area for fiscal year 1993 or fiscal year 1994, the Secretary of Health and Human Services shall—

(1) notify such hospital of such failure to qualify,

(2) provide an opportunity for such hospital to decline such reclassification, and

(3) if the hospital declines such reclassification, administer the Social Security Act (other than section 1886(d)(8)(D)) for such fiscal year as if the decision by the Review Board had not occurred.

(c) REQUIRING LUMP-SUM RETROACTIVE PAYMENT.—

(1) IN GENERAL.—In the case of a hospital treated as a medicare dependent, small rural hospital under section 1886(d)(5)(G) of the Social Security Act, the Secretary of Health and Human Services shall make a lump sum payment to the hospital equal to the difference between the aggregate payment made to the hospital under section 1886 of such Act (excluding outlier payments under subsection (d)(5)(A) of such section) during the period of applicability described in paragraph (2) and the aggregate payment that would have been made to the hospital under such section if, during the period of applicability, section 1886(d)(5)(G) of such Act had been applied as if—

(A) the reference in clause (i) to ''March 31, 1993,'' had been deemed a reference to ''September 30, 1994,''; and

(B) the amendments made by subsection (a) had been in effect.

(2) PERIOD OF APPLICABILITY.—In paragraph (1), the ''period of applicability'' is, with respect to a hospital, the period that begins on the first day of the hospital's first 12-month cost reporting period that begins after April 1, 1992, and ends on the date of the enactment of this Act.

SEC. 12417. EXTENSION OF RURAL HOSPITAL DEMONSTRATION.

Section 4008(i)(1) of OBRA–1990 is amended by adding at the end the following new sentence: ''The Secretary shall continue any such demonstration project until at least December 31, 1995.''.

SEC. 12418. HEMOPHILIA PASS-THROUGH EXTENSION.

Effective as if included in the enactment of OBRA–1989, section 6011(d) of such Act is amended by striking ''2 years after the date of enactment of this Act'' and inserting ''September 30, 1994''.

SEC. 12419. STATE HOSPITAL PAYMENT PROGRAMS.

In the case of a State hospital reimbursement system that meets the requirements of section 1814(b)(3) of the Social Security Act, no other provision of law shall be construed as preventing the system from providing that payment for services covered under the system be made on the basis of rates provided for under the system.

SEC. 12420. PSYCHOLOGY SERVICES IN HOSPITALS.

Section 1861(e)(4) (42 U.S.C. 1395x(e)(4)) is amended by striking ''physician;'' and inserting ''physician, except that a patient receiving qualified psychologist services (as defined in subsection (ii)) may be under the care of a clinical psychologist with respect to such services to the extent permitted under State law;''.

SEC. 12421. GRADUATE MEDICAL EDUCATION PAYMENTS IN HOSPITAL-OWNED COMMUNITY HEALTH CENTERS.

Section 1886(d)(5)(B)(iv) (42 U.S.C. 1395ww(d)(5)(B)(iv)) is amended by inserting after ''the hospital'' the following: ''or providing services at any entity receiving a grant under section 330 of the Public Health Service Act that is under the ownership or control of the hospital (if the hospital incurs all, or substantially all, of the costs of the services furnished to the hospital by such interns and residents)''.

SEC. 12422. TREATMENT OF CERTAIN MILITARY FACILITIES.

(a) COVERAGE OF SERVICES PROVIDED IN CERTAIN UNIFORMED SERVICES TREATMENT FACILITIES.—

(1) IN GENERAL.—The Secretary of Health and Human Services may not take any recoupment action to recover amounts that were paid by the United States under title XVIII of the Social Security Act to the facilities described in paragraph (2) (or to other individuals or entities with whom such facilities had entered into agreements to provide services under such title) for services provided during the period beginning October 1, 1986, and ending December 31, 1989, except to the extent that funds were obligated to the Uniformed Services Treatment Facilities program to fulfill such an action pursuant to title VI of the Department of Defense Appropriations Act, 1993.

(2) FACILITIES DESCRIBED.—The facilities referred to in paragraph (1) are the hospitals described in section 248c of title 42, United States Code, that are located in Boston, Massachusetts; Baltimore, Maryland; and Seattle, Washington.

(b) STUDY OF JOINT MEDICAL FACILITIES.—

(1) STUDY.—The Secretary of Health and Human Services, in consultation with the Secretary of Defense and the Secretary of Veterans Affairs, shall conduct a study of the feasibility and desirability of establishing joint medical facilities among the Department of Defense, the Department of Veterans' Affairs, and other public and private entities, and shall include in such study an analysis of the need to make changes in the medicare and medicaid programs (including facility certification standards under such programs) in order to facilitate the establishment of such joint medical facilities.

(2) REPORT.—Not later than October 1, 1993, the Secretary of Health and Human Services shall submit a report to Congress on the study conducted under paragraph (1).

SEC. 12423. EPILEPSY DRG.

(a) IN GENERAL.—The Secretary of Health and Human Services shall review the diagnosis-related groups established pursuant to section 1886(d)(4) of the Social Security Act that are assigned to discharges of patients with intractable epilepsy, including patients whose admissions involve intensive neurodiagnostic monitoring, and shall revise, for discharges occurring on or after October 1, 1994, the assignment of discharges to such groups as the Secretary considers appropriate to account for the resource requirements of such patients.

(b) CONSULTATION REQUIREMENTS.—In carrying out subsection (a), the Secretary shall consult with the Prospective Payment Assessment Commission and national organizations representing individuals with epilepsy or individuals and entities providing specialized medical services to such individuals related to the treatment of epilepsy.

SEC. 12424. SKILLED NURSING FACILITY WAGE INDEX.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act,

the Secretary of Health and Human Services shall begin to collect data on employee compensation and paid hours of employment in skilled nursing facilities for the purpose of constructing a skilled nursing facility wage index adjustment to the routine service cost limits required under section 1888(a)(4) of the Social Security Act.

(b) PROPAC REPORT.—The Prospective Payment Assessment Commission shall, by March 1, 1994, study and report to the Congress on the impact of applying routine per diem cost limits for skilled nursing facilities on a regional basis.

SEC. 12425. HOSPICE NOTIFICATION TO BENEFICIARIES.

(a) HOSPITALS.—Section 1861(ee)(2)(D) (42 U.S.C. 1395x(ee)(2)(D)) is amended by inserting ", including hospice services," after "post-hospital services".

(b) NURSING FACILITIES.—Section 1819(c)(1)(B) (42 U.S.C. 1395i–3(c)(1)(B)) is amended—

(1) by striking "and" at the end of clause (ii);

(2) by striking the period at the end of clause (iii) and inserting "; and"; and

(3) by inserting after clause (iii) the following new clause:

"(iv) inform each resident who is entitled to benefits under this title, orally and in writing at the time of admission to the facility, of the entitlement of individuals to hospice care under section 1812(a)(4) (unless there is no hospice program providing hospice care for which payment may be made under this title within the geographic area of the facility and it is not the common practice of the facility to refer patients to hospice programs located outside such geographic area).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after the first day of the first month beginning more than one year after the date of the enactment of this Act.

SEC. 12426. REDUCTION IN PART A PREMIUM FOR CERTAIN INDIVIDUALS WITH 30 OR MORE QUARTERS OF SOCIAL SECURITY COVERAGE.

(a) IN GENERAL.—Section 1818(d) (42 U.S.C. 1395i–2(d)) is amended—

(1) in the second sentence of paragraph (2), by striking "Such amount" and inserting "Subject to paragraph (4), the amount of an individual's monthly premium under this section"; and

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

"(4)(A) In the case of an individual described in subparagraph (B), the monthly premium for a month shall be reduced by the applicable reduction percent specified in the following table:

"For a month in:	The applicable reduction percent is:
1994	25
1995	30
1996	35
1997	40
1998 or subsequent year	45

"(B) An individual described in this subparagraph with respect to a month is an individual who establishes to the satisfaction of the Secretary that, as of the last day of the previous month, the individual—

"(i) had at least 30 quarters of coverage under title II;

"(ii) was married (and had been married for the previous 1 year period) to an individual who had at least 30 quarters of coverage under such title;

"(iii) had been married to an individual for a period of at least 1 year (at the time of the individual's death) if at such time the individual had at least 30 quarters of coverage under such title; and

"(iv) is divorced from an individual and had been married to the individual for a period of at least 10 years (at the time of the divorce) if at such time the individual had at least 30 quarters of coverage under such title.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to monthly premiums under section 1818 of the Social Security Act for months beginning with January 1, 1994.

SEC. 12427. PERIODIC UPDATES TO SALARY EQUIVALENCY GUIDELINES FOR PHYSICAL THERAPY AND RESPIRATORY THERAPY SERVICES.

(a) IN GENERAL.—Section 1861(v)(5) (42 U.S.C. 1395x(v)(5)) is amended by adding at the end the following new subparagraph:

"(C) Using the most recent available data, the Secretary shall update, not less often than every 3 years, the salary equivalency guidelines used under subparagraph (A) with respect to physical therapy and respiratory therapy services.".

(b) EFFECTIVE DATE.—The Secretary of Health and Human Services shall first update the salary equivalency guidelines, under the amendment made by subsection (a), by not later than December 31, 1993. Such updated guidelines shall apply to cost reporting periods beginning on or after July 1, 1993.

SEC. 12428. EXTENSION OF DEADLINE FOR APPLICATION FOR GEOGRAPHIC CLASSIFICATION FOR CERTAIN RECLASSIFIED HOSPITALS.

Notwithstanding section 1886(d)(10)(C)(ii) of the Social Security Act, a hospital may submit an application to the Medicare Geographic Classification Review Board requesting a change in geographic classification for fiscal year 1994 after the first day of fiscal year 1993 if—

(1) the hospital's geographic classification for fiscal year 1994 was changed from urban to rural as a result of the issuance of the Revised Statistical Definitions for Metropolitan Areas established by the Office of Management and Budget on December 28, 1992 (pursuant to OMB Bulletin No. 93-05); and

(2) the hospital submits the application not later than 60 days after the date of the enactment of this Act.

SEC. 12429. ELIMINATION OF RETURN ON EQUITY FOR PROPRIETARY SKILLED NURSING FACILITIES.

(a) REPEAL OF REQUIREMENT FOR RETURN ON EQUITY.—

(1) IN GENERAL.— Section 1861(v)(1)(B) (42 U.S.C. 1395x(v)(1)(B)) is amended to read as follows:

"(B) Such regulations in the case of extended care services shall not include provision for specific recognition of a return on equity capital.".

(2) CONFORMING AMENDMENTS.—(A) Section 1878(f)(2) (42 U.S.C. 1395oo(f)(2)) is amended by striking "the rate of return on equity capital established by regulation pursuant to section 1861(v)(1)(B) and in effect at the time" and inserting "the average of the rates of interest on obligations issued for purchase by the Federal Hospital Insurance Trust Fund for each of the months any part of which is included in the cost reporting period in which".

(B) Section 1881(b)(2)(C) (42 U.S.C. 1395rr(b)(2)(C)) is amended by striking ", providing such rate" and all that follows and inserting a period.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to costs incurred after September 1993.

SEC. 12430. CLARIFICATION OF DRG PAYMENT WINDOW EXPANSION; MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) CLARIFICATION OF DRG PAYMENT WINDOW EXPANSION.—The first sentence of section 1886(a)(4) (42 U.S.C. 1395ww(a)(4)) is further amended by striking "and includes" and inserting "and (in the case of a subsection (d) hospital) includes".

(b) TECHNICAL CORRECTION RELATING TO RESIDENT ASSESSMENT IN NURSING HOMES.—Section 1819(b)(3)(C)(i)(I) (42 U.S.C. 1395i–3(b)(3)(C)(i)(I)) is amended by striking "not later than" before "14 days".

(c) CLERICAL CORRECTIONS.—(1) Section 1814(i)(1)(C)(i) (42 U.S.C. 1395f(i)(1)(C)(i)) is amended by striking "1990,," and inserting "1990,".

(2) Section 1816(f)(2)(A)(ii) (42 U.S.C. 1396h(f)(2)(A)(ii)) is amended by striking "such agency" and inserting "such agency's".

(3) Section 1886(d)(1)(A)(iii) (42 U.S.C. 1395ww(d)(1)(A)(iii)) is amended by striking ", the sum of" and inserting "is equal to the sum of".

CHAPTER 2—PROVISIONS RELATING TO PART B

Subchapter A—Elimination of Inflation Update

SEC. 12431. ELIMINATION OF INFLATION UPDATE FOR PHYSICIAN AND RELATED PROFESSIONAL SERVICES.

(a) NO INCREASE IN INDEX.—Section 1848(d)(3)(A) (42 U.S.C. 1395w–4(d)(3)(A)) is amended—

(1) in clause (i), by striking "clause (iii)" and inserting "clauses (iii) and (iv)", and

(2) by adding at the end the following new clause:

"(iv) NO INCREASE IN INDEX FOR 1994 OR 1995.—In applying clause (i) for services furnished on or after January 1, 1994, the percentage increase in the appropriate update index for each of 1994 and 1995 shall be 0 per cent.".

(b) NO INCREASE IN MEI FOR 1994 AND 1995.—Section 1842(b)(4)(E) (42 U.S.C. 1395u(b)(4)(E)) is amended by adding at the end the following new clause:

"(vi) For purposes of this part for items and services furnished in 1994 or 1995, the percentage increase in the MEI is 0 percent.".

SEC. 12432. ELIMINATION OF COST-OF-LIVING ADJUSTMENTS FOR CERTAIN ITEMS AND SERVICES.

(a) CLINICAL LABORATORY SERVICES.—Section 1833(h)(2)(A)(ii) (42 U.S.C. 1395l(h)(2)(A)(ii)) is amended—

(1) by striking "and" at the end of subclause (II),

(2) by striking the period at the end of subclause (III) and inserting ", and", and

(3) by adding at the end the following new subclause:

"(IV) the annual adjustment in the fee schedules determined under clause (i) for each of the years 1994 and 1995 shall be 0 percent.".

(b) DURABLE MEDICAL EQUIPMENT.—Section 1834(a)(14) (42 U.S.C. 1395m(a)(14)) is amended—

(1) in subparagraph (A), by striking "and" at the end;

(2) in subparagraph (B)—

(A) by striking "a subsequent year" and inserting "1993", and

(B) by striking "June of the previous year." and inserting "June 1992,"; and

(3) by adding at the end the following new subparagraphs:

"(C) for 1994 and 1995, no percentage change, and

"(D) for a subsequent year, the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with June of the previous year.".

(c) ORTHOTICS AND PROSTHETICS.—Section 1834(h)(4)(A) (42 U.S.C. 1395m(h)(4)(A)) is amended—

(1) in clause (i), by striking "and";

(2) in clause (ii), by striking "a subsequent year" and inserting "1992 and 1993"; and

(3) by adding at the end the following new clauses:

''(iii) for 1994 and 1995, 0 percent, and

''(iv) for a subsequent year, the percentage increase in the consumer price index for all urban consumers (United States city average) for the 12-month period ending with June of the previous year;''.

(d) REASONABLE CHARGE LIMITS FOR ENTERAL AND PARENTERAL NUTRIENTS, SUPPLIES AND EQUIPMENT.—In determining the amount of payment under part B of title XVIII of the Social Security Act during 1994 and 1995, the charges determined to be reasonable with respect to parenteral and enteral nutrients, supplies, and equipment may not exceed the charges determined to be reasonable with respect to such nutrients, supplies, and equipment during 1993.

SEC. 12433. AMBULATORY SURGICAL CENTER SERVICES.

(a) ELIMINATION OF INFLATION UPDATE.—The Secretary of Health and Human Services shall not provide for any inflation update in the payment amounts under subparagraphs (A) and (B) of section 1833(i)(2) of the Social Security Act for fiscal year 1994 or for fiscal year 1995.

(b) CONFORMING AMENDMENT.—Section 1833(i)(2)(C) (42 U.S.C. 1395l(i)(2)(C)), as added by section 12453(a)(2)(B), is amended by striking ''fiscal year 1995'' and inserting ''fiscal year 1996''.

SEC. 12434. OTHER ITEMS AND SERVICES UNDER PART B.

(a) RURAL HEALTH CLINIC SERVICES; FEDERALLY-QUALIFIED HEALTH CENTER SERVICES; COMPREHENSIVE OUTPATIENT REHABILITATION FACILITY SERVICES.—In determining the amount of payment made for rural health clinic services, Federally qualified health center services, or comprehensive outpatient rehabilitation facility services furnished under part B of title XVIII of the Social Security Act for services furnished on or after January 1, 1994, the Secretary of Health and Human Services shall provide that any inflation update, in the applicable limits used to determine the costs which are reasonable and related to the cost of furnishing such services under section 1833(a)(3) of such Act, that would otherwise have applied for 1994 or for 1995 shall be deemed to be 0 percent.

(b) DIALYSIS SERVICES.—In determining the amount of payment made for dialysis services furnished under part B of title XVIII of the Social Security Act on or after January 1, 1994, the Secretary of Health and Human Services shall provide that any inflation update, in the payment amounts determined under section 1881(b)(2)(B) of such Act or the rates determined under section 1881(b)(7) of such Act, that would otherwise have applied for 1994 or for 1995 shall be deemed to be 0 percent.

(c) OTHER PART B ITEMS AND SERVICES.—In determining the amount of payment made for an item or service furnished under part B of title XVIII of the Social Security Act on or after January 1, 1994, other than an item or service to which a preceding provision of (or amendment made by) this subchapter applies, the Secretary of Health and Human Services shall provide that any inflation update in the fee schedule amount for the item or service established under such part B of such title, or (if applicable) any applicable limit used to determine the actual charge, reasonable charge, or reasonable cost for the item or service under such part, that would otherwise have applied for 1994 or for 1995 shall be deemed to be 0 percent.

Subchapter B—Physicians' Services

SEC. 12441. RETAINING PAYMENT FOR ACTUAL ANESTHESIA TIME.

(a) PHYSICIANS' SERVICES.—Section 1848(b)(2)(B) (42 U.S.C. 1395w–4(b)(2)(B)) is amended by adding at the end the following: ''The Secretary may not modify the methodology in effect as of January 1, 1992, for determining the amount of time that may be billed for such services under this section.''.

(b) SERVICES OF CERTIFIED REGISTERED NURSE ANESTHETISTS.—Section 1833(l)(1)(B) (42 U.S.C. 1395l(l)(1)(B)) is amended by adding at the end the following: ''The Secretary may not modify the methodology in effect as of January 1, 1992, for determining the amount of time that may be billed for such services under this section.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take apply to services furnished on or after the date of the enactment of this Act.

SEC. 12442. GEOGRAPHIC COST OF PRACTICE INDEX REFINEMENTS.

(a) REQUIRING CONSULTATION WITH REPRESENTATIVES OF PHYSICIANS IN REVIEWING GEOGRAPHIC ADJUSTMENT FACTORS.—Section 1848(e)(1)(C) (42 U.S.C. 1395w–4(e)(1)(C)) is amended by striking ''shall review'' and inserting ''shall, in consultation with appropriate representatives of physicians, review''.

(b) USE OF MOST RECENT DATA IN GEOGRAPHIC ADJUSTMENT.—Section 1848(e)(1) (42 U.S.C. 1395w–4(e)(1)) is amended by adding at the end the following new subparagraph:

''(D) USE OF RECENT DATA.—In establishing indices and index values under this paragraph, the Secretary shall use the most recent data available relating to practice expenses, malpractice expenses, and physician work effort in different fee schedule areas.''.

(c) DEADLINE FOR INITIAL REVIEW AND REVISION.—The Secretary of Health and Human Services shall first review and revise geographic adjustment factors under section 1848(e)(1)(C) of the Social Security Act by not later than January 1, 1995. Not later than April 1, 1994, the Secretary shall study and report to report to the Committee on Finance of the Senate and the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives on the construction of the geographic cost of practice index under section 1848(e)(1)(A)(i) of such Act.

(d) REPORT ON REVIEW PROCESS.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services shall study and report to the Committee on Finance of the Senate and the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives on—

(1) the data necessary to review and revise the indices established under section 1848(e)(1)(A) of the Social Security Act, including—

(A) the shares allocated to physicians' work effort, practice expenses (other than malpractice expenses), and malpractice expenses;

(B) the weights assigned to the input components of such shares; and

(C) the index values assigned to such components;

(2) any limitations on the availability of data necessary to review and revise such indices at least every three years;

(3) ways of addressing such limitations, with particular attention to the development of alternative data sources for input components for which current index values are based on data collected less frequently than every three years; and

(4) the costs of developing more accurate and timely data.

(e) DEVELOPMENT OF CRITERIA FOR USE IN DETERMINING PAYMENT LOCALITIES.—The Physician Payment Review Commission shall conduct a study to develop criteria that would be used to refine the fee schedule areas that are used within States, in applying geographic adjustment factors for computing payment amounts, under section 1848 of the Social Security Act. The Commission shall include a report on such study in its recommendations submitted to the Congress under section 1845(b) of such Act in 1994.

SEC. 12443. RELATIVE VALUES FOR PEDIATRIC SERVICES.

(a) IN GENERAL.—The Secretary of Health and Human Services shall fully develop, by not later than July 1, 1994, relative values for the full range of pediatric physicians' services which are consistent with the relative values developed for other physicians' services under section 1848(c) of the Social Security Act. In developing such values, the Secretary shall conduct such refinements as may be necessary to produce appropriate estimates for such relative values.

(b) STUDY.—

(1) IN GENERAL.—The Secretary shall conduct a study of the relative values for pediatric and other services to determine whether there are significant variations in the resources used in providing similar services to different populations. In conducting such study, the Secretary shall consult with appropriate organizations representing pediatricians and other physicians.

(2) REPORT.—Not later than July 1, 1994, the Secretary shall submit to Congress a report on the study conducted under paragraph (1). Such report shall include any appropriate recommendations regarding needed changes in coding or other payment policies to ensure that payments for pediatric services appropriately reflect the resources required to provide these services.

SEC. 12444. ANTIGENS UNDER PHYSICIAN FEE SCHEDULE.

(a) IN GENERAL.—Section 1848(j)(3) (42 U.S.C. 1395w–4(j)(3)) is amended by inserting ''(2)(G),'' after ''(2)(D),''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after January 1, 1995.

SEC. 12445. ADMINISTRATION OF CLAIMS RELATING TO PHYSICIANS' SERVICES.

(a) LIMITATION ON CARRIER USER FEES.—Section 1842(c) (42 U.S.C. 1395u(c)) is amended by adding at the end the following new paragraph:

''(4) Neither a carrier nor the Secretary may impose a fee under this title—

''(A) for the filing of claims related to physicians' services,

''(B) for an error in filing a claim relating to physicians' services or for such a claim which is denied,

''(C) for any appeal under this title with respect to physicians' services,

''(D) for applying for (or obtaining) a unique identifier under subsection (r), or

''(E) for responding to inquiries respecting physicians' services or for providing information with respect to medical review of such services.''.

(b) CLARIFICATION OF PERMISSIBLE SUBSTITUTE BILLING ARRANGEMENTS.—

(1) IN GENERAL.—Clause (D) of section 1842(b)(6) (42 U.S.C. 1395u(b)(6)), as amended by section 12446(f), is amended to read as follows: ''(D) payment may be made to a physician for physicians' services (and services furnished incident to such services) furnished by a second physician to patients of the first physician if (i) the first physician is unavailable to provide the services; (ii) the services are furnished pursuant to an arrangement between the two physicians that (I) is informal and reciprocal, or (II) involves per diem or other fee-for-time compensation for such services; (iii) the services are not provided by the second physician over a continuous period of more than 60 days; and (iv) the claim form submitted to the carrier for such services includes the second physician's unique identifier (provided under the system established under subsection (r)) and indicates that the claim meets the requirements of this clause for payment to the first physician''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to services furnished on or after the first day of the first month beginning more than 60 days after the date of the enactment of this Act.

SEC. 12446. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) OVERVALUED PROCEDURES (SECTION 4101 OF OBRA–1990).—(1) Section 1842(b)(16)(B)(iii) (42 U.S.C. 1395u(b)(16)(B)(iii)) is amended—

(A) by striking '', simple and subcutaneous'',

(B) by striking ''; small'' and inserting ''and small'',

(C) by striking ''treatments;'' the first place it appears and inserting ''and'',

(D) by striking ''lobectomy;'',

(E) by striking ''enterectomy; colectomy; cholecystectomy;'',

(F) by striking ''; transurerethral resection'' and inserting ''and resection'', and

(G) by striking ''sacral laminectomy;''.

(2) Section 4101(b)(2) of OBRA–1990 is amended—

(A) in the matter before subparagraph (A), by striking ''1842(b)(16)'' and inserting ''1842(b)(16)(B)'', and

(B) in subparagraph (B)—

(i) by striking '', simple and subcutaneous'',

(ii) by striking ''(HCPCS codes 19160 and 19162)'' and inserting ''(HCPCS code 19160)'', and

(iii) by striking all that follows ''(HCPCS codes 92250'' and inserting ''and 92260).''.

(b) RADIOLOGY SERVICES (SECTION 4102 OF OBRA–1990).—(1) Section 1834(b)(4) (42 U.S.C. 1395m(b)(4)) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively.

(2) Section 1834(b)(4)(D) (42 U.S.C. 1395m(b)(4)(D)) is amended—

(A) in the matter before clause (i), by striking ''shall be determined as follows:'' and inserting ''shall, subject to clause (vii), be reduced to the adjusted conversion factor for the locality determined as follows:'',

(B) in clause (iv), by striking ''LOCAL ADJUSTMENT.—Subject to clause (vii), the conversion factor to be applied to'' and inserting ''ADJUSTED CONVERSION FACTOR.—The adjusted conversion factor for'',

(C) in clause (vii), by striking ''under this subparagraph'', and

(D) in clause (vii), by inserting ''reduced under this subparagraph by'' after ''shall not be''.

(3) Section 4102(c)(2) of OBRA–1990 is amended by striking ''radiology services'' and all that follows and inserting ''nuclear medicine services''.

(4) Section 4102(d) of OBRA–1990 is amended by striking ''new paragraph'' and inserting ''new subparagraph''.

(5) Section 1834(b)(4)(E) (42 U.S.C. 1395m(b)(4)(E)) is amended by inserting ''RULE FOR CERTAIN SCANNING SERVICES.—'' after ''(E)''.

(6) Section 1848(a)(2)(D)(iii) (42 U.S.C. 1395w–4(a)(2)(D)(iii)) is amended by striking ''that are subject to section 6105(b) of the Omnibus Budget Reconciliation Act of 1989'' and by striking ''provided under such section'' and inserting ''provided under section 6105(b) of the Omnibus Budget Reconciliation Act of 1989''.

(c) ANESTHESIA SERVICES (SECTION 4103 OF OBRA–1990).—(1) Section 4103(a) of OBRA–1990 is amended by striking ''REDUCTION IN FEE SCHEDULE'' and inserting ''REDUCTION IN PREVAILING CHARGES''.

(2) Section 1842(q)(1)(B) (42 U.S.C. 1395u(q)(1)(B)) is amended—

(A) in the matter before clause (i), by striking ''shall be determined as follows:'' and inserting ''shall, subject to clause (iv), be reduced to the adjusted prevailing charge conversion factor for the locality determined as follows:'', and

(B) in clause (iii), by striking ''Subject to clause (iv), the prevailing charge conversion factor to be applied in'' and inserting ''The adjusted prevailing charge conversion factor for''.

(d) ASSISTANTS AT SURGERY (SECTION 4107 OF OBRA–1990).—(1) Section 4107(c) of OBRA–1990 is amended by inserting ''(a)(1)'' after ''subsection''.

(2) Section 4107(a)(2) of OBRA–1990 is amended by adding at the end the following: ''In applying section 1848(g)(2)(D) of the Social Security Act for services of an assistant-at-surgery furnished during 1991, the recognized payment amount shall not exceed the maximum amount specified under section 1848(i)(2)(A) of such Act (as applied under this paragraph in such year).''.

(e) TECHNICAL COMPONENTS OF DIAGNOSTIC SERVICES (SECTION 4108 OF OBRA–1990).—Section 1842(b) (42 U.S.C. 1395u(b)) is amended by redesignating paragraph (18), as added by section 4108(a) of OBRA–1990, as paragraph (17) and, in such paragraph, by inserting '', tests specified in paragraph (14)(C)(i),'' after ''diagnostic laboratory tests''.

(f) RECIPROCAL BILLING ARRANGEMENTS (SECTION 4110 OF OBRA–1990).—Section 1842(b)(6)(D) (42 U.S.C. 1395u(b)(6)(D)) is amended—

(1) by striking ''visit services (including emergency visits and related services)'' and inserting ''physicians' services (and services furnished incident to such services)'';

(2) by striking ''on an occasional, reciprocal basis'' and inserting ''under an arrangement that is informal and reciprocal or involves per diem or other fee-for-time compensation for services'';

(3) by striking ''visit'' in subclauses (i), (ii), and (iv); and

(4) in subclause (iii), by striking ''the claim'' and all that follows through the comma at the end and inserting ''the claim meets the requirements of this clause for payment to the first physician''.

(g) STUDY OF AGGREGATION RULE FOR CLAIMS OF SIMILAR PHYSICIAN SERVICES (SECTION 4113 OF OBRA–1990).—Section 4113 of OBRA–1990 is amended—

(1) by inserting ''of the Social Security Act'' after ''1869(b)(2)''; and

(2) by striking ''December 31, 1992'' and inserting ''December 31, 1993''.

(h) STATEWIDE FEE SCHEDULES (SECTION 4117 OF OBRA–1990).—Section 4117 of OBRA–1990 is amended—

(1) in subsection (a)—

(A) by striking ''IN GENERAL.—'', and

(B) by striking '', if the'' and all that follows through ''1991, ''; and

(2) by striking subsections (b), (c), and (d).

(i) OTHER MISCELLANEOUS AND TECHNICAL AMENDMENTS.—(1) The heading of section 1834(f) (42 U.S.C. 1395m(f)) is amended by striking ''FISCAL YEAR''.

(2)(A) Section 4105(b) of OBRA–1990 is amended—

(i) in paragraph (2), by striking ''amendments'' and inserting ''amendment'', and

(ii) in paragraph (3), by striking ''amendments made by paragraphs (1) and (2)'' and inserting ''amendment made by paragraph (1)''.

(B) Section 1848(f)(2)(C) (42 U.S.C. 1395w–4(f)(2)(C)) is amended by inserting ''PERFORMANCE STANDARD RATES OF INCREASE FOR FISCAL YEAR 1991.—'' after ''(C)''.

(C) Section 4105(d) of OBRA–1990 is amended by inserting ''PUBLICATION OF PERFORMANCE STANDARD RATES.—'' after ''(d)''.

(3) Section 1842(b)(4)(F) (42 U.S.C. 1395u(b)(4)(F)) is amended—

(A) in clause (i), by striking ''prevailing charge'' the first place it appears and inserting ''customary charge''; and

(B) in clause (ii)(III), by striking ''second, third, and fourth'' and inserting ''first, second, and third''.

(4) Section 1842(b)(4)(F)(ii)(I) (42 U.S.C. 1395u(b)(4)(F)(ii)(I)) is amended by striking ''respiratory therapist,''.

(5) Section 4106(c) of OBRA–1990 is amended by inserting ''of the Social Security Act'' after ''1848(d)(1)(B)''.

(6) Section 4114 of OBRA–1990 is amended by striking ''patients'' the second place it appears.

(7) Section 1848(e)(1)(C) (42 U.S.C. 1395w–4(e)(1)(C)) is amended by inserting ''date of the'' after ''since the''.

(8) Section 4118(f)(1)(D) of OBRA–1990 is amended by striking ''is amended''.

(9) Section 4118(f)(1)(N)(ii) of OBRA–1990 is amended by striking ''subsection (f)(5)(A)'' and inserting ''subsection (f)(5)(A))''.

(10) Section 1845(e) (42 U.S.C. 1395w–1(e)) is amended—

(A) by striking paragraph (2); and

(B) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4).

(11) Section 4118(j)(2) of OBRA–1990 is amended by striking ''In section'' and inserting ''Section''.

(12)(A) Section 1848(i)(3) (42 U.S.C. 1395w–4(i)(3)) is amended by striking the space before the period at the end.

(B) Section 1834(a)(10)(B) (42 U.S.C. 1395m(a)(10)(B)) is amended—

(i) by striking ''apply to'' and inserting ''would otherwise apply to'', and

(ii) by inserting before the period at the end ''but for the application of section 1848(i)(3)''.

(j) EFFECTIVE DATE.—The amendments made by this section and the provisions of this section shall take effect as if included in the enactment of OBRA–1990.

Subchapter C—Ambulatory Surgical Center Services

SEC. 12451. DESIGNATION OF CERTAIN HOSPITALS AS EYE OR EYE AND EAR HOSPITALS.

(a) IN GENERAL.—Section 1833(i) (42 U.S.C. 1395l(i)) is amended—

(1) in subparagraph (B)(ii)—

(A) by striking ''the last sentence of this clause'' and inserting ''paragraph (4)'', and

(B) by striking the last sentence; and

(2) by inserting after paragraph (3) the following new paragraph:

''(4)(A) In the case of a hospital that—

''(i) makes application to the Secretary and demonstrates that it specializes in eye services or eye and ear services (as determined by the Secretary),

''(ii) receives more than 30 percent of its total revenues from outpatient services, and

''(iii) on October 1, 1987—

''(I) was an eye specialty hospital or an eye and ear specialty hospital, or

''(II) was operated as an eye or eye and ear unit (as defined in subparagraph (B)) of a general acute care hospital which, on the date of the application described in clause (i), operates less than 20 percent of the beds that the hospital operated on October 1, 1987, and has sold or otherwise disposed of a substantial portion of the hospital's other acute care operations,

the cost proportion and ASC proportion in effect under subclauses (I) and (II) of paragraph (2)(B)(ii) for cost reporting periods beginning in fiscal year 1988 shall remain in effect for cost reporting periods beginning on or after October 1, 1988, and before January 1, 1995.

''(B) For purposes of this subparagraph (A)(iii)(II), the term 'eye or eye and ear unit' means a physically separate or distinct unit containing separate surgical suites devoted solely to eye or eye and ear services.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to portions of cost reporting periods beginning on or after January 1, 1994.

SEC. 12452. TECHNICAL AMENDMENTS.

(a) PAYMENT AMOUNTS FOR SERVICES FURNISHED IN AMBULATORY SURGICAL CENTERS.—

(1) USE OF SURVEY TO DETERMINE INCURRED COSTS.—Section 1833(i)(2)(A)(i) (42 U.S.C. 1395l(i)(2)(A)(i)) is amended by striking the comma at the end and inserting the following: '', as determined in accordance with a survey (based upon a representative sample of procedures and facilities) taken not later than January 1, 1994, and every 5 years thereafter, of the actual audited costs incurred by such centers in providing such services,''.

(2) AUTOMATIC APPLICATION OF INFLATION ADJUSTMENT.—Section 1833(i)(2) (42 U.S.C. 1395l(i)(2)) is amended—

(A) in the second sentence of subparagraph (A) and the second sentence of subparagraph (B), by striking ''and may be adjusted by the Secretary, when appropriate,''; and

(B) by adding at the end the following new subparagraph:

''(C) Notwithstanding the second sentence of subparagraph (A) or the second sentence of subparagraph (B), if the Secretary has not updated amounts established under such subparagraphs with respect to facility services furnished during a fiscal year (beginning with fiscal year 1995), such amounts shall be increased by the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with March of the preceding fiscal year.''.

(3) CONSULTATION REQUIREMENT.—The second sentence of section 1833(i)(1) (42 U.S.C. 1395l(i)(1)) is amended by striking the period and inserting the following: '', in consultation with appropriate trade and professional organizations.''.

(b) ADJUSTMENTS TO PAYMENT AMOUNTS FOR NEW TECHNOLOGY INTRAOCULAR LENSES.—

(1) ESTABLISHMENT OF PROCESS FOR REVIEW OF AMOUNTS.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services (in this subsection referred to as the ''Secretary'') shall develop and implement a process under which interested parties may request review by the Secretary of the appropriateness of the reimbursement amount provided under section 1833(i)(2)(A)(iii) of the Social Security Act with respect to a class of new technology intraocular lenses. For purposes of the preceding sentence, an intraocular lens may not be treated as a new technology lens unless it has been approved by the Food and Drug Administration.

(2) FACTORS CONSIDERED.—In determining whether to provide an adjustment of payment with respect to a particular lens under paragraph (1), the Secretary shall take into account whether use of the lens is likely to result in reduced risk of intraoperative or postoperative complication or trauma, accelerated postoperative recovery, reduced induced astigmatism, improved postoperative visual acuity, more stable postoperative vision, or other comparable clinical advantages.

(3) NOTICE AND COMMENT.—The Secretary shall publish notice in the Federal Register from time to time (but no less often than once each year) of a list of the requests that the Secretary has received for review under this subsection, and shall provide for a 30-day comment period on the lenses that are the subjects of the requests contained in such notice. The Secretary shall publish a notice of his determinations with respect to intraocular lenses listed in the notice within 90 days after the close of the comment period.

(4) EFFECTIVE DATE OF ADJUSTMENT.—Any adjustment of a payment amount (or payment limit) made under this subsection shall become effective not later than 30 days after the date on which the notice with respect to the adjustment is published under paragraph (3).

(c) TECHNICAL CORRECTION RELATING TO BLEND AMOUNTS FOR AMBULATORY SURGICAL CENTER PAYMENTS.—

(1) IN GENERAL.—Subclauses (I) and (II) of section 1833(i)(3)(B)(ii) (42 U.S.C. 1395l(i)(3)(B)(ii)) are each amended—

(A) by striking ''for reporting'' and inserting ''for portions of cost reporting''; and

(B) by striking ''and on or before'' and inserting ''and ending on or before''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect as if included in the enactment of OBRA–1990.

(d) TECHNICAL CORRECTION RELATED TO CATARACT SURGERY.—Effective as if included in the enactment of OBRA–1990, section 4151(c)(3) of such Act is amended by striking ''for the insertion of an intraocular lens'' and inserting ''for an intraocular lens inserted''.

Subchapter D—Other Provisions

SEC. 12461. CLARIFYING PAYMENTS FOR MEDICALLY DIRECTED CERTIFIED REGISTERED NURSE ANESTHETIST SERVICES.

(a) IN GENERAL.—Section 1833(l)(4)(B) (42 U.S.C. 1395l(l)(4)(B)) is amended to read as follows:

''(B) Except as provided in subparagraph (D), the conversion factor used to determine the amount paid under the fee schedule under this subsection for services furnished by a certified registered nurse anesthetist who is medically directed—

''(i) in a year after 1993 and before 1997, shall be $10.75, or

''(ii) in a subsequent calendar year, shall be the previous year's conversion factor increased by the update determined under section 1848(d)(3) for physician anesthesia services for that year.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after January 1, 1994.

SEC. 12462. EXTENSION OF ALZHEIMER'S DISEASE DEMONSTRATION PROJECTS.

Section 9342 of OBRA–1986, as amended by section 4164(a)(2) of OBRA–1990, is amended—

(1) in subsection (c)(1), by striking ''4 years'' and inserting ''5 years''; and

(2) in subsection (f), —

(A) by striking ''$55,000,000'' and inserting ''$58,000,000'', and

(B) by striking ''$3,000,000'' and inserting ''$5,000,000''.

SEC. 12463. ORAL CANCER DRUGS.

(a) NEW COVERAGE OF CERTAIN SELF-ADMINISTERED ANTICANCER DRUGS.—Section 1861(s)(2) (42 U.S.C. 1395(s)(2)), as amended by section 12468(f)(8)(B), is amended—

(1) by striking ''and'' at the end of subparagraph (N);

(2) by adding ''and'' at the end of subparagraph (O); and

(3) by adding at the end the following new subparagraph:

''(P) an oral drug (which is approved by the Federal Food and Drug Administration) prescribed for use as an anticancer chemotherapeutic agent for a given indication, and containing an active ingredient (or ingredients), which is the same indication and active ingredient (or ingredients) as a drug which the carrier determines would be covered pursuant to subparagraph (A) or (B) if the drug could not be self-administered;''.

(b) UNIFORM COVERAGE OF ''OFF-LABEL'' ANTICANCER DRUGS.—Section 1861(t) (42 U.S.C. 1395x(t)) is amended—

(1) by inserting ''(1)'' after ''(t)'';

(2) by striking ''(m)(5) of this section'' and inserting ''(m)(5) and paragraph (2)''; and

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

''(2)(A) For purposes of paragraph (1), the term 'drugs' also includes any drugs or biologicals used in an anticancer chemotherapeutic regimen for a medically accepted indication (as described in subparagraph (B)).

''(B) In subparagraph (A), the term 'medically accepted indication', with respect to the use of a drug, includes any use which has been approved by the Food and Drug Administration for the drug, and includes another use of the drug if—

''(i) the drug has been approved by the Food and Drug Administration, and

''(ii) the carrier involved determines, based upon guidance provided by the Secretary to carriers for determining medically accepted uses of drugs, that the use is medically accepted taking into account the uses of such drug which are—

''(I) included (or approved for inclusion) in one or more of the following compendia: the American Hospital Formulary Service-Drug Information, the American Medical Association Drug Evaluations, and the United States Pharmacopoeia-Drug Information; or

''(II) supported by clinical evidence in peer reviewed medical literature appearing in publications which have been specifically approved for purposes of this paragraph by the Secretary.''.

(c) STUDY OF MEDICARE COVERAGE OF PATIENT CARE COSTS ASSOCIATED WITH CLINICAL TRIALS OF NEW CANCER THERAPIES.—

(1) STUDY.—The Secretary of Health and Human Services shall conduct a study of the effects of expressly covering under the medicare program the patient care costs for beneficiaries enrolled in clinical trials of new cancer therapies, where the protocol for the trial has been approved by the National Cancer Institute or meets similar scientific and ethical standards, including approval by an institutional review board. The study shall include—

(A) an estimate of the cost of such coverage, taking into account the extent to which medicare currently pays for such patient care costs in practice;

(B) an assessment of the extent to which such clinical trials represent the best available treatment for the patients involved and of the effects of participation in the trials on the health of such patients;

(C) an assessment of whether progress in developing new anticancer therapies would be assisted by medicare coverage of such patient care costs; and

(D) an evaluation of whether there should be special criteria for the admission of medicare beneficiaries (on account of their age or physical condition) to clinical trials for which medicare would pay the patient care costs.

(2) REPORT.—Not later than 2 years after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit a report on the study conducted under paragraph (1) to the Committee on Ways and Means and the Committee on Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate. Such report shall include recommendations as to the coverage under the medicare program of patient care costs of beneficiaries enrolled in clinical trials of new cancer therapies.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to items furnished on or after January 1, 1994.

SEC. 12464. PAYMENT FOR OSTOMY SUPPLIES AND OTHER SUPPLIES.

(a) OSTOMY SUPPLIES, TRACHEOSTOMY SUPPLIES, AND UROLOGICALS.—

(1) IN GENERAL.—Section 1834(h)(1) (42 U.S.C. 1395m(h)(1)) is amended by adding at the end the following new subparagraph:

''(E) EXCEPTION FOR CERTAIN ITEMS.—Payment for ostomy supplies, tracheostomy supplies, and urologicals shall be made in accordance with subparagraphs (B) and (C) of section 1834(a)(2).''.

(2) CONFORMING AMENDMENT.—Section 1834(h)(1)(B) (42 U.S.C. 1395m(h)(1)(B)) is amended by striking ''subparagraph (C),'' and inserting ''subparagraphs (C) and (E),''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to items furnished on or after January 1, 1994.

(b) SURGICAL DRESSINGS.—

(1) IN GENERAL.—Section 1834 (42 U.S.C. 1395m) is amended by adding at the end the following new subsection:

''(i) PAYMENT FOR SURGICAL DRESSINGS.—

''(1) IN GENERAL.—Payment under this subsection for surgical dressings (described in section 1861(s)(5)) shall be made in a lump sum amount for the purchase of the item in an amount equal to 80 percent of the lesser of—

''(A) the actual charge for the item; or

''(B) a payment amount determined in accordance with the methodology described in subparagraphs (B) and (C) of subsection (a)(2) (except that in applying such methodology, the national limited payment amount referred to in such subparagraphs shall be initially computed based on local payment amounts using average reasonable charges for the 12-month period ending December 31, 1992, increased by the covered item updates described in such subsection for 1993 and 1994).

''(2) EXCEPTIONS.—Paragraph (1) shall not apply to surgical dressings that are—

''(A) furnished as an incident to a physician's professional service; or

''(B) furnished by a home health agency.''.

(2) CONFORMING AMENDMENT.—Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)), as amended by section 12468(e)(2), is amended—

(A) by striking ''and'' before ''(O)'', and

(B) by inserting before the semicolon at the end the following: '', and (P) with respect to surgical dressings, the amounts paid shall be the amounts determined under section 1834(j);''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to items furnished on or after January 1, 1994.

SEC. 12465. COVERAGE OF SERVICES OF SPEECH-LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS.

(a) SERVICES DEFINED.—Section 1861 (42 U.S.C. 1395x), as amended by section 12468(f)(8)(E), is amended by inserting after subsection (kk) the following new subsection:

''Speech-Language Pathology Services; Audiology Services

''(ll)(1) The term 'speech-language pathology services' means such speech, language, and related function assessment and rehabilitation services furnished by a qualified speech-language pathologist as the speech-language pathologist is legally authorized to perform under State law (or the State regulatory mechanism provided by State law) as would otherwise be covered if furnished by a physician.

''(2) The term 'audiology services' means such hearing and balance assessment services furnished by a qualified audiologist as the audiologist is legally authorized to perform under State law (or the State regulatory mechanism provided by State law).

''(3) In this subsection:

''(A) The term 'qualified speech-language pathologist' means an individual with a master's or doctoral degree in speech-language pathology who has performed not less than 9 months of supervised full-time speech-language pathology services after obtaining such degree and who—

''(i) is licensed (or is otherwise certified) as a speech-language pathologist by the State in which the individual furnishes such services, or

''(ii) in the case of an individual who furnishes services in a State which does not provide for the licensing (or other form of certification) of speech-language pathologists, has successfully completed a national clinical competency examination in speech-language pathology approved by the Secretary.

''(B) The term 'qualified audiologist' means an individual with a master's or doctoral degree in audiology who has performed not less than 9 months of supervised full-time audiology services after obtaining such degree and who—

''(i) is licensed (or is otherwise certified) as an audiologist by the State in which the individual furnishes such services, or

''(ii) in the case of an individual who furnishes services in a State which does not provide for the licensing (or other form of certification) of audiologists, has successfully completed a national clinical competency examination in audiology approved by the Secretary.''.

(b) CONFORMING AMENDMENTS RELATING TO MEDICARE TREATMENT OF SPEECH AND LANGUAGE SERVICES.—

(1) EXTENDED CARE SERVICES.—Section 1861(h)(3) (42 U.S.C. 1395x(h)(3)) is amended by striking '', occupational, or speech therapy'' and inserting ''or occupational therapy or speech-language pathology services''.

(2) HOME HEALTH SERVICES.—Section 1861(m)(2) (42 U.S.C. 1395x(m)(2)) is amended by striking '', occupational, or speech therapy'' and inserting ''or occupational therapy or speech-language pathology services''.

(3) OUTPATIENT PHYSICAL THERAPY SERVICES.—The fourth sentence of section 1861(p) (42 U.S.C. 1395x(p)) is amended by striking ''speech pathology services'' and inserting ''speech-language pathology services''.

(4) COMPREHENSIVE OUTPATIENT REHABILITATION FACILITY SERVICES.—Section 1861(cc)(1)(B) (42 U.S.C. 1395x(cc)(1)(B)) is amended by striking ''speech pathology services'' and inserting ''speech-language pathology services''.

(5) HOSPICE CARE.—Section 1861(dd)(1)(B) (42 U.S.C. 1395x(dd)(1)(B)) is amended by striking ''therapy or speech-language pathology'' and inserting ''therapy, or speech-language pathology services''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1994.

SEC. 12466. EXTENSION OF MUNICIPAL HEALTH SERVICE DEMONSTRATION PROJECTS.

Section 9215 of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended by section 6135 of OBRA–1989, is amended—

(1) by striking ''December 31, 1993'' and inserting ''December 31, 1997'', and

(2) in the second sentence, by inserting after ''beneficiary costs,'' the following: ''costs to the medicaid program and other payers, access to care, outcomes, beneficiary satisfaction, utilization differences among the different populations served by the projects,''.

SEC. 12467. IMPOSITION OF COINSURANCE ON CLINICAL DIAGNOSTIC LABORATORY TESTS.

(a) IN GENERAL.—Paragraphs (1)(D) and (2)(D) of section 1833(a) (42 U.S.C. 1395l(a)) are each amended—

(1) by striking ''(or 100 percent'' and all that follows through ''first opinion))''; and

(2) by striking ''100 percent of such negotiated rate'' and inserting ''80 percent of such negotiated rate''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to tests furnished on or after January 1, 1994.

SEC. 12468. MISCELLANEOUS AND TECHNICAL CORRECTIONS.

(a) REVISION OF INFORMATION ON PART B CLAIMS FORMS.—Section 1833(q)(1) (42 U.S.C. 1395l(q)(1)) is amended—

(1) by striking ''provider number'' and inserting ''unique physician identification number''; and

(2) by striking ''and indicate whether or not the referring physician is an interested investor (within the meaning of section 1877(h)(5))''.

(b) CONSULTATION FOR SOCIAL WORKERS.—Effective with respect to services furnished on or after January 1, 1991, section 6113(c) of OBRA–1989 is amended—

(1) by inserting ''and clinical social worker services'' after ''psychologist services''; and

(2) by striking ''psychologist'' the second and third place it appears and inserting ''psychologist or clinical social worker''.

(c) REPORTS ON HOSPITAL OUTPATIENT PAYMENT.—(1) OBRA–1989 is amended by striking section 6137.

(2) Section 1135(d) (42 U.S.C. 1320b–5(d)) is amended—

(A) by striking paragraph (6); and

(B) in paragraph (7)—

(i) by striking ''systems'' each place it appears and inserting ''system''; and

(ii) by striking ''paragraphs (1) and (6)'' and inserting ''paragraph (1)''.

(d) RADIOLOGY AND DIAGNOSTIC SERVICES PROVIDED IN HOSPITAL OUTPATIENT DEPARTMENTS.—(1) Effective as if included in the enactment of OBRA–1989, section 1833(n)(1)(B)(i)(II) (42 U.S.C. 1395l(n)(1)(B)(i)(II)) is amended—

(A) by striking ''1989'' and inserting ''1989 and for services described in subsection (a)(2)(E)(ii) furnished on or after January 1, 1992''; and

(B) by striking ''1842(b)'' and inserting ''1842(b) (or, in the case of services furnished on or after January 1, 1992, under section 1848)''.

(2) Effective as if included in the enactment of OBRA–1989, section 1833(n)(1)(B)(i)(II) (42 U.S.C. 1395l(n)(1)(B)(i)(II)) is amended by striking ''January 1, 1989'' and inserting ''April 1, 1989''.

(e) PAYMENTS TO NURSE PRACTITIONERS IN RURAL AREAS (SECTION 4155 OF OBRA–1990).—(1) Section 1861(s)(2)(K)(iii) (42 U.S.C. 1395x(s)(2)(K)(iii)) is amended—

(A) by striking ''subsection (aa)(3)'' and inserting ''subsection (aa)(5)''; and

(B) by striking ''subsection (aa)(4)'' and inserting ''subsection (aa)(6)''.

(2) Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)) is amended—

(A) by striking ''and'' before ''(N)''; and

(B) with respect to the matter inserted by section 4155(b)(2)(B) of OBRA–1990—

(i) by striking ''(M)'' and inserting '', and (O)'', and

(ii) by transferring and inserting it (as amended) immediately before the semicolon at the end.

(3) Section 1833(r)(1) (42 U.S.C. 1395l(r)(1)) is amended—

(A) by striking ''ambulatory'' each place it appears and inserting ''or ambulatory''; and

(B) by striking ''center,'' and inserting ''center''.

(4) Section 1833(r)(2)(A) (42 U.S.C. 1395l(r)(2)(A)) is amended by striking ''subsection (a)(1)(M)'' and inserting ''subsection (a)(1)(O)''.

(5) Section 1861(b)(4) (42 U.S.C. 1395x(b)(4)) is amended by striking ''subsection (s)(2)(K)(i)'' and inserting ''clauses (i) or (iii) of subsection (s)(2)(K)''.

(6) Section 1861(aa)(5) (42 U.S.C. 1395x(aa)(5)) is amended by striking ''this Act'' and inserting ''this title''.

(7) Section 1862(a)(14) (42 U.S.C. 1395y(a)(14)) is amended by striking ''1861(s)(2)(K)(i)'' and inserting ''1861(s)(2)(K)(i) or 1861(s)(2)(K)(iii)''.

(8) Section 1866(a)(1)(H) (42 U.S.C. 1395cc(a)(1)(H)) is amended by striking ''1861(s)(2)(K)(i)'' and inserting ''1861(s)(2)(K)(i) or 1861(s)(2)(K)(iii)''.

(f) OTHER MISCELLANEOUS AND TECHNICAL AMENDMENTS.—

(1) IMMEDIATE ENROLLMENT IN PART B BY INDIVIDUALS COVERED BY AN EMPLOYMENT-BASED PLAN.—(A) Subparagraphs (A) and (B) of section 1837(i)(3) (42 U.S.C. 1395p(i)(3)) are each amended—

(i) by striking ''beginning with the first day of the first month in which the individual is no longer enrolled'' and inserting ''including each month during any part of which the individual is enrolled''; and

(ii) by striking ''and ending seven months later'' and inserting ''ending with the last day of the eighth consecutive month in which the individual is at no time so enrolled''.

(B) Paragraphs (1) and (2) of section 1838(e) (42 U.S.C. 1395q(e)) are amended to read as follows:

''(1) in any month of the special enrollment period in which the individual is at any time enrolled in a plan (specified in subparagraph (A) or (B), as applicable, of section 1837(i)(3)) or in the first month following such a month, the coverage period shall begin on the first day of the month in which the individual so enrolls (or, at the option of the individual, on the first day of any of the following three months), or

''(2) in any other month of the special enrollment period, the coverage period shall begin on the first day of the month following the month in which the individual so enrolls.''.

(C) The amendments made by subparagraphs (A) and (B) shall take effect on the first day of the first month that begins after the expiration of the 120-day period that begins on the date of the enactment of this Act.

(2) BLEND AMOUNTS FOR AMBULATORY SURGICAL CENTER PAYMENTS.—Subclauses (I) and (II) of section 1833(i)(3)(B)(ii) (42 U.S.C. 1395l(i)(3)(B)(ii)) are each amended—

(A) by striking ''for reporting'' and inserting ''for portions of cost reporting''; and

(B) by striking ''and on or before'' and inserting ''and ending on or before''.

(3) CLINICAL DIAGNOSTIC LABORATORY TESTS (SECTION 4154 OF OBRA–1990).—Section 4154(e)(5) of OBRA–1990 is amended by striking ''(1)(A)'' and inserting ''(1)(A),''.

(4) SEPARATE PAYMENT UNDER PART B FOR CERTAIN SERVICES (SECTION 4157 OF OBRA–1990).—Section 4157(a) of OBRA–1990 is amended by striking ''(a) SERVICES OF'' and all that follows through ''Section'' and inserting ''(a) TREATMENT OF SERVICES OF CERTAIN HEALTH PRACTITIONERS.—Section''.

(5) CERTIFIED REGISTERED NURSE ANESTHETISTS (SECTION 4160 OF OBRA–1990).—Section 1833(l)(4)(B)(ii)(VII) (42 U.S.C. 1395l(l)(4)(B)(ii)(VII)) is amended by striking ''1997'' and inserting ''1996''.

(6) COMMUNITY HEALTH CENTERS AND RURAL HEALTH CLINICS (SECTION 4161 OF OBRA–1990).—(A) The fourth sentence of section 1861(aa)(2) (42 U.S.C. 1395x(aa)(2)) is amended—

(i) by striking ''certification'' the first place it appears and inserting ''approval''; and

(ii) by striking ''the Secretary's approval or disapproval of the certification'' and inserting ''Secretary's approval or disapproval''.

(B) Section 4161(a)(7)(B) of OBRA–1990 is amended by inserting ''and to the Committee on Finance of the Senate'' after ''Representatives''.

(7) SCREENING MAMMOGRAPHY (SECTION 4163 OF OBRA–1990).—Section 4163 of OBRA–1990 is amended—

(A) by adding at the end of subsection (d) the following new paragraph:

''(3) The amendment made by paragraph (2)(A)(iv) shall apply to screening pap smears performed on or after July 1, 1990.''; and

(B) in subsection (e), by striking ''The amendments'' and inserting ''Except as provided in subsection (d)(3), the amendments.''.

(8) INJECTABLE DRUGS FOR TREATMENT OF OSTEOPOROSIS.—

(A) CLARIFICATION OF DRUGS COVERED.—The section 1861(jj) (42 U.S.C. 1395x(jj)) inserted by section 4156(a)(2) of OBRA–1990 is amended—

(i) in the matter preceding paragraph (1), by striking ''a bone fracture related to''; and

(ii) in paragraph (1), by striking ''patient'' and inserting ''individual has suffered a bone fracture related to post-menopausal osteoporosis and that the individual''.

(B) LIMITING COVERAGE TO DRUGS PROVIDED BY HOME HEALTH AGENCIES.—(i) The section 1861(jj) (42 U.S.C. 1395x(jj)) inserted by section 4156(a)(2) of OBRA–1990 is amended by striking ''if'' and inserting ''by a home health agency if''.

(ii) Section 1861(m)(5) (42 U.S.C. 1395x(m)(5)) is amended by striking ''but excluding'' and inserting ''and a covered osteoporosis drug (as defined in subsection (kk), but excluding other''.

(iii) Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)) is amended—

(I) by adding ''and'' at the end of subparagraph (N), and

(II) by striking subparagraph (O) and redesignating subparagraph (P) as subparagraph (O).

(C) PAYMENT BASED ON REASONABLE COST.—Section 1833(a)(2) (42 U.S.C. 1395l(a)(2)) is amended—

(i) in subparagraph (A), by striking ''health services'' and inserting ''health services (other than covered osteoporosis drug (as defined in section 1861(kk)))'';

(ii) by striking ''and'' at the end of subparagraph (D);

(iii) by striking the semicolon at the end and inserting ''; and''; and

(iv) by adding at the end the following new subparagraph:

''(F) with respect to covered osteoporosis drug (as defined in section 1861(kk)) furnished by a home health agency, 80 percent of the reasonable cost of such service, as determined under section 1861(v);''.

(D) APPLICATION OF PART B DEDUCTIBLE.—Section 1833(b)(2) (42 U.S.C. 1395l(b)(2)) is amended by striking ''services'' and inserting ''services (other than covered osteoporosis drug (as defined in section 1861(kk)))''.

(E) COVERED OSTEOPOROSIS DRUG (SECTION 4156 OF OBRA–1990).—Section 1861 (42 U.S.C. 1395x) is amended, in the subsection (jj) inserted by section 4156(a)(2) of OBRA–1990, by striking ''(jj) The term'' and inserting ''(kk) The term''.

(9) OTHER MISCELLANEOUS AND TECHNICAL CORRECTIONS (SECTION 4164 OF OBRA–1990).—

(A) OWNERSHIP DISCLOSURE REQUIREMENTS.—(i) Section 1124A(a)(2)(A) (42 U.S.C. 1320a–3a(a)(2)(A)) is amended by striking ''of the Social Security Act''.

(ii) Section 4164(b)(4) of OBRA–1990 is amended by striking ''paragraph'' and inserting ''paragraphs''.

(B) DIRECTORY OF UNIQUE PHYSICIAN IDENTIFIER NUMBERS.—Section 4164(c) of OBRA–1990 is amended by striking ''publish'' and inserting ''publish, and shall periodically update,''.

(g) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall take effect as if included in the enactment of OBRA–1990.

Subchapter E—Part B Premium

SEC. 12471. PART B PREMIUM.

Section 1839(e) (42 U.S.C. 1395r(e)) is amended—

(1) in paragraph (1)(A), by inserting ''and for each month in 1996 and 1997'' after ''January 1991'', and

(2) in paragraph (2), by striking ''1991'' and inserting ''1998''.

SEC. 12472. INCREASE IN MEDICARE PART B PREMIUM FOR INDIVIDUALS WITH HIGH INCOME.

(a) IN GENERAL.—Subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new part:

''PART VIII—MEDICARE PART B PREMIUMS FOR HIGH-INCOME INDIVIDUALS

''Sec. 59B. Medicare part B premium tax.

''SEC. 59B. MEDICARE PART B PREMIUM TAX.

''(a) IMPOSITION OF TAX.—In the case of an individual to whom this section applies for the taxable year, there is hereby imposed (in addition to any other tax imposed by this subtitle) a tax for such taxable year equal to the aggregate of the Medicare part B premium taxes for each of the months during such year that such individual is covered by Medicare part B.

''(b) INDIVIDUALS TO WHOM SECTION APPLIES.—This section shall apply to any individual for any taxable year if—

''(1) such individual is covered under Medicare part B for any month during such year, and

''(2) the modified adjusted gross income of the taxpayer for such taxable year exceeds the threshold amount.

''(c) MEDICARE PART B PREMIUM TAX FOR MONTH.—

''(1) IN GENERAL.—The Medicare part B premium tax for any month is the amount equal to the excess of—

''(A) 150 percent of the monthly actuarial rate for enrollees age 65 and over determined for that calendar year under section 1839(b) of the Social Security Act, over

''(B) the total monthly premium under section 1839 of the Social Security Act (determined without regard to subsections (b) and (f) of section 1839 of such Act).

''(2) PHASEIN OF TAX.—If the modified adjusted gross income of the taxpayer for any taxable years exceeds the threshold amount by less than $50,000, the Medicare part B premium tax for any month during such taxable year shall be an amount which bears the same ratio to the amount determined under paragraph (1) (without regard to this paragraph) as such excess bears to $50,000. The preceding sentence shall not apply to any individual whose threshold amount is zero.

''(d) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) THRESHOLD AMOUNT.—The term 'threshold amount' means—

''(A) except as otherwise provided in this paragraph, $100,000,

''(B) $125,000 in the case of a joint return, and

''(C) zero in the case of a taxpayer who—

''(i) is married at the close of the taxable year but does not file a joint return for such year, and

''(ii) does not live apart from his spouse at all times during the taxable year.

''(2) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income—

''(A) determined without regard to sections 135, 911, 931, and 933, and

''(B) increased by the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax.

''(3) MEDICARE PART B COVERAGE.—An individual shall be treated as covered under Medicare part B for any month if a premium is paid under part B of title XVIII of the Social Security Act for the coverage of the individual under such part for the month.

''(4) MARRIED INDIVIDUAL.—The determination of whether an individual is married shall be made in accordance with section 7703.''

(b) CLERICAL AMENDMENT.—The table of parts for subchapter A of chapter 1 of such

Code is amended by adding at the end thereof the following new item:

''Part VIII. Medicare Part B Premiums For High-Income Individuals.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to months after December 1993 in taxable years ending after December 31, 1993.

CHAPTER 3—PROVISIONS RELATING TO PARTS A AND B

Subchapter A—Elimination of Updates

SEC. 12501. ELIMINATION OF COST-OF-LIVING UPDATE IN PER RESIDENT AMOUNTS FOR DIRECT MEDICAL EDUCATION.

Section 1886(h)(2)(D) (42 U.S.C. 1395ww(h)(2)(D)) is amended by inserting ''(other than in the case of cost reporting periods beginning during fiscal year 1994 or fiscal year 1995)'' after ''updated''.

SEC. 12502. ELIMINATION OF INFLATION UPDATE IN COST LIMITS FOR HOME HEALTH SERVICES.

The Secretary of Health and Human Services shall not provide for any increase, on the basis of inflation or changes in the cost of goods and services, in the per visit cost limits for home health services under section 1861(v)(1)(L) of the Social Security Act for cost reporting periods beginning during fiscal year 1994 or fiscal year 1995.

Subchapter B—Medicare Secondary Payer Provisions

SEC. 12511. EXTENSION OF TRANSFER OF DATA.

(a) EXTENSION OF DATA MATCH PROGRAM.—

(1) Section 1862(b)(5)(C)(iii) of the Social Security Act (42 U.S.C. 1395y(b)(5)(C)(iii)) is amended by striking ''1995'' and inserting ''1998''.

(2) Section 6103(l)(12)(F) of the Internal Revenue Code of 1986 is amended—

(A) in clause (i), by striking ''1995'' and inserting ''1998'',

(B) in clause (ii)(I), by striking ''1994'' and inserting ''1997'', and

(C) in clause (ii)(II), by striking ''1995'' and inserting ''1998''.

(b) SECONDARY PAYER EXEMPTION FOR MEMBERS OF RELIGIOUS ORDERS.—Effective as if included in the enactment of OBRA–1989, section 6202(e)(2) of such Act is amended by adding at the end the following: ''Such amendment also shall apply to items and services furnished before such date with respect to secondary payer cases which the Secretary of Health and Human Services had not identified as of such date.''.

(c) PERMITTING THE USE OF MINIMUM INCOME THRESHOLDS.—

(1) Section 6103(l)(12)(B)(i) of the Internal Revenue Code of 1986 is amended by inserting '', above an amount (if any) specified by the Secretary of Health and Human Services,'' after ''section 3401(a))''.

(2) The matter in section 6103(l)(12)(B)(ii) of such Code preceding subclause (I) is amended by inserting '', above an amount (if any) specified by the Secretary of Health and Human Services,'' after ''wages''.

(3) The heading to section 6103(l)(12) of such Code is amended by striking ''TAXPAYER IDENTITY'' and inserting ''RETURN''.

SEC. 12512. 3-YEAR EXTENSION OF MEDICARE SECONDARY PAYER TO DISABLED BENEFICIARIES.

Section 1862(b)(1)(B)(iii) (42 U.S.C. 1395y(b)(1)(B)(iii)) is amended by striking ''1995'' and inserting ''1998''.

SEC. 12513. 3-YEAR EXTENSION OF 18-MONTH RULE FOR ESRD BENEFICIARIES.

Section 1862(b)(1)(C) (42 U.S.C. 1395y(b)(1)(C)) is amended by striking ''1996'' and inserting ''1999''.

SEC. 12514. MEDICARE SECONDARY PAYER REFORMS.

(a) IMPROVING IDENTIFICATION OF MEDICARE SECONDARY PAYER SITUATIONS.—

(1) SURVEY OF BENEFICIARIES.—

(A) IN GENERAL.—Section 1862(b)(5) (42 U.S.C. 1395y(b)(5)) is amended by adding at the end the following new subparagraph:

''(D) OBTAINING INFORMATION FROM BENEFICIARIES.—Before an individual applies for benefits under part A or enrolls under part B, the Administrator shall mail the individual a questionnaire to obtain information on whether the individual is covered under a primary plan and the nature of the coverage provided under the plan, including the name, address, and identifying number of the plan.''.

(B) DISTRIBUTION OF QUESTIONNAIRE BY CONTRACTOR.—The Secretary of Health and Human Services shall enter into an agreement with an entity not later than November 1, 1993, to distribute the questionnaire described in section 1862(b)(5)(D) of the Social Security Act (as added by subparagraph (A)).

(C) NO MEDICARE SECONDARY PAYER DENIAL BASED ON FAILURE TO COMPLETE QUESTIONNAIRE.—Section 1862(b)(2) (42 U.S.C. 1395y(b)(2)) is amended by adding at the end the following new subparagraph:

''(C) TREATMENT OF QUESTIONNAIRES.—The Secretary may not fail to make payment under subparagraph (A) solely on the ground that an individual failed to complete a questionnaire concerning the existence of a primary plan.''.

(2) MANDATORY SCREENING BY PROVIDERS AND SUPPLIERS UNDER PART B.—

(A) IN GENERAL.—Section 1862(b) (42 U.S.C. 1395y(b)) is amended by adding at the end the following new paragraph:

''(6) SCREENING REQUIREMENTS FOR PROVIDERS AND SUPPLIERS.—

''(A) IN GENERAL.—Notwithstanding any other provision of this title, no payment may be made for any item or service furnished under part B unless the entity furnishing such item or service completes (to the best of its knowledge and on the basis of information obtained from the individual to whom the item or service is furnished) the portion of the claim form relating to the availability of other health benefit plans.

''(B) PENALTIES.—An entity that knowingly, willfully, and repeatedly fails to complete a claim form in accordance with subparagraph (A) or provides inaccurate information relating to the availability of other health benefit plans on a claim form under such subparagraph shall be subject to a civil money penalty of not to exceed $2,000 for each such incident. The provisions of section 1128A (other than subsections (a) and (b)) shall apply to a civil money penalty under the previous sentence in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a).''.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall apply with respect to items and services furnished on or after January 1, 1994.

(b) IMPROVEMENTS IN RECOVERY OF PAYMENTS FROM PRIMARY PAYERS.—

(1) SUBMISSION OF REPORTS ON EFFORTS TO RECOVER ERRONEOUS PAYMENTS.—

(A) FISCAL INTERMEDIARIES UNDER PART A.—Section 1816 (42 U.S.C. 1396h) is amended by adding at the end the following new subsection:

''(k) An agreement with an agency or organization under this section shall require that such agency or organization submit an annual report to the Secretary describing the steps taken to recover payments made for items or services for which payment has been or could be made under a primary plan (as defined in section 1862(b)(2)(A)).''.

(B) CARRIERS UNDER PART B.—Section 1842(b)(3) (42 U.S.C. 1395u(b)(3)) is amended—

(i) by striking ''and'' at the end of subparagraph (H); and

(ii) by inserting after subparagraph (H) the following new subparagraph:

''(I) will submit annual reports to the Secretary describing the steps taken to recover payments made under this part for items or services for which payment has been or could be made under a primary plan (as defined in section 1862(b)(2)(A)).''.

(2) REQUIREMENTS UNDER CARRIER PERFORMANCE EVALUATION PROGRAM.—

(A) FISCAL INTERMEDIARIES UNDER PART A.—Section 1816(f)(1)(A) (42 U.S.C. 1396h(f)(1)(A)) is amended by striking ''processing'' and inserting ''processing (including the agency's or organization's success in recovering payments made under this title for services for which payment has been or could be made under a primary plan (as defined in section 1862(b)(2)(A)))''.

(B) CARRIERS UNDER PART B.—Section 1842(b)(2) (42 U.S.C. 1395u(b)(2)) is amended by adding at the end the following new subparagraph:

''(D) In addition to any other standards and criteria established by the Secretary for evaluating carrier performance under this paragraph relating to avoiding erroneous payments, the Secretary shall establish standards and criteria relating to the carrier's success in recovering payments made under this part for items or services for which payment has been or could be made under a primary plan (as defined in section 1862(b)(2)(A)).''.

(3) DEADLINE FOR REIMBURSEMENT BY PRIMARY PLANS.—

(A) IN GENERAL.—Section 1862(b)(2)(B)(i) (42 U.S.C. 1395y(b)(2)(B)(i)) is amended by adding at the end the following sentence: ''If reimbursement is not made to the appropriate Trust Fund before the expiration of the 60-day period that begins on the date such notice or other information is received, the Secretary may charge interest (beginning with the date on which the notice or other information is received) on the amount of the reimbursement until reimbursement is made (at a rate determined by the Secretary in accordance with regulations of the Secretary of the Treasury applicable to charges for late payments).''.

(B) CONFORMING AMENDMENT.—The heading of clause (i) of section 1862(b)(2)(B) is amended to read as follows: ''REPAYMENT REQUIRED.—''.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to payments for items and services furnished on or after the date of the enactment of this Act.

(4) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall apply to contracts with fiscal intermediaries and carriers under title XVIII of the Social Security Act for years beginning with 1994.

(c) APPLICATION OF AGGREGATION RULES.—

(1) WORKING AGED.—Section 1862(b)(1)(A) (42 U.S.C. 1395y(b)(1)(A)) is amended by adding at the end the following new clause:

''(vi) APPLICATION OF AGGREGATION RULES.—All employers treated as a single employer under subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986 shall be treated as a single employer for purposes of this subparagraph.''.

(2) DISABLED INDIVIDUALS.—Section 5000(b)(2) of the Internal Revenue Code of 1986 (relating to large group health plans) is amended by adding at the end the following: ''All employers treated as a single employer under subsection (a) or (b) of section 52 shall be treated as a single employer for purposes of this paragraph.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect 90 days after the date of the enactment of this Act.

(d) APPLICATION OF EXCISE TAX TO FAILURE TO REIMBURSE FEDERAL GOVERNMENT.—

(1) IN GENERAL.—Section 5000(c) of the Internal Revenue Code of 1986 (relating to nonconforming group health plans) is amended by striking ''of section 1862(b)(1)'' and inserting ''of paragraph (1), or with the requirements of paragraph (2), of section 1862(b)''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to demands for repayment issued after the date of the enactment of this Act.

(e) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—

(1) The sentence in section 1862(b)(1)(C) added by section 4203(c)(1)(B) of OBRA–1990 is amended—

(A) by striking ''on or before'' and inserting ''before'', and

(B) by striking ''clauses (i) and (ii)'' and inserting ''this subparagraph''.

(2) Effective as if included in the enactment of OBRA–1989, section 1862(b)(1) is amended—

(A) in subparagraphs (A)(v) and (B)(iv)(II), by inserting '', without regard to section 5000(d) of such Code'' before the period at the end of each subparagraph;

(B) in subparagraph (A)(iii), by striking ''current calendar year or the preceding calendar year'' and inserting ''current calendar year and the preceding calendar year''; and

(C) in the matter in subparagraph (C) after clause (ii), by striking ''taking into account that'' and inserting ''paying benefits secondary to this title when''.

(3) Effective as if included in the enactment of OBRA–1989, section 1862(b)(5)(C)(i) (42 U.S.C. 1395y(b)(5)(C)(i)) is amended by striking ''6103(l)(12)(D)(iii)'' and inserting ''6103(l)(12)(E)(iii)''.

(4) Section 4203(c)(2) of OBRA–1990 is amended—

(A) by striking ''the application of clause (iii)'' and inserting ''the second sentence'';

(B) by striking ''on individuals'' and all that follows through ''section 226A of such Act'';

(C) in clause (ii), by striking ''clause'' and inserting ''sentence'';

(D) in clause (v), by adding ''and'' at the end; and

(E) in clause (vi)—

(i) by inserting ''of such Act'' after ''1862(b)(1)(C)'', and

(ii) by striking the period at the end and inserting the following: '', without regard to the number of employees covered by such plans.''.

(5) Section 4203(d) of OBRA–1990 is amended by striking ''this subsection'' and inserting ''this section''.

(6) Except as provided in paragraphs (2) and (3), the amendments made by this subsection shall be effective as if included in the enactment of OBRA–1990.

Subchapter C—Modification of Provisions Relating to Physician Ownership and Referral

SEC. 12521. MODIFICATION OF PROVISIONS RELATING TO PHYSICIAN OWNERSHIP AND REFERRAL.

(a) MULTIPLE LOCATIONS FOR GROUP PRACTICES.—Section 1877(b)(2)(A)(ii)(II) (42 U.S.C. 1395nn(b)(2)(A)(ii)(II)) is amended by striking ''centralized provision'' and inserting ''provision of some or all''.

(b) TREATMENT OF COMPENSATION ARRANGEMENTS.—

(1) RENTAL OF OFFICE SPACE AND EQUIPMENT.—Paragraph (1) of section 1877(e) (42 U.S.C. 1395nn(e)) is amended to read as follows:

''(1) RENTAL OF OFFICE SPACE; RENTAL OF EQUIPMENT.—

''(A) OFFICE SPACE.—Payments made by a lessee to a lessor for the use of premises if—

''(i) the lease is set out in writing, signed by the parties, and specifies the premises covered by the lease,

''(ii) the aggregate space rented or leased is reasonable and necessary for the legitimate business purposes of the lease or rental,

''(iii) the lease provides for a term of rental or lease for at least one year,

''(iv) in the case of a lease that is intended to provide the lessee with access to the premises for periodic intervals of time, rather than on a full-time basis, the lease specifies exactly the schedule of such intervals, their length, and the rent for such intervals,

''(v) the rental charges over the term of the lease are set in advance, are consistent with fair market value, and are not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

''(vi) the lease would be commercially reasonable even if no referrals were made between the parties, and

''(vii) the compensation arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.

''(B) EQUIPMENT.—Payments made by a lessee of equipment to the lessor of the equipment for the use of the equipment if—

''(i) the lease is set out in writing, signed by the parties, and specifies the equipment covered by the lease,

''(ii) the equipment rented or leased is reasonable and necessary for the legitimate business purposes of the lease or rental,

''(iii) the lease provides for a term of rental or lease of at least one year,

''(iv) in the case of a lease that is intended to provide the lessee with use of the equipment for periodic intervals of time, rather than on a full-time basis, the lease specifies exactly the schedule of such intervals, their length, and the rent for such intervals,

''(v) the rental charges over the term of the lease are set in advance, are consistent with fair market value, and are not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

''(vi) the lease would be commercially reasonable even if no referrals were made between the parties, and

''(vii) the compensation arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.''.

(2) BONA FIDE EMPLOYMENT RELATIONSHIPS.—Paragraph (2) of such section is amended—

(A) by striking ''WITH HOSPITALS'',

(B) by striking ''An arrangement'' and all that follows through ''if'' and inserting ''Any amount paid by an employer to an employee who has a bona fide employment relationship with the employer for employment, or paid by a hospital pursuant to an arrangement with a physician (or immediate family member) for the provision of administrative services, if'',

(C) in subparagraphs (A), (B), and (D), by striking ''arrangement'' and inserting ''employment relationship or arrangement'', and

(D) in subparagraph (C), by striking ''to the hospital''.

(3) ADDITIONAL EXCEPTIONS.—Such subsection is further amended by adding at the end the following new paragraphs:

''(7) PAYMENTS TO A PHYSICIAN FOR OTHER ITEMS OR SERVICES.—

''(A) IN GENERAL.—Payments made by an entity to a physician (or family member) who is not employed by the entity as compensation for services specified in subparagraph (B), if—

''(i) the compensation agreement is set out in writing and specifies the services to be provided by the parties, the compensation for each unit of service provided under the agreement, and the schedule for the provision of such services,

''(ii) the compensation paid over the term of the agreement is consistent with fair market value and is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

''(iii) the compensation is provided pursuant to an agreement which would be commercially reasonable even if no referrals were made to the entity, and

''(iv) the compensation arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.

''(B) SPECIFIED SERVICES.—For purposes of subparagraph (A), the services specified in this subparagraph are any of the following:

''(i) Consultative services that—

''(I) relate to test results that have been obtained that are outside established parameters, or are specifically requested by the referring physician on a specified patient,

''(II) are furnished by a physician other than the referring physician (or by another physician who is a member of the same group practice), and

''(III) for which the physician furnishes a written report for that patient.

''(ii) Interpretation of tissue pathology or Pap smear slides or the provision of other cytology services.

''(iii) Phlebotomy services for paternity or toxicology testing where the services are furnished by a physician other than the physician referring the individual for such testing (or by another physician who is a member of the same group practice).

''(iv) Employment-related health care services, including a payment by a self-insured employer for services rendered to employee applicants, employees, or their families under the terms of a health benefit plan.

''(v) Services as a clinical consultant to the entity as required for certification of the provider under section 353 of the Public Health Service Act.

''(vi) Services required by local, State, or Federal licensure, accreditation, or other health and safety provisions.

''(vii) Services billed in the name of a group practice provided by a physician under contract to the group practice for services not otherwise available directly through a physician who is a member of the group.

''(8) PAYMENTS BY A PHYSICIAN FOR ITEMS AND SERVICES.—Payments made by a physician—

''(A) to a laboratory in exchange for the provision of clinical laboratory services, or

''(B) to an entity as compensation for other items or services if the items or services are furnished at a price that is consistent with fair market value and are generally available to referrors and non-referrors alike on similar terms and conditions.

''(9) PAYMENTS FOR PATHOLOGY SERVICES OF A GROUP PRACTICE.—Payments made to a group practice for pathology services under an agreement if—

''(A) the agreement is set out in writing and specifies the services to be provided by the parties and the compensation for services provided under the agreement;

''(B) the compensation paid over the term of the agreement is consistent with fair market value and is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

''(C) the compensation is provided pursuant to an agreement which would be commercially reasonable even if no referrals were made to the entity; and

''(D) the compensation arrangement between the parties meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.''.

(c) TREATMENT OF GROUP PRACTICE LABORATORIES.—

(1) USE OF BILLING NUMBERS, ETC..—Section 1877 is amended—

(A) in subsection (b)(2)(B), by inserting ''under a billing number assigned to the group practice'' after ''member'',

(B) in subsection (h)(4)(B), by inserting ''and under a billing number assigned to the group'' after ''in the name of the group'', and

(C) in subsection (h)(4)(C), by striking ''by members of the group''.

(2) TREATMENT OF SERVICES UNDER ARRANGEMENTS BETWEEN HOSPITALS AND GROUP PRACTICES.—

(A) IN GENERAL.—Section 1877(h)(4) is amended—

(i) in subparagraph (B) (as amended by paragraph (1)(B)), by inserting ''(or are billed in the name of a hospital for which the group provides clinical laboratory services pursuant to an arrangement that meets the requirements of subparagraph (B))'' after ''assigned to the group'';

(ii) by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively;

(iii) by inserting ''(A)'' after ''.—''; and

(iv) by adding at the end the following new subparagraph:

''(B) The requirements of this subparagraph, with respect to an arrangement for clinical laboratory services provided by the laboratory of a group and billed in the name of a hospital, are that—

''(i) with respect to services provided to an inpatient of the hospital, the arrangement is pursuant to the provision of inpatient hospital services under section 1861(b)(3);

''(ii) the arrangement began before December 19, 1989, and has continued in effect without interruption since such date;

''(iii) the laboratory provides substantially all of the clinical laboratory services to the hospital's patients;

''(iv) the arrangement is pursuant to an agreement that is set out in writing and that specifies the services to be provided by the parties and the compensation for services provided under the agreement;

''(v) the compensation paid over the term of the agreement is consistent with fair market value and the compensation per unit of services is fixed in advance and is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

''(vi) the compensation is provided pursuant to an agreement which would be commercially reasonable even if no referrals were made to the entity; and

''(vii) the arrangement between the parties meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.''.

(B) CONFORMING AMENDMENT.—Section 1877(b)(2)(B) is amended by inserting ''(or by a hospital for which such a group practice provides clinical laboratory services pursuant to an arrangement that meets the requirements of subsection (h)(4)(B))'' after ''by a group practice of which such physician is a member''.

(3) TREATMENT OF CERTAIN FACULTY PRACTICE PLANS.—The last sentence of section 1877(h)(4)(A), as redesignated by paragraph (1)(A), is amended by inserting '', institution of higher education, or medical school'' after ''hospital''.

(d) EXPANDING RURAL PROVIDER EXCEPTION TO COVER COMPENSATION ARRANGEMENTS.—

(1) IN GENERAL.—Section 1877(b) is further amended—

(A) by redesignating paragraph (5) as paragraph (7), and

(B) by inserting after paragraph (4) the following new paragraph:

''(5) RURAL PROVIDERS.—In the case of clinical laboratory services if—

''(A) the laboratory furnishing the services is in a rural area (as defined in section 1886(d)(2)(D)), and

''(B) substantially all of the services furnished by the laboratory to individuals entitled to benefits under this title are furnished to such individuals who reside in such a rural area.''.

(2) CONFORMING AMENDMENTS.—Section 1877(d) is amended—

(A) by striking paragraph (2), and

(B) by redesignating paragraph (3) as paragraph (2).

(e) EXCEPTION FOR SHARED FACILITY SERVICES.—

(1) IN GENERAL.—Section 1877 is amended—

(A) in subsection (b), as amended by subsection (d)(1), by inserting after paragraph (5) the following new paragraph:

''(6) SHARED FACILITY SERVICES.—

''(A) IN GENERAL.—In the case of shared facility services of a shared facility—

''(i) that are furnished—

''(I) personally by the referring physician who is a shared facility physician or personally by an individual supervised by such a physician or by another shared facility physician and employed under the shared facility arrangement,

''(II) by a shared facility in a building in which the referring physician furnishes physician's services unrelated to the furnishing of shared facility services, and

''(III) to a patient of a shared facility physician; and

''(ii) that are billed by the referring physician or by an entity that is wholly owned by such physician.

''(B) LIMITATION.—The exception under this paragraph shall only apply to a shared facility only if the facility and the shared facility arrangement were established as of June 26, 1992.''; and

(B) in subsection (h), by adding at the end the following new paragraph:

''(8) SHARED FACILITY RELATED DEFINITIONS.—

''(A) SHARED FACILITY SERVICES.—The term 'shared facility services' means, with respect to a shared facility, clinical laboratory services furnished by the facility to patients of shared facility physicians.

''(B) SHARED FACILITY.—The term 'shared facility' means an entity that furnishes shared facility services under a shared facility arrangement.

''(C) SHARED FACILITY PHYSICIAN.—The term 'shared facility physician' means, with respect to a shared facility, a physician who has a financial relationship under a shared facility arrangement with the facility.

''(D) SHARED FACILITY ARRANGEMENT.—The term 'shared facility arrangement' means, with respect to the provision of shared facility services in a building, a financial arrangement—

''(i) which is only between physicians who are providing services (unrelated to shared facility services) in the same building,

''(ii) in which the overhead expenses of the facility are shared, in accordance with methods previously determined by the physicians in the arrangement, among the physicians in the arrangement, and

''(iii) which, in the case of a corporation, is wholly owned and controlled by shared facility physicians.''.

(2) GAO STUDY OF SHARED FACILITY ARRANGEMENTS.—

(A) IN GENERAL.—The Comptroller General shall analyze the effect on the utilization of health services of shared facility arrangements for which an exception is provided under the amendments made by paragraph (1). The analysis shall include a review of the effect of the limitation, described in section 1877(b)(6)(B) of the Social Security Act (as added by paragraph (1)), with respect to such exception and on the availability of services (including hematology services).

(B) REPORT.—Not later than January 1, 1994, the Comptroller General shall submit a report to Congress on the analysis conducted under subparagraph (A). The report shall include recommendations with respect to changing the limitation.

(f) EXEMPTION OF COMPENSATION ARRANGEMENTS INVOLVING CERTAIN TYPES OF REMUNERATION.—Section 1877(h)(1) (42 U.S.C. 1395nn(h)(1)) is amended—

(1) by striking subparagraph (B);

(2) in subparagraph (A), by inserting before the period the following: ''(other than an arrangement involving only remuneration described in subparagraph (B))''; and

(3) by adding at the end the following new subparagraph:

''(B) Remuneration described in this subparagraph is any remuneration consisting of any of the following:

''(i) The forgiveness of amounts owed for inaccurate tests, mistakenly performed tests, or the correction of minor billing errors.

''(ii) The provision of items, devices, or supplies of minor value that are used to—

''(I) collect, transport, process, or store specimens for the entity providing the item, device, or supply, or

''(II) communicate the results of tests for such entity.

''(iii) The furnishing by an entity of laboratory services to a group practice affiliated with the entity, if the entity provides all or substantially all of the clinical laboratory services of the group practice.''.

(g) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—Section 1877 (42 U.S.C. 1395nn) is amended—

(1) in the fourth sentence of subsection (f)—

(A) by striking ''provided'' and inserting ''furnished'', and

(B) by striking ''provides'' and inserting ''furnish'';

(2) in the fifth sentence of subsection (f)—

(A) by striking ''providing'' each place it appears and inserting ''furnishing'',

(B) by striking ''with respect to the providers'' and inserting ''with respect to the entities'', and

(C) by striking ''diagnostic imaging services of any type'' and inserting ''magnetic resonance imaging, computerized axial tomography scans, and ultrasound services''; and

(3) in subsection (a)(2)(B), by striking ''subsection (h)(1)(A)'' and inserting ''subsection (h)(1)''.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to referrals made on or after January 1, 1992.

Subchapter D—Other Provisions

SEC. 12531. DIRECT GRADUATE MEDICAL EDUCATION.

(a) ADJUSTMENT IN GME BASE-YEAR COSTS OF FEDERAL INSURANCE CONTRIBUTIONS ACT.—

(1) IN GENERAL.—In determining the amount of payment to be made under section 1886(h) of the Social Security Act in the case of a hospital described in paragraph (2) for cost reporting periods beginning on or after October 1, 1992, the Secretary of Health and Human Services shall redetermine the approved FTE resident amount to reflect the amount that would have been paid the hospital if, during the hospital's base cost reporting period, the hospital had been liable for FICA taxes or for contributions to the retirement system of a State, a political subdivision of a State, or an instrumentality of such a State or political subdivision with respect to interns and residents in its medical residency training program.

(2) HOSPITALS AFFECTED.—A hospital described in this paragraph is a hospital that

did not pay FICA taxes with respect to interns and residents in its medical residency training program during the hospital's base cost reporting period, but is required to pay FICA taxes or make contributions to a retirement system described in paragraph (1) with respect to such interns and residents because of the amendments made by section 11332(b) of OBRA–1990.

(3) DEFINITIONS.—In this subsection:

(A) The ''base cost reporting period'' for a hospital is the hospital's cost reporting period that began during fiscal year 1984.

(B) The term ''FICA taxes'' means, with respect to a hospital, the taxes under section 3111 of the Internal Revenue Code of 1986.

(b) PUBLICLY-FUNDED FAMILY PRACTICE RESIDENCY PROGRAMS.—

(1) IN GENERAL.—Section 1886(h)(5) (42 U.S.C. 1395ww(h)(5)) is amended by adding at the end the following new subparagraph:

''(I) ADJUSTMENTS FOR CERTAIN FAMILY PRACTICE RESIDENCY PROGRAMS.—

''(i) IN GENERAL.—In the case of an approved medical residency training program (meeting the requirements of clause (ii)) of a hospital which received payments from the United States, a State, or a political subdivision of a State or an instrumentality of such a State or political subdivision (other than payments under this title or a State plan under title XIX) for the program during the cost reporting period that began during fiscal year 1984, the Secretary shall—

''(I) provide for an average amount under paragraph (2)(A) that takes into account the Secretary's estimate of the amount that would have been recognized as reasonable under this title if the hospital had not received such payments, and

''(II) reduce the payment amount otherwise provided under this subsection in an amount equal to the proportion of such program payments during the cost reporting period involved that is allocable to this title.

''(ii) ADDITIONAL REQUIREMENTS.—A hospital's approved medical residency program meets the requirements of this clause if—

''(I) the program is limited to training for family and community medicine;

''(II) the program is the only approved medical residency program of the hospital; and

''(III) the average amount determined under paragraph (2)(A) for the hospital (as determined without regard to the increase in such amount described in clause (i)(I)) does not exceed $10,000.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to payments under section 1886(h) of the Social Security Act for cost reporting periods beginning on or after October 1, 1990.

(c) PREVENTIVE CARE RESIDENCIES.—

(1) ELIGIBILITY OF PREVENTIVE CARE RESIDENCY PROGRAMS FOR EXPANDED INITIAL RESIDENCY PERIODS.—Section 1886(h)(5)(F)(ii) (42 U.S.C. 1395ww(h)(5)(F)(ii)) is amended by inserting after ''fellowship program'' the following: ''or a preventive care residency or fellowship program''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to cost reporting periods beginning on or after October 1, 1993.

SEC. 12532. IMMUNOSUPPRESSIVE DRUG THERAPY.

Section 1861(s)(2)(J) (42 U.S.C. 1395x(s)(2)(J)) is amended by striking ''title, within'' and all that follows and inserting the following: ''title, but only in the case of drugs furnished—

''(i) before 1994, within 12 months after the date of the transplant procedure,

''(ii) during 1994, within 18 months after the date of the transplant procedure,

''(iii) during 1995, within 24 months after the date of the transplant procedure,

''(iv) during 1996, within 30 months after the date of the transplant procedure, and

''(v) during any year after 1997, within 36 months after the date of the transplant procedure;''.

SEC. 12533. REDUCTION IN PAYMENTS FOR ERYTHROPOIENTIN.

(a) IN GENERAL.—Section 1881(b)(11)(B)(ii)(I) (42 U.S.C. 1395rr(b)(11)(B)(ii)(I)) is amended—

(1) by striking ''1991'' and inserting ''1994''; and

(2) by striking ''$11'' and inserting ''$10''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to erythropoietin furnished on or after January 1, 1994.

SEC. 12534. QUALIFIED MEDICARE BENEFICIARY OUTREACH.

The Secretary of Health and Human Services shall establish and implement a method for obtaining information from newly eligible medicare beneficiaries that may be used to determine whether such beneficiaries may be eligible for medical assistance for medicare cost-sharing under State medicaid plans as qualified medicare beneficiaries, and for transmitting such information to the State in which such a beneficiary resides.

SEC. 12535. EXTENSION OF SOCIAL HEALTH MAINTENANCE ORGANIZATION DEMONSTRATIONS.

(a) EXTENSION OF CURRENT WAIVERS.—Section 4018(b) of OBRA–1987, as amended by section 4207(b)(4)(B) of OBRA–1990, is amended—

(1) in paragraph (1) by striking ''December 31, 1995'' and inserting ''December 31, 1997''; and

(2) in paragraph (4) by striking ''March 31, 1996'' and inserting ''March 31, 1998''.

(b) EXPANSION OF DEMONSTRATIONS.—Section 2355 of the Deficit Reduction Act of 1984 is amended—

(1) in the last sentence of subsection (a) by striking ''12 months'' and inserting ''36 months''; and

(2) in subsection (b)(1)(B)—

(A) by striking ''or'' at the end of clause (iii); and

(B) by redesignating clause (iv) as clause (v) and inserting after clause (iii) the following new clause:

''(iv) integrating acute and chronic care management for patients with end-stage renal disease through expanded community care case management services (and for purposes of a demonstration project conducted under this clause, any requirement under a waiver granted under this section that a project disenroll individuals who develop end-stage renal disease shall not apply); or''.

(c) EXPANSION OF NUMBER OF MEMBERS PER SITE.—The Secretary of Health and Human Services may not impose a limit of less than 12,000 on the number of individuals that may participate in a project conducted under section 2355 of the Deficit Reduction Act of 1984.

(d) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—

(1) The section following section 4206 of OBRA–1990 is amended by striking ''SEC. 4027.'' and inserting ''SEC. 4207.'', and in this subtitle is referred to as section 4207 of OBRA–1990.

(2) Section 2355(b)(1)(B) of the Deficit Reduction Act of 1984, as amended by section 4207(b)(4)(B)(ii) of OBRA–1990, is amended—

(A) by striking ''12907(c)(4)(A)'' and inserting ''4207(b)(4)(B)(i)'', and

(B) by striking ''feasibilitly'' and inserting ''feasibility''.

(3) Section 4207(b)(4)(B)(iii)(III) of OBRA–1990 is amended by striking the period at the end and inserting a semicolon.

(4) Subsections (c)(3) and (e) of section 2355 of the Deficit Reduction Act of 1984, as amended by section 4207(b)(4)(B) of OBRA–1990, are each amended by striking ''12907(c)(4)(A)'' each place it appears and inserting ''4207(b)(4)(B)''.

(5) Section 4207(c)(2) of OBRA–1990 is amended by striking ''the Committee on Ways and Means'' each place it appears and inserting ''the Committees on Ways and Means and Energy and Commerce''.

(6) Section 4207(d) of OBRA–1990 is amended by redesignating the second paragraph (3) (relating to effective date) as paragraph (4).

(7) Section 4207(i)(2) of OBRA–1990 is amended—

(A) by striking the period at the end of clause (iii) and inserting a semicolon, and

(B) in clause (v), by striking ''residents'' and inserting ''patients''.

(8) Section 4207(j) of OBRA–1990 is amended by striking ''title'' each place it appears and inserting ''subtitle''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of OBRA–90.

SEC. 12536. HOSPICE NOTIFICATION TO HOME HEALTH BENEFICIARIES.

(a) IN GENERAL.—Section 1891(a)(1) (42 U.S.C. 1395bbb(a)(1)) is amended by adding at the end the following new subparagraph:

''(H) The right, in the case of a resident who is entitled to benefits under this title, to be fully informed orally and in writing (at the time of coming under the care of the agency) of the entitlement of individuals to hospice care under section 1812(a)(4) (unless there is no hospice program providing hospice care for which payment may be made under this title within the geographic area of the facility and it is not the common practice of the agency to refer patients to hospice programs located outside such geographic area).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after the first day of the first month beginning more than one year after the date of the enactment of this Act.

SEC. 12537. INTEREST PAYMENTS.

(a) IN GENERAL.—Sections 1816(c)(2)(B)(ii)(IV) and 1842(c)(2)(B)(ii)(IV) of the Social Security Act shall be applied with respect to claims received in the 12-month period beginning October 1, 1992, by substituting ''30 calendar days'' for ''24 calendar days'' and ''17 calendar days''.

(b) EFFECTIVE DATE.—Subsection (a) shall be in effect during the period that begins on the date of the enactment of this Act and ends on September 30, 1993.

SEC. 12538. PEER REVIEW ORGANIZATIONS.

(a) REPEAL OF PRO PRECERTIFICATION REQUIREMENT FOR CERTAIN SURGICAL PROCEDURES.—

(1) IN GENERAL.—Section 1164 (42 U.S.C. 1320c–13) is repealed.

(2) CONFORMING AMENDMENTS.—

(A) Section 1154 (42 U.S.C. 1320c–3) is amended—

(i) in subsection (a), by striking paragraph (12), and

(ii) in subsection (d), by striking ''(and except as provided in section 1164)''.

(B) Section 1833 (42 U.S.C. 1395l) is amended—

(i) in subsection (a)(1)(D)(i), by striking '', or for tests furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion)'';

(ii) in subsection (a)(1), by striking clause (G);

(iii) in subsection (a)(2)(A), by striking '', to items and services (other than clinical diagnostic laboratory tests) furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion),'';

(iv) in subsection (a)(2)(D)(i)—

(I) by striking ''basis,'' and inserting ''basis or'', and

(II) by striking '', or for tests furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion)'';

(v) in subsection (a)(3), by striking ''and for items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2), or a third opinion, if the second opinion was in disagreement with the first opinion)''; and

(vi) in the first sentence of subsection (b), by striking ''(4)'' and all that follows through ''and (5)'' and inserting and (4)''.

(C) Section 1834(g)(1)(B) (42 U.S.C. 1395m(g)(1)(B)) is amended by striking ''and for items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2), or a third opinion, if the second opinion was in disagreement with the first opinion)''.

(D) Section 1862(a) (42 U.S.C. 1395y(a)) is amended—

(i) by adding ''or'' at the end of paragraph (14),

(ii) by striking ''; or'' at the end of paragraph (15) and inserting a period, and

(iii) by striking paragraph (16).

(E) The third sentence of section 1866(a)(2)(A) (42 U.S.C. 1395w(a)(2)(A)) is amended by striking '', with respect to items and services furnished in connection with obtaining a second opinion required under section 1164(c)(2) (or a third opinion, if the second opinion was in disagreement with the first opinion),''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to services provided on or after the date of the enactment of this Act.

(b) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—(1) The third sentence of section 1156(b)(1) (42 U.S.C. 1320c–5(b)(1)) is amended by striking ''whehter'' and inserting ''whether''.

(2) Section 1154(a)(9)(B) (42 U.S.C. 1320c–3(a)(9)(B)) is amended by striking ''this subsection'' and inserting ''section 1156(a)''.

(3) Section 4205(d)(2)(B) of OBRA–1990 is amended by striking ''amendments'' and inserting ''amendment''.

(4) Section 1160(d) (42 U.S.C. 1320c–9(d)) is amended by striking ''subpena'' and inserting ''subpoena''.

(5) Section 4205(e)(2) of OBRA–1990 is amended by striking ''amendments'' and inserting ''amendment'' and by striking ''all''.

(6)(A) Except as provided in subparagraph (B), the amendments made by this subsection shall take effect as if included in the enactment of OBRA–1990.

(B) The amendment made by paragraph (2) (relating to the requirement on reporting of information to State licensing boards) shall take effect on the date of the enactment of this Act.

SEC. 12539. HEALTH MAINTENANCE ORGANIZATIONS.

(a) ADJUSTMENT IN MEDICARE CAPITATION PAYMENTS TO ACCOUNT FOR REGIONAL VARIATIONS IN APPLICATION OF SECONDARY PAYER PROVISIONS.—

(1) IN GENERAL.—Section 1876(a)(4) (42 U.S.C. 1395mm(a)(4)) is amended by adding at the end the following new sentence: ''In establishing the adjusted average per capita cost for a geographic area, the Secretary shall take into account the differences between the proportion of individuals in the area with respect to whom there is a group health plan that is a primary plan (within the meaning of section 1862(b)(2)(A)) compared to the proportion of all such individuals with respect to whom there is such a group health plan.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contracts entered into for years beginning with 1994.

(b) REVISIONS IN THE PAYMENT METHODOLOGY FOR RISK CONTRACTORS .—Section 4204(b) of OBRA–1990 is amended to read as follows:

''(b) REVISIONS IN THE PAYMENT METHODOLOGY FOR RISK CONTRACTORS.—(1)(A) Not later than October 1, 1993, the Secretary of Health and Human Services (in this subsection referred to as the ''Secretary'') shall submit a proposal to the Congress that provides for revisions to the payment method to be applied in years beginning with 1995 for organizations with a risk-sharing contract under section 1876(g) of the Social Security Act.

''(B) In proposing the revisions required under subparagraph (A) the Secretary shall consider—

''(i) the difference in costs associated with medicare beneficiaries with differing health status and demographic characteristics; and

''(ii) the effects of using alternative geographic classifications on the determinations of costs associated with beneficiaries residing in different areas.

''(2) Not later than 3 months after the date of submittal of the proposal under paragraph (1), the Comptroller General shall review the proposal and shall report to Congress on the appropriateness of the proposed modifications.''.

(c) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—(1) Section 1876(a)(3) (42 U.S.C. 1395mm(a)(3)) is amended by striking ''subsection (c)(7)'' and inserting ''subsections (c)(2)(B)(ii) and (c)(7)''.

(2) Section 4204(c)(3) of OBRA–1990 is amended by striking ''for 1991'' and inserting ''for years beginning with 1991''.

(3) Section 4204(d)(2) of OBRA–1990 is amended by striking ''amendment'' and inserting ''amendments''.

(4) Section 1876(a)(1)(E)(ii)(I) (42 U.S.C. 1395mm(a)(1)(E)(ii)(I)) is amended by striking the comma after ''contributed to''.

(5) Section 4204(e)(2) of OBRA–1990 is amended by striking ''(which has a risk-sharing contract under section 1876 of the Social Security Act)''.

(6) Section 4204(f)(4) of OBRA–1990 is amended by striking ''final''.

(7) Section 1862(b)(3)(C) (42 U.S.C. 1395y(b)(3)(C)) is amended—

(A) in the heading, by striking ''PLAN'' and inserting ''PLAN OR A LARGE GROUP HEALTH PLAN'';

(B) by striking ''group health plan'' and inserting ''group health plan or a large group health plan'';

(C) by striking '', unless such incentive is also offered to all individuals who are eligible for coverage under the plan''; and

(D) by striking ''the first sentence of subsection (a) and other than subsection (b)'' and inserting ''subsections (a) and (b)''.

(8) The amendments made by this subsection shall take effect as if included in the enactment of OBRA–1990.

SEC. 12540. MEDICARE ADMINISTRATION BUDGET PROCESS.

(a) ADJUSTMENTS.—Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following new subparagraph:

''(E) MEDICARE ADMINISTRATIVE COSTS.—To the extent that appropriations are enacted that provide additional new budget authority (as compared with a base level of $1,526,000,000 for new budget authority) for the administration of the Medicare program by fiscal intermediaries and carriers pursuant to sections 1816 and 1842(a) of title XVIII of the Social Security Act, the adjustment for that year shall be that amount, but shall not exceed—

''(i) for fiscal year 1994, $198,000,000 in new budget authority and $198,000,000 in outlays; and

''(ii) for fiscal year 1995, $220,000,000 in new budget authority and $220,000,000 in outlays; and

the prior-year outlays resulting from these appropriations of budget authority and additional adjustments equal to the sum of the maximum adjustments that could have been made in preceding fiscal years under this subparagraph.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 603(a) of the Congressional Budget Act of 1974 is amended by striking ''section 251(b)(2)(E)(i)'' and inserting ''section 251(b)(2)(F)(i)''.

(2) Section 606(d) of the Congressional Budget Act of 1974 is amended—

(A) in paragraph (1)(A) by striking ''section 251(b)(2)(E)(i)'' and inserting ''section 251(b)(2)(F)(i)''; and

(B) in paragraph (2), by inserting ''251(b)(2)(E),'' after ''251(b)(2)(D),''.

SEC. 12541. OTHER PROVISIONS.

(a) SURVEY AND CERTIFICATION REQUIREMENTS.—(1) Section 1864 (42 U.S.C. 1395aa) is amended—

(A) in subsection (e), by striking ''title'' and inserting ''title (other than any fee relating to section 353 of the Public Health Service Act)''; and

(B) in the first sentence of subsection (a), by striking ''1861(s) or'' and all that follows through ''Service Act,'' and inserting ''1861(s),''.

(2) An agreement made by the Secretary of Health and Human Services with a State under section 1864(a) of the Social Security Act may include an agreement that the services of the State health agency or other appropriate State agency (or the appropriate local agencies) will be utilized by the Secretary for the purpose of determining whether a laboratory meets the requirements of section 353 of the Public Health Service Act.

(b) HOME DIALYSIS DEMONSTRATION TECHNICAL CORRECTION.—Section 4202 of OBRA–1990 is amended—

(1) in subsection (b)(1)(A), by striking ''home hemodialysis staff assistant'' and inserting ''qualified home hemodialysis staff assistant (as described in subsection (d))'';

(2) in subsection (b)(2)(B)(ii)(I), by striking ''(as adjusted to reflect differences in area wage levels);

(3) in subsection (c)(1)(A), by striking ''skilled''; and

(4) in subsection (c)(1)(E), by striking ''(b)(4)'' and inserting ''(b)(2)''.

(c) OTHER TECHNICAL AMENDMENTS.—(1) Section 1833 (42 U.S.C. 1395l) is amended by redesignating the subsection (r) added by section 4206(b)(2) of OBRA–1990 as subsection (s).

(2) Section 1866(f)(1) (42 U.S.C. 1395cc(f)(1)) is amended by striking ''1833(r)'' and inserting ''1833(s)''.

(3) Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)) is amended by moving subparagraph (O), as redesignated by section 12479(f)(8)(B)(iii)(II) of this title, two ems to the left.

(4) Section 1881(b)(1)(C) (42 U.S.C. 1395rr(b)(1)(C)) is amended by striking ''1861(s)(2)(Q)'' and inserting ''1861(s)(2)(P)''.

(5) Section 4201(d)(2) of OBRA–1990 is amended by striking ''(B) by striking'', ''(C) by striking'', and ''(3) by adding'' and inserting ''(i) by striking'', ''(ii) by striking'', and ''(B) by adding'', respectively.

(6)(A) Section 4207(a)(1) of OBRA–1990 is amended by adding closing quotation marks and a period after ''such review.''.

(B) Section 4207(a)(4) of OBRA–1990 is amended by striking ''this subsection'' and inserting ''paragraphs (2) and (3)''.

(C) Section 4207(b)(1) of OBRA–1990 is amended by striking ''section 3(7)'' and inserting ''section 601(a)(1)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of OBRA–1990.

CHAPTER 4—MEDICARE SUPPLEMENTAL INSURANCE POLICIES

SEC. 12551. STANDARDS FOR MEDICARE SUPPLEMENTAL INSURANCE POLICIES.

(a) SIMPLIFICATION OF MEDICARE SUPPLEMENTAL POLICIES.—

(1) Section 4351 of OBRA–1990 is amended by striking ''(a) IN GENERAL.—''.

(2) Section 1882(p) (42 U.S.C. 1395ss(p)) is amended—

(A) in paragraph (1)(A)—

(i) by striking ''promulgates'' and inserting ''changes the revised NAIC Model Regulation (described in subsection (m)) to incorporate'',

(ii) by striking ''(such limitations, language, definitions, format, and standards referred to collectively in this subsection as 'NAIC standards')'', and

(iii) by striking ''included a reference to the NAIC standards'' and inserting ''were a reference to the revised NAIC Model Regulation as changed under this subparagraph (such changed regulation referred to in this section as the '1991 NAIC Model Regulation')'';

(B) in paragraph (1)(B)—

(i) by striking ''promulgate NAIC standards'' and inserting ''make the changes in the revised NAIC Model Regulation'',

(ii) by striking ''limitations, language, definitions, format, and standards described in clauses (i) through (iv) of such subparagraph (in this subsection referred to collectively as 'Federal standards')'' and inserting ''a regulation'', and

(iii) by striking ''included a reference to the Federal standards'' and inserting ''were a reference to the revised NAIC Model Regulation as changed by the Secretary under this subparagraph (such changed regulation referred to in this section as the '1991 Federal Regulation')'';

(C) in paragraph (1)(C)(i), by striking ''NAIC standards or the Federal standards'' and inserting ''1991 NAIC Model Regulation or 1991 Federal Regulation'';

(D) in paragraphs (1)(C)(ii)(I), (1)(E), (2), and (9)(B), by striking ''NAIC or Federal standards'' and inserting ''1991 NAIC Model Regulation or 1991 Federal Regulation'';

(E) in paragraph (2)(C), by striking ''(5)(B)'' and inserting ''(4)(B)'';

(F) in paragraph (4)(A)(i), by inserting ''or paragraph (6)'' after ''(B)'';

(G) in paragraph (4), by striking ''applicable standards'' each place it appears and inserting ''applicable 1991 NAIC Model Regulation or 1991 Federal Regulation'';

(H) in paragraph (6), by striking ''in regard to the limitation of benefits described in paragraph (4)'' and inserting ''described in clauses (i) through (iii) of paragraph (1)(A)'';

(I) in paragraph (7), by striking ''policyholder'' and inserting ''policyholders'';

(J) in paragraph (8), by striking ''after the effective date of the NAIC or Federal standards with respect to the policy, in violation of the previous requirements of this subsection'' and inserting ''on and after the effective date specified in paragraph (1)(C) (but subject to paragraph (10)), in violation of the applicable 1991 NAIC Model Regulation or 1991 Federal Regulation insofar as such regulation relates to the requirements of subsection (o) or (q) or clause (i), (ii), or (iii) of paragraph (1)(A)'';

(K) in paragraph (9), by adding at the end the following new subparagraph:

''(D) Subject to paragraph (10), this paragraph shall apply to sales of policies occurring on or after the effective date specified in paragraph (1)(C).''; and

(L) in paragraph (10), by striking ''this subsection'' and inserting ''paragraph (1)(A)(i)''.

(b) GUARANTEED RENEWABILITY.—Section 1882(q) (42 U.S.C. 1395ss(q)) is amended—

(1) in paragraph (2), by striking ''paragraph (2)'' and inserting ''paragraph (4)'', and

(2) in paragraph (4), by striking ''the succeeding issuer'' and inserting ''issuer of the replacement policy''.

(c) ENFORCEMENT OF STANDARDS.—

(1) Section 1882(a)(2) (42 U.S.C. 1395ss(a)(2)) is amended—

(A) in subparagraph (A), by striking ''NAIC standards or the Federal standards'' and inserting ''1991 NAIC Model Regulation or 1991 Federal Regulation'', and

(B) by striking ''after the effective date of the NAIC or Federal standards with respect to the policy'' and inserting ''on and after the effective date specified in subsection (p)(1)(C)''.

(2) The sentence in section 1882(b)(1) added by section 4353(c)(5) of OBRA–1990 is amended—

(A) by striking ''The report'' and inserting ''Each report'',

(B) by inserting ''and requirements'' after ''standards'',

(C) by striking ''and'' after ''compliance,'', and

(D) by striking the comma after ''Commissioners''.

(3) Section 1882(g)(2)(B) (42 U.S.C. 1395ss(g)(2)(B)) is amended by striking ''Panel'' and inserting ''Secretary''.

(4) Section 1882(b)(1) (42 U.S.C. 1395ss(b)(1)) is amended by striking ''the the Secretary'' and inserting ''the Secretary''.

(d) PREVENTING DUPLICATION.—

(1) Section 1882(d)(3)(A) (42 U.S.C. 1395ss(d)(3)(A)) is amended—

(A) by amending the first sentence to read as follows:

''(i) It is unlawful for a person to sell or issue to an individual entitled to benefits under part A or enrolled under part B of this title—

''(I) a health insurance policy with knowledge that the policy duplicates health benefits to which the individual is otherwise entitled under this title or title XIX,

''(II) a medicare supplemental policy with knowledge that the individual is entitled to benefits under another medicare supplemental policy, or

''(III) a health insurance policy (other than a medicare supplemental policy) with knowledge that the policy duplicates health benefits to which the individual is otherwise entitled, other than benefits to which the individual is entitled under a requirement of State or Federal law.'';

(B) by designating the second sentence as clause (ii) and, in such clause, by striking ''the previous sentence'' and inserting ''clause (i)'';

(C) by designating the third sentence as clause (iii) and, in such clause—

(i) by striking ''the previous sentence'' and inserting ''clause (i) with respect to the sale of a medicare supplemental policy'', and

(ii) by striking ''and the statement'' and all that follows up to the period at the end; and

(D) by striking the last sentence.

(2) Section 1882(d)(3)(B) (42 U.S.C. 1395ss(d)(3)(B)) is amended—

(A) in clause (ii)(II), by striking ''65 years of age or older'',

(B) in clause (iii)(I), by striking ''another medicare'' and inserting ''a medicare'',

(C) in clause (iii)(I), by striking ''such a policy'' and inserting ''a medicare supplemental policy'',

(D) in clause (iii)(II), by striking ''another policy'' and inserting ''a medicare supplemental policy'', and

(E) by amending subclause (III) of clause (iii) to read as follows:

''(III) If the statement required by clause (i) is obtained and indicates that the individual is entitled to any medical assistance under title XIX, the sale of the policy is not in violation of clause (i) (insofar as such clause relates to such medical assistance), if a State medicaid plan under such title pays the premiums for the policy, or, in the case of a qualified medicare beneficiary described in section 1905(p)(1), if the State pays less than the full amount of medicare cost-sharing as described in subparagraphs (B), (C), and (D) of section 1905(p)(3) for such individual.''.

(3)(A) Section 1882(d)(3)(C) (42 U.S.C. 1395ss(d)(3)(C)) is amended—

(i) by striking ''the selling'' and inserting ''(i) the sale or issuance'', and

(ii) by inserting before the period at the end the following: '', (ii) the sale or issuance of a policy or plan described in subparagraph (A)(i)(I) (other than a medicare supplemental policy to an individual entitled to any medical assistance under title XIX) under which all the benefits are fully payable directly to or on behalf of the individual without regard to other health benefit coverage of the individual but only if (for policies sold or issued more than 60 days after the date the statements are published or promulgated under subparagraph (D)) there is disclosed in a prominent manner as part of (or together with) the application the applicable statement (specified under subparagraph (D)) of the extent to which benefits payable under the policy or plan duplicate benefits under this title, or (iii) the sale or issuance of a policy or plan described in subparagraph (A)(i)(III) under which all the benefits are fully payable directly to or on behalf of the individual without regard to other health benefit coverage of the individual''.

(B) Section 1882(d)(3) (42 U.S.C. 1395ss(d)(3)) is amended by adding at the end the following:

''(D)(i) If—

''(I) within the 90-day period beginning on the date of the enactment of this subparagraph, the National Association of Insurance Commissioners develops (after consultation with consumer and insurance industry representatives) and submits to the Secretary a statement for each of the types of health insurance policies (other than medicare supplemental policies and including, as separate types of policies, policies paying directly to the beneficiary fixed, cash benefits) which are sold to persons entitled to health benefits under this title, of the extent to which benefits payable under the policy or plan duplicate benefits under this title, and

''(II) the Secretary approves all the statements submitted as meeting the requirements of subclause (I),

each such statement shall be (for purposes of subparagraph (C)) the statement specified under this subparagraph for the type of policy involved. The Secretary shall review and approve (or disapprove) all the statements submitted under subclause (I) within 30 days after the date of their submittal. Upon approval of such statements, the Secretary shall publish such statements.

''(ii) If the Secretary does not approve the statements under clause (i) or the statements are not submitted within the 90-day period specified in such clause, the Secretary shall promulgate (after consultation with consumer and insurance industry representatives and not later than 90 days after the date of disapproval or the end of such 90-day period (as the case may be)) a statement for each of the types of health insurance policies (other than medicare supplemental policies and including, as separate types of policies, policies paying directly to the beneficiary fixed, cash benefits) which are sold to persons entitled to health benefits under this title, of the extent to which benefits payable

under the policy or plan duplicate benefits under this title, and each such statement shall be (for purposes of subparagraph (C)) the statement specified under this subparagraph for the type of policy involved.''.

(C) The requirement of a disclosure under section 1882(d)(3)(C)(ii) of the Social Security Act shall not apply to an application made for a policy or plan before 60 days after the date of the Secretary of Health and Human Services publishes or promulgates all the statements under section 1882(d)(3)(D) of such Act.

(4) Subparagraphs (A) and (B) of section 1882(q)(5)(A) are amended by striking ''of the Social Security Act''.

(5) The second subsection (b) of section 4354 of OBRA–1990 (relating to effective date) is amended by redesignating such subsection as subsection (c).

(e) LOSS RATIOS AND REFUNDS OF PREMIUMS.—

(1) Section 1882(r) (42 U.S.C. 1395ss(r)) is amended—

(A) in paragraph (1), by striking ''or sold'' and inserting ''or renewed (or otherwise provide coverage after the date described in subsection (p)(1)(C))'';

(B) in paragraph (1)(A), by inserting ''for periods after the effective date of these provisions'' after ''the policy can be expected'';

(C) in paragraph (1)(A), by striking ''Commissioners,'' and inserting ''Commissioners)'';

(D) in paragraph (1)(B), by inserting before the period at the end the following: '', treating policies of the same type as a single policy for each standard package'';

(E) by adding at the end of paragraph (1) the following: ''For the purpose of calculating the refund or credit required under paragraph (1)(B) for a policy issued before the date specified in subsection (p)(1)(C), the refund or credit calculation shall be based on the aggregate benefits provided and premiums collected under all such policies issued by an insurer in a State (separated as to individual and group policies) and shall be based only on aggregate benefits provided and premiums collected under such policies after the date specified in section 12561(m)(4) of the Omnibus Budget Reconciliation Act of 1993.'';

(F) in the first sentence of paragraph (2)(A), by striking ''by policy number'' and inserting ''by standard package'';

(G) by striking the second sentence of paragraph (2)(A) and inserting the following: ''Paragraph (1)(B) shall not apply to a policy until 12 months following issue.'';

(H) in the last sentence of paragraph (2)(A), by striking ''in order'' and all that follows through ''are effective'';

(I) by adding at the end of paragraph (2)(A), the following new sentence: ''In the case of a policy issued before the date specified in subsection (p)(1)(C), paragraph (1)(B) shall not apply until 1 year after the date specified in section 12561(m)(4) of the Omnibus Budget Reconciliation Act of 1993.'';

(J) in paragraph (2), by striking ''policy year'' each place it appears and inserting ''calendar year'';

(K) in paragraph (4), by striking ''February'', ''disllowance'', ''loss-ratios'' each place it appears, and ''loss-ratio'' and inserting ''October'', ''disallowance'', ''loss ratios'', and ''loss ratio'', respectively;

(L) in paragraph (6)(A), by striking ''issues a policy in violation of the loss ratio requirements of this subsection'' and ''such violation'' and inserting ''fails to provide refunds or credits as required in paragraph (1)(B)'' and ''policy issued for which such failure occurred'', respectively; and

(M) in paragraph (6)(B), by striking ''to policyholders'' and inserting ''to the policyholder or, in the case of a group policy, to the certificate holder''.

(2) Section 1882(b)(1) (42 U.S.C. 1395ss(b)(1)) is amended, in the matter after subparagraph (H), by striking ''subsection (F)'' and inserting ''subparagraph (F)''.

(3) Section 4355(d) of OBRA–1990 is amended by striking ''sold or issued'' and all that follows and inserting ''issued or renewed (or otherwise providing coverage after the date described in section 1882(p)(1)(C) of the Social Security Act) on or after the date specified in section 1882(p)(1)(C) of such Act.''.

(f) TREATMENT OF HMO'S.—

(1) Section 1882(g)(1) (42 U.S.C. 1395ss(g)(1)) is amended by striking ''a health maintenance organization or other direct service organization'' and all that follows through ''1833'' and inserting ''an eligible organization (as defined in section 1876(b)) if the policy or plan provides benefits pursuant to a contract under section 1876 or an approved demonstration project described in section 603(c) of the Social Security Amendments of 1983, section 2355 of the Deficit Reduction Act of 1984, or section 9412(b) of the Omnibus Budget Reconciliation Act of 1986 or, during the period beginning on the date specified in subsection (p)(1)(C) and ending on December 31, 1994, a policy or plan of an organization if the policy or plan provides benefits pursuant to an agreement under section 1833(a)(1)(A)''.

(2) Section 4356(b) of OBRA–1990 is amended by striking ''on the date of the enactment of this Act'' and inserting ''on the date specified in section 1882(p)(1)(C) of the Social Security Act''.

(g) PRE-EXISTING CONDITION LIMITATIONS.—Section 1882(s) (42 U.S.C. 1395ss(s)) is amended—

(1) in paragraph (2)(A), by striking ''for which an application is submitted'' and inserting ''in the case of an individual for whom an application is submitted prior to or'',

(2) in paragraph (2)(A), by striking ''in which the individual (who is 65 years of age or older) first is enrolled for benefits under part B'' and inserting ''as of the first day on which the individual is 65 years of age or older and is enrolled for benefits under part B'', and

(3) in paragraph (2)(B), by striking ''before it'' and inserting ''before the policy''.

(h) MEDICARE SELECT POLICIES.—

(1) Section 1882(t) (42 U.S.C. 1395ss(t)) is amended—

(A) in paragraph (1), by inserting ''medicare supplemental'' after ''If a'',

(B) in paragraph (1), by striking ''NAIC Model Standards'' and inserting ''1991 NAIC Model Regulation or 1991 Federal Regulation'',

(C) in paragraph (1)(A), by inserting ''or agreements'' after ''contracts'',

(D) in subparagraphs (E)(i) and (F) of paragraph (1), by striking ''NAIC standards'' and inserting ''standards in the 1991 NAIC Model Regulation or 1991 Federal Regulation'', and

(E) in paragraph (2), by inserting ''the issuer'' before ''is subject to a civil money penalty''.

(2) Section 1154(a)(4)(B) (42 U.S.C. 1320c–3(a)(4)(B)) is amended—

(A) by inserting ''that is'' after ''(or'', and

(B) by striking ''1882(t)'' and inserting ''1882(t)(3)''.

(i) HEALTH INSURANCE COUNSELING.—Section 4360 of OBRA–1990 is amended—

(1) in subsection (b)(2)(A)(ii), by striking ''Act'' and inserting ''Act)'';

(2) in subsection (b)(2)(D), by striking ''services'' and inserting ''counseling'';

(3) in subsection (b)(2)(I), by striking ''assistance'' and inserting ''referrals'';

(4) in subsection (c)(1), by striking ''and that such activities will continue to be maintained at such level'';

(5) in subsection (d)(3), by striking ''to the rural areas'' and inserting ''eligible individuals residing in rural areas'';

(6) in subsection (e)—

(A) by striking ''subsection (c) or (d)'' and inserting ''this section'',

(B) by striking ''and annually thereafter, issue an annual report'' and inserting ''and annually thereafter during the period of the grant, issue a report'',

(C) in paragraph (1), by striking ''Statewide'', and

(D) in subsection (f), by striking paragraph (2) and by redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively; and

(7) by redesignating the second subsection (f) (relating to authorization of appropriations for grants) as subsection (g).

(j) TELEPHONE INFORMATION SYSTEM.—

(1) Section 1804 (42 U.S.C. 1395b–2) is amended—

(A) by adding at the end of the heading the following: ''; MEDICARE AND MEDIGAP INFORMATION'',

(B) by inserting ''(a)'' after ''1804.'', and

(C) by adding at the end the following new subsection:

''(b) The Secretary shall provide information via a toll-free telephone number on the programs under this title.''.

(2) Section 1882(f) (42 U.S.C. 1395ss(f)) is amended by adding at the end the following new paragraph:

''(3) The Secretary shall provide information via a toll-free telephone number on medicare supplemental policies (including the relationship of State programs under title XIX to such policies).''.

(3) Section 1889 is repealed.

(k) MAILING OF POLICIES.—Section 1882(d)(4) (42 U.S.C. 1395ss(d)(4)) is amended—

(1) in subparagraph (D), by striking '', if such policy'' and all that follows up to the period at the end, and

(2) by adding at the end the following new subparagraph:

''(E) Subparagraph (A) shall not apply in the case of an issuer who mails or causes to be mailed a policy, certificate, or other matter solely to comply with the requirements of subsection (q).''.

(l) EFFECTIVE DATE.—The amendments made by this section shall be effective as if included in the enactment of OBRA–1990; except that—

(1) the amendments made by subsection (d)(1) shall take effect on the date of the enactment of this Act, but no penalty shall be imposed under section 1882(d)(3)(A) of the Social Security Act (for an action occurring after the effective date of the amendments made by section 4354 of OBRA–1990 and before the date of the enactment of this Act) with respect to the sale or issuance of a policy which is not unlawful under section 1882(d)(3)(A)(i)(II) of the Social Security Act (as amended by this section);

(2) the amendments made by subsection (d)(2)(A) and by subparagraphs (A), (B), and (E) of subsection (e)(1) shall be effective on the date specified in subsection (m)(4); and

(3) the amendment made by subsection (g)(2) shall take effect on January 1, 1994, and shall apply to individuals who attain 65 years of age or older on or after the effective date of section 1882(s)(2) of the Social Security Act (and, in the case of individuals who attained 65 years of age after such effective date and before January 1, 1994, and who were not covered under such section before January 1, 1994, the 6-month period specified in that section shall begin January 1, 1994).

(m) TRANSITION PROVISIONS.—

(1) IN GENERAL.—If the Secretary of Health and Human Services identifies a State as requiring a change to its statutes or regulations to conform its regulatory program to the changes made by this section, the State regulatory program shall not be considered to be out of compliance with the requirements of section 1882 of the Social Security

Act due solely to failure to make such change until the date specified in paragraph (4).

(2) NAIC STANDARDS.—If, within 6 months after the date of the enactment of this Act, the National Association of Insurance Commissioners (in this subsection referred to as the ''NAIC'') modifies its 1991 NAIC Model Regulation (adopted in July 1991) to conform to the amendments made by this section and to delete from section 15C the exception which begins with ''unless'', such modifications shall be considered to be part of that Regulation for the purposes of section 1882 of the Social Security Act.

(3) SECRETARY STANDARDS.—If the NAIC does not make the modifications described in paragraph (2) within the period specified in such paragraph, the Secretary of Health and Human Services shall make the modifications described in such paragraph and such modifications shall be considered to be part of that Regulation for the purposes of section 1882 of the Social Security Act.

(4) DATE SPECIFIED.—

(A) IN GENERAL.—Subject to subparagraph (B), the date specified in this paragraph for a State is the earlier of—

(i) the date the State changes its statutes or regulations to conform its regulatory program to the changes made by this section, or

(ii) 1 year after the date the NAIC or the Secretary first makes the modifications under paragraph (2) or (3), respectively.

(B) ADDITIONAL LEGISLATIVE ACTION REQUIRED.—In the case of a State which the Secretary identifies as—

(i) requiring State legislation (other than legislation appropriating funds) to conform its regulatory program to the changes made in this section, but

(ii) having a legislature which is not scheduled to meet in 1994 in a legislative session in which such legislation may be considered, the date specified in this paragraph is the first day of the first calendar quarter beginning after the close of the first legislative session of the State legislature that begins on or after January 1, 1994. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

CHAPTER 5—TREATMENT OF CERTAIN STATE HEALTH CARE PROGRAMS

SEC. 12561. TREATMENT OF CERTAIN STATE HEALTH CARE PROGRAMS.

Section 514(b)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144(b)(5)) is amended to read as follows:

''(5)(A) Except as provided in subparagraphs (B) and (C), subsection (a) shall not apply to the Hawaii Prepaid Health Care Act (Haw. Rev. Stat. §§393–1 through 393–51).

''(B) Nothing in subparagraph (A) shall be construed to exempt from subsection (a) any State tax law relating to employee benefits plans.

''(C) If the Secretary of Labor notifies the Governor of the State of Hawaii that as the result of an amendment to the Hawaii Prepaid Health Care Act enacted after October 5, 1992—

''(i) the proportion of the population with health care coverage under such Act is less than such proportion on such date, or

''(ii) the level of benefit coverage provided under such Act is less than the actuarial equivalent of such level of coverage on such date,

subparagraph (A) shall not apply with respect to the application of such amendment to such Act after the date of such notification.''.

CHAPTER 6—THIRD PARTY LIABILITY

SEC. 12571. ACCESS TO EMPLOYMENT-BASED HEALTH INSURANCE INFORMATION.

(a) REPORTING OF GROUP HEALTH PLAN INFORMATION.—Section 6051(a) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''and'' at the end of paragraph (8),

(2) by striking the period at the end of paragraph (9) and inserting '', and'', and

(3) by inserting after paragraph (9) the following new paragraph:

''(10) whether a group health plan (as defined in section 6103(l)(12)(F)(ii)) is available to the employee and the plan coverage (single or family) elected by such employee (if any).''.

(b) DISCLOSURES OF TAX RETURN INFORMATION.—Section 6103(l)(12) of the Internal Revenue Code of 1986 is amended—

(1) by amending the heading to read as follows: ''DISCLOSURE OF CERTAIN TAXPAYER IDENTITY INFORMATION FOR PURPOSES OF IDENTIFYING HEALTH INSURANCE COVERAGE OF CERTAIN INDIVIDUALS AND SPOUSES.—'';

(2) in subparagraph (A)—

(A) by striking ''Commissioner of Social Security'' and inserting ''Director of the Third Party Liability Clearinghouse pursuant to section 1144(c) of the Social Security Act'',

(B) by striking ''Commissioner'' the second place it appears and inserting ''Commissioner of Social Security'',

(C) by striking ''medicare beneficiary'' and inserting ''individual'', and

(D) by striking ''Commissioner'' the third place it appears and inserting ''Director'';

(3) in subparagraph (B)—

(A) by striking ''medicare beneficiary'' each place it appears and inserting ''individual'';

(B) in the matter preceding clause (i)—

(i) by striking ''Administrator of the Health Care Financing Administration'' and inserting ''Director of the Third Party Liability Clearinghouse'',

(ii) by striking ''Administrator'' the second place it appears and inserting ''Director'', and

(iii) by inserting before the colon the following: ''with respect to the individuals (and spouses) specified in subparagraph (A)'';

(C) by amending clause (i) to read as follows:

''(i) For each such individual who is identified as having received wages (as defined in section 3401(a)) from, and as having available coverage under a group health plan of, an employer in a previous year—

''(I) the name and TIN of the individual,

''(II) the name, address, and TIN of the employer, and whether such employer is a qualified employer, and

''(III) the information reported under section 6051(a)(10).'';

(D) in clause (ii)—

(i) in the matter preceding subclause (I), by striking ''a qualified employer'' and inserting '', and as having available coverage under a group health plan of, an employer'',

(ii) by striking ''and'' at the end of subclause (I),

(iii) by striking the period at the end of subclause (II) and inserting a comma, and

(iv) by inserting after subclause (II) the following:

''(III) the name, address, and TIN of the spouse's employer, and whether such employer is a qualified employer, and

''(IV) the information reported under section 6051(a)(10) with respect to the spouse.''; and

(E) by striking clause (iii);

(5) in subparagraph (C)—

(A) in the matter preceding clause (i)—

(i) in the heading, by striking ''Health Care Financing Administration'' and inserting ''Third Party Liability Clearinghouse'', and

(ii) by striking ''Administrator of the Health Care Financing Administration may disclose'' and inserting ''Director of the Third Party Liability Clearinghouse may (subject to the provisions of subparagraph (E)) disclose'',

(B) in clause (i), by striking ''qualified employer'' and inserting ''employer'',

(C) by amending clause (ii) to read as follows:

''(ii) to the administrator of a program specified in section 1144(b)(2) of the Social Security Act, to the extent provided in such section 1144, and'',

(D) by redesignating clause (iii) as clause (iv),

(E) by inserting after clause (ii) the following new clause:

''(iii) to any person specified in section 1144(e)(2), information in the data bank established pursuant to such section 1144(e), for the purposes specified in such section, and'', and

(F) in clause (iv), as so redesignated, by striking ''Administrator'' each place it appears and inserting ''Director'';

(6) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (E), (F), and (G), respectively, and inserting after subparagraph (C) the following new subparagraph:

''(D) DISCLOSURE BY CERTAIN PROGRAMS TO GROUP HEALTH PLANS.—The administrator of a program specified in section 1144(b)(2) of the Social Security Act may (subject to the provisions of subparagraph (E)) disclose information concerning an employee or spouse disclosed to the Director of the Third Party Liability Clearinghouse pursuant to subparagraph (B) and redisclosed to such administrator pursuant to subparagraph (D)—

''(i) to any group health plan which provides or provided coverage to such employee or spouse, and

''(ii) to any agent of such administrator, for purposes of identifying, or collecting on claims under, coverage of such employee or spouse under such group health plan.'';

(7) in subparagraph (E)(i), as redesignated by paragraph (6), by striking ''medicare beneficiary'' and inserting ''individual''; and

(8) in subparagraph (F), as redesignated by paragraph (6), by striking clause (i) and redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively.

(c) HEALTH INSURANCE CLEARINGHOUSE.—

(1) Part A of title XI of the Social Security Act is amended by adding at the end thereof the following new section:

''THIRD PARTY LIABILITY CLEARINGHOUSE

''SEC. 1144. (a)(1) ESTABLISHMENT OF CLEARINGHOUSE.—The Secretary shall establish and operate a Third Party Liability Clearinghouse (in this section referred to as the 'Clearinghouse') for the purpose of identifying third parties responsible for payment for health care items and services furnished (or available) to beneficiaries of certain Federal and federally assisted programs, and for related purposes.

''(2) DIRECTOR.—The Clearinghouse established pursuant to paragraph (1) shall be headed by a Director (in this section referred to as the 'Director').

''(b) PROGRAM ADMINISTRATORS ENTITLED TO INFORMATION ON THIRD PART LIABILITIES.—

''(1) IN GENERAL.—Each person administering a program specified in paragraph (2) shall be entitled (subject to subsection (h)), upon written request to the Director in such form and manner and at such times as the Director may require, specifying names and tax identification numbers (TINs) of individuals who are—

''(A) program beneficiaries (in the case of programs specified in paragraph (2)(A)), or

''(B) parents of dependent children (in the case of programs specified in paragraph (2)(B)),

to obtain information in accordance with this section concerning employment and group health coverage of such individuals and their spouses.

''(2) PROGRAMS SPECIFIED.—The programs whose administrators are entitled to obtain the information specified in paragraph (1) in accordance with this section are—

''(A) all programs administered by the Federal Government, or by a State or local government or any other entity with Federal financial assistance, whose primary purpose is to provide (or make payment for) health care items and services to individuals, and

''(B) the Federal Parent Locator Service established pursuant to section 453, and State agencies administering plans for child and spousal support pursuant to section 454.

''(c) DATA MATCHING PROGRAM.—

''(1) REQUEST BY DIRECTOR.—The Director shall, at such intervals as he finds appropriate, transmit to the Secretary of the Treasury the names and TINs of individuals with respect to whom a request has been made pursuant to subsection (b), and request that the Secretary disclose to the Commissioner of Social Security the information described in section 6103(l)(12)(A) of the Internal Revenue Code of 1986 (concerning names and TINs of spouses of such individuals).

''(2) INFORMATION FROM COMMISSIONER OF SOCIAL SECURITY.—The Commissioner of Social Security shall disclose to the Director, in accordance with section 6103(l)(12)(B) of the Internal Revenue Code of 1986, information concerning employment and health insurance with respect to such individuals and spouses.

''(3) INFORMATION FROM EMPLOYERS.—The Director shall—

''(A) request, from the employer of each individual (including each spouse) with respect to whom information was received from the Commissioner of Social Security pursuant to paragraph (2), specific information concerning coverage of such individual under the employer's group health plan (including the period and nature of the coverage, and the name, address, and identifying number of the plan), and

''(B) furnish the information received in response to such request with respect to an individual (or such individual's spouse) to the person or persons requesting such information pursuant to subsection (b).

''(d) REQUIREMENT THAT EMPLOYERS FURNISH INFORMATION.—

''(1) IN GENERAL.—An employer shall furnish to the Director the information requested pursuant to subsection (c)(3) within 30 days after receipt of such a request.

''(2) SUNSET ON REQUIREMENT.—Paragraph (1) shall not apply to inquiries made after September 30, 1998.

''(3) CIVIL MONEY PENALTY FOR FAILURE TO COOPERATE.—

''(A) IN GENERAL.—An employer (other than a Federal or other governmental entity) who willfully or repeatedly fails to provide timely and accurate response to a request for information pursuant to subsection (c)(3) shall be subject, in addition to any other penalties that may be prescribed by law, to a civil money penalty of not to exceed $1,000 for each individual with respect to which such a request is made.

''(B) ENFORCEMENT AUTHORITY FOR HHS PROGRAMS.—In cases of failure to respond to the Director in accordance with paragraph (1) to inquiries relating to requests pursuant to subsection (b) by persons administering programs of, or financially assisted by, the Department of Health and Human Services, the provisions of section 1128A (other than subsections (a) and (b)) shall apply to civil money penalties under subparagraph (A) in the same manner as such provisions apply to penalties or proceedings under section 1128A(a).

''(e) DATA BANK.—

''(1) MAINTENANCE OF INFORMATION.—The Clearinghouse shall maintain a data bank, containing information on individuals obtained pursuant to this section and to section 6103(l)(12) of the Internal Revenue Code of 1986. Individual information in the data bank shall be retained for not less than one year after the date the information was obtained.

''(2) DISCLOSURE OF INFORMATION IN DATA BANK.—The Administrator is authorized (subject to the restriction in section 6103(l)(12)(E)(i) of the Internal Revenue Code of 1986) to disclose any information in the data bank established pursuant to paragraph (1) with respect to an individual (or an individual's spouse)—

''(A) to the Commissioner of Social Security, the Secretary of the Treasury, officials administering programs specified in subsection (b)(2), employers, and insurers, to the extent necessary to assist such officials to administer such programs;

''(B) to Federal and State law enforcement officials responsible for enforcement of civil or criminal laws, in connection with investigations or administrative or judicial law enforcement proceedings relating to a program specified in subsection (b)(2); and

''(C) for research or statistical purposes.

''(f) COLLECTIONS FROM THIRD PARTIES.—The Clearinghouse is authorized, upon request by a person administering a Federal health care program, to assist in the collection of amounts due from liable third parties to reimburse costs incurred by such program for health care items and services, through methods including—

''(1) use of contractors reimbursed on a contingency fee basis, and

''(2) judicial and administrative processes, in cooperation with program official and the Attorney General, as appropriate.

''(g) EVALUATION RESPONSIBILITIES.—The Clearinghouse shall evaluate methods for improving—

''(1) procedures for the collection, management, and appropriate disclosure of health care coverage information,

''(2) Federal laws and policies concerning third party liability for medical care, and

''(3) State requirements for medical support of dependent children.

''(h) FEES FOR CLEARINGHOUSE SERVICES.—The Clearinghouse shall establish fees for services to programs specified in subsection (b)(2) under subsections (c) and (f) designed to cover the full costs to the Clearinghouse of providing such services. Clearinghouse services under such subsections (c) and (f) shall be available to such programs subject to payment of such fees.

''(i) USE OF CONTRACTORS.—The responsibilities of the Clearinghouse may be carried out directly or (except for the responsibilities under subsections (b), (c)(1), and (c)(2)) by contract.

''(j) DEFINITIONS.—For purposes of this section, the terms 'employer' and 'group health plan' have the meanings given them in section 6103(l)(12)(F) of the Internal Revenue Code of 1986.''.

(d) CONFORMING AMENDMENTS.—Section 1862(b)(5) (42 U.S.C. 1395y(b)(5)) is amended—

(1) in subparagraph (A)(i)—

(A) by striking ''Secretary of the Treasury'' and inserting ''Administrator of the Health Care Financing Administration'';

(B) by striking ''(as defined in section 6103(l)(12) of the Internal Revenue Code of 1986)'' and inserting ''(as defined in clause (iii)''; and

(C) by striking ''and request'' and all that follows and inserting a period;

(2) in subparagraph (A)(ii)—

(A) by striking ''the Commissioner of the Social Security Administration and all that follows and inserting ''the Director of the Third Party Liability Clearinghouse to obtain and disclose to the Administrator, pursuant to section 1144(c) and to subparagraph (C) of section 6103(l)(12) of the Internal Revenue Code of 1986, the information described in subparagraph (B) of such section 6103(l)(12).''; and

(B) by inserting '', pursuant to section 1144(c),'' after ''disclose to the Administrator'';

(3) in subparagraph (A), by adding at the end the following new clause:

''(iii) MEDICARE BENEFICIARY.—For purposes of this paragraph, the term 'medicare beneficiary' means an individual entitled to benefits under part A or enrolled under part B, but does not include such an individual enrolled in part A under section 1818.''; and

(4) by striking subparagraph (C).

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect April 1, 1995.

Subtitle D—Customs and Trade Provisions

SEC. 12601. EXTENSION OF AUTHORITY TO LEVY CUSTOMS USER FEES.

Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is amended by striking out ''1995'' and inserting ''1998''.

SEC. 12602. EXTENSION OF, AND AUTHORIZATION OF APPROPRIATIONS FOR, THE WORKER TRADE ADJUSTMENT ASSISTANCE PROGRAM.

(a) EXTENSION.—Section 285 of the Trade Act of 1974 (19 U.S.C. note preceding 2271) is amended—

(1) by striking out ''No'' and all that follows thereafter down through ''chapter 2, no'' in subsection (b) and inserting ''No''; and

(2) by adding at the end the following new subsection:

''(c) No assistance, vouchers, allowances, or other payments may be provided under chapter 2 after September 30, 1996.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended by striking out ''and 1993,'' and inserting ''1993, 1994, 1995, and 1996,''.

SEC. 12603. EXTENSION OF URUGUAY ROUND TRADE AGREEMENT NEGOTIATING AND PROCLAMATION AUTHORITY AND OF "FAST TRACK" PROCEDURES TO IMPLEMENTING LEGISLATION.

Section 1102 of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2902) is amended by inserting at the end the following new subsection:

''(e) SPECIAL PROVISIONS REGARDING URUGUAY ROUND TRADE NEGOTIATIONS.—

''(1) IN GENERAL.—Notwithstanding the time limitations in subsections (a) and (b), if the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade has not resulted in trade agreements by May 31, 1993, the President may, during the period after May 31, 1993, and before April 16, 1994, enter into, under subsections (a) and (b), trade agreements resulting from such negotiations.

''(2) APPLICATION OF TARIFF PROCLAMATION AUTHORITY.—No proclamation under subsection (a) to carry out the provisions regarding tariff barriers of a trade agreement that is entered into pursuant to paragraph (1) may take effect before the effective date of a bill that implements the provisions regarding nontariff barriers of a trade agreement that is entered into under such paragraph.

''(3) APPLICATION OF IMPLEMENTING AND 'FAST TRACK' PROCEDURES.—Section 1103 applies to any trade agreement negotiated under subsection (b) pursuant to paragraph (1), except that—

''(A) in applying subsection (a)(1)(A) of section 1103 to any such agreement, the phrase

'at least 120 calendar days before the day on which he enters into the trade agreement (but not later than December 15, 1993),' shall be substituted for the phrase 'at least 90 calendar days before the day on which he enters into the trade agreement; and

''(B) no provision of subsection (b) of section 1103 other than paragraph (1)(A) applies to any such agreement and in applying such paragraph, 'April 16, 1994;' shall be substituted for 'June 1, 1991;'.

''(4) ADVISORY COMMITTEE REPORTS.—The report required under section 135(e)(1) of the Trade Act of 1974 regarding any trade agreement provided for under paragraph (1) shall be provided to the President, the Congress, and the United States Trade Representative not later than 30 days after the date on which the President notifies the Congress under section 1103(a)(1)(A) of his intention to enter into the agreement (but before January 15, 1994).''.

SEC. 12606. REPEAL OF EAST-WEST TRADE STATISTICS MONITORING SYSTEM.

(a) REPEAL.—Section 410 of the Trade Act of 1974 (19 U.S.C. 2440) is repealed.

(b) CONFORMING AMENDMENT.—The table of contents for such Act of 1974 is amended by striking out the following:

''Sec. 410. East-West Trade Statistics Monitoring System.''.

TITLE XIII—AMENDMENTS OF INTERNAL REVENUE CODE OF 1986

SEC. 13000. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—Employer Reversions of Excess Plan Assets

SEC. 13001. EMPLOYER REVERSIONS OF EXCESS PLAN ASSETS.

(a) IN GENERAL.—Part I of subchapter D of chapter 1 is amended by adding at the end thereof the following new subpart:

"Subpart F—Certain Reversions of Excess Plan Assets.

''Sec. 420A. Certain reversions of excess plan assets.

"SEC. 420A. CERTAIN REVERSIONS OF EXCESS PLAN ASSETS.

''(a) IN GENERAL.—To the extent that an employer reversion from a defined benefit plan (other than a multiemployer plan) does not exceed the excess plan assets of such plan—

''(1) a trust which is part of such plan shall not be treated as failing to meet the requirements of section 401(a) solely by reason of such transfer, and

''(2) such reversion shall not be treated—

''(A) as an employer reversion for purposes of section 4980, or

''(B) as a prohibited transaction for purposes of section 4975.

Notwithstanding the preceding sentence, the amount of such reversion shall be includible in the gross income of the employer maintaining the plan.

''(b) DEFINITIONS.—For purposes of this section—

''(1) EMPLOYER REVERSION.—The term 'employer reversion' has the meaning given such term by section 4980.

''(2) EXCESS PLAN ASSETS.—The term 'excess plan assets' means the excess (if any) of—

''(A) the lesser of—

''(i) the fair market value of the plan's assets, or

''(ii) the value of the plan's assets (determined under section 412(c)(2)), over

''(B) 100 percent of current liability (as defined in section 412(l)(7) (without regard to subparagraph (D) thereof)).''

(b) CLERICAL AMENDMENT.—The table of subparts for part I of subchapter D of chapter 1 is amended by adding at the end the following new item:

''Subpart F. Certain reversions of excess plan assets.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to reversions after December 31, 1993.

Subtitle B—Extensions

SEC. 13111. EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) PERMANENT EXTENSION OF EXCLUSION.—

(1) IN GENERAL.—Section 127 (relating to educational assistance programs) is amended by striking subsection (d) and by redesignating subsection (e) as subsection (d).

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 103(a) of the Tax Extension Act of 1991 is hereby repealed.

(b) COORDINATION WITH SECTION 132.—Paragraph (8) of section 132(i) is amended to read as follows:

''(8) APPLICATION OF SECTION TO OTHERWISE TAXABLE EDUCATIONAL OR TRAINING BENEFITS.—Amounts paid or expenses incurred by the employer for education or training provided to the employee which are not excludable from gross income under section 127 shall be excluded from gross income under this section if (and only if) such amounts or expenses are a working condition fringe.''

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to taxable years ending after June 30, 1992.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 1988.

(d) TRANSITION RULES.—

(1) WAIVER OF INTEREST AND PENALTIES.—No interest, penalty, or addition to tax shall be imposed or required to be paid solely by reason of a failure, before the date of the enactment of this Act, to treat educational assistance in a manner consistent with the provisions of section 103(a) of the Tax Extension Act of 1991 (as in effect before the amendments made by subsection (a)).

(2) SPECIAL RULES FOR 1992.—

(A) EMPLOYMENT TAXES.—If—

(i) an employer provided an employee with educational assistance during the period beginning on July 1, 1992, and ending on December 31, 1992,

(ii) consistent with the provisions of section 103(a) of the Tax Extension Act of 1991 (as so in effect), such employer treated such assistance as taxable for purposes of any employment tax and as a result of such treatment there was an increase in taxable wages for purposes of such tax,

(iii) on or after the date of the enactment of this Act and before January 1, 1994, such employer pays such employee amounts which are taxable wages for purposes of such tax and which equal or exceed the increase referred to in clause (ii), and

(iv) such employee did not treat such assistance for purposes of such employment tax (or for purposes of chapter 1 of the Internal Revenue Code of 1986 in the case of employment tax imposed by chapter 24 of such Code) in a manner inconsistent with the employer's treatment of such assistance,

the amendments made by subsection (a) shall not apply to such educational assistance for purposes of such employment tax, but, for purposes of applying such employment tax (and for purposes of the reporting requirements imposed by chapter 61 of such Code), the taxable wages of the employee referred to in clause (iii) shall be reduced by the amount of the increase referred to in clause (ii). For purposes of clause (iv), an employer may assume that the employee treated the assistance in a manner consistent with the employer's treatment unless such employer has actual knowledge to the contrary.

(B) REPORTING REQUIREMENT.—An employer shall separately report the amounts of any reduction under subparagraph (A) as nontaxable income on any returns or receipts required under chapter 61 of such Code for calendar year 1993.

(C) DEFINITIONS.—For purposes of this paragraph—

(i) EMPLOYMENT TAX.—The term ''employment tax'' means any tax imposed by subtitle C of such Code.

(ii) TAXABLE WAGES.—The term ''taxable wages''means—

(I) wages (as defined in section 3121(a) of such Code) in the case of the taxes imposed by chapter 21 of such Code,

(II) compensation (as defined in section 3231(e) of such Code) in the case of the taxes imposed by chapter 22 of such Code,

(III) wages (as defined in section 3306(b) of such Code) in the case of the taxes imposed by chapter 23 of such Code, and

(IV) wages (as defined in section 3401(a) of such Code) in the case of the taxes imposed by chapter 24 of such Code.

(3) INCOME TAX TREATMENT.—If—

(A) subparagraph (A) of paragraph (2) applies to any educational assistance referred to in such paragraph provided to any employee, and

(B) such employee included such assistance in his taxable income for purposes of the tax imposed by chapter 1 of such Code,

the amendments made by subsection (a) shall not apply to such assistance for purposes of such chapter 1, but the amount included in the gross income of such employee by reason of wages received from the employer referred to in subparagraph (A) of paragraph (2) during 1993 shall be reduced in the manner provided in such subparagraph (A).

SEC. 13112. TARGETED JOBS CREDIT.

(a) PERMANENT EXTENSION OF CREDIT.—Subsection (c) of section 51 (relating to amount of targeted jobs credit) is amended by striking paragraph (4).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after June 30, 1992.

SEC. 13113. PERMANENT EXTENSION OF RESEARCH CREDIT.

(a) IN GENERAL.—Section 41 (relating to credit for increasing research activities) is amended by striking subsection (h).

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 28(b) is amended by striking subparagraph (D).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after June 30, 1992.

SEC. 13114. PERMANENT EXTENSION OF QUALIFIED SMALL ISSUE BONDS.

(a) IN GENERAL.—Subparagraph (B) of section 144(a)(12) is amended to read as follows:

''(B) BONDS ISSUED TO FINANCE MANUFACTURING FACILITIES AND FARM PROPERTY.—Subparagraph (A) shall not apply to any bond issued as part of an issue 95 percent or more of the net proceeds of which are to be used to provide—

''(i) any manufacturing facility, or

''(ii) any land or property in accordance with section 147(c)(2).''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to bonds issued after June 30, 1992.

SEC. 13115. PERMANENT EXTENSION OF QUALIFIED MORTGAGE BONDS.

(a) IN GENERAL.—Paragraph (1) of section 143(a) (defining qualified mortgage bond) is amended to read as follows:

''(1) QUALIFIED MORTGAGE BOND DEFINED.—For purposes of this title, the term 'qualified

mortgage bond' means a bond which is issued as part of a qualified mortgage issue.''

(b) MORTGAGE CREDIT CERTIFICATES.—Section 25 is amended by striking subsection (h) and by redesignating subsections (i) and (j) as subsections (h) and (i), respectively.

(c) EFFECTIVE DATES.—

(1) BONDS.—The amendment made by subsection (a) shall apply to bonds issued after June 30, 1992.

(2) CERTIFICATES.—The amendment made by subsection (b) shall apply to elections for periods after June 30, 1992.

SEC. 13116. PERMANENT EXTENSION OF LOW-INCOME HOUSING CREDIT.

(a) IN GENERAL.—Section 42 (relating to low-income housing credit) is amended by striking subsection (o).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to periods after June 30, 1992.

SEC. 13117. ALTERNATIVE MINIMUM TAX TREATMENT OF CONTRIBUTIONS OF APPRECIATED PROPERTY.

(a) REPEAL OF TAX PREFERENCE.—Subsection (a) of section 57 is amended by striking paragraph (6) (relating to appreciated property charitable deduction) and by redesignating paragraph (7) as paragraph (6).

(b) EFFECT ON ADJUSTED CURRENT EARNINGS.—Paragraph (4) of section 56(g) is amended by adding at the end thereof the following new subparagraph:

''(J) TREATMENT OF CHARITABLE CONTRIBUTIONS.—Notwithstanding subparagraphs (B) and (C), no adjustment related to the earnings and profits effects of any charitable contribution shall be made in computing adjusted current earnings.''

(c) CONFORMING AMENDMENT.—Subclause (II) of section 53(d)(1)(B)(ii) is amended by striking '', (5), and (6)'' and inserting ''and (5)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after June 30, 1992, except that in the case of any contribution of capital gain property which is not tangible personal property, such amendments shall apply only if the contribution is made after December 31, 1992.

(e) REPORT ON ADVANCE DETERMINATION OF VALUE OF CHARITABLE GIFTS.—Not later than 1 year after the date of the enactment of this Act, the Secretary of the Treasury shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the development of a procedure under which taxpayers may elect to seek an agreement with the Secretary as to the value of tangible personal property prior to the donation of such property to a qualifying charitable organization if the time limits for the donation and other conditions contained in the agreement are satisfied. Such report shall address the setting of possible threshold amounts for claimed value (and the payment of fees) by a taxpayer in order to seek agreement under the procedure, possible limitations on applying the procedure only to items with significant artistic or cultural value, and recommendations for legislative action needed to implement the proposed procedure.

SEC. 13118. PERMANENT EXTENSION OF DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF–EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—

(1) EXTENSION.—Paragraph (6) of section 162(l) (relating to special rules for health insurance costs of self-employed individuals) is hereby repealed.

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 110(a) of the Tax Extension Act of 1991 is hereby repealed.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after June 30, 1992.

(b) DETERMINATION OF ELIGIBILITY FOR EMPLOYER-SPONSORED HEALTH PLAN.—

(1) IN GENERAL.—Paragraph (2)(B) of section 162(l) is amended to read as follows:

''(B) OTHER COVERAGE.—Paragraph (1) shall not apply to any taxpayer for any calendar month for which the taxpayer is eligible to participate in any subsidized health plan maintained by any employer of the taxpayer or of the spouse of the taxpayer.''

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1992.

Subtitle C—Repeal of Luxury Taxes Other Than on Passenger Vehicles

SEC. 13121. REPEAL OF LUXURY EXCISE TAXES OTHER THAN ON PASSENGER VEHICLES.

(a) IN GENERAL.—Subchapter A of chapter 31 (relating to retail excise taxes) is amended to read as follows:

''Subchapter A—Luxury Passenger Automobiles

''Sec. 4001. Imposition of tax.

''Sec. 4002. 1st retail sale; uses, etc. treated as sales; determination of price.

''Sec. 4003. Special rules.

''SEC. 4001. IMPOSITION OF TAX.

''(a) IMPOSITION OF TAX.—There is hereby imposed on the 1st retail sale of any passenger vehicle a tax equal to 10 percent of the price for which so sold to the extent such price exceeds $30,000.

''(b) PASSENGER VEHICLE.—

''(1) IN GENERAL.—For purposes of this subchapter, the term 'passenger vehicle' means any 4-wheeled vehicle—

''(A) which is manufactured primarily for use on public streets, roads, and highways, and

''(B) which is rated at 6,000 pounds unloaded gross vehicle weight or less.

''(2) SPECIAL RULES.—

''(A) TRUCKS AND VANS.—In the case of a truck or van, paragraph (1)(B) shall be applied by substituting 'gross vehicle weight' for 'unloaded gross vehicle weight'.

''(B) LIMOUSINES.—In the case of a limousine, paragraph (1) shall be applied without regard to subparagraph (B) thereof.

''(c) EXCEPTIONS FOR TAXICABS, ETC.—The tax imposed by this section shall not apply to the sale of any passenger vehicle for use by the purchaser exclusively in the active conduct of a trade or business of transporting persons or property for compensation or hire.

''(d) EXEMPTION FOR LAW ENFORCEMENT USES, ETC.—No tax shall be imposed by this section on the sale of any passenger vehicle—

''(1) to the Federal Government, or a State or local government, for use exclusively in police, firefighting, search and rescue, or other law enforcement or public safety activities, or in public works activities, or

''(2) to any person for use exclusively in providing emergency medical services.

''(e) INFLATION ADJUSTMENT.—

''(1) IN GENERAL.—In the case of any calendar year after 1992, the $30,000 amount in subsection (a) and section 4003(a) shall be increased by an amount equal to—

''(A) $30,000, multiplied by

''(B) the cost-of-living adjustment under section 1(f)(3) for such calendar year, determined by substituting 'calendar year 1990' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100 (or, if such amount is a multiple of $50 and not of $100, such amount shall be rounded to the next highest multiple of $100).

''(f) TERMINATION.—The tax imposed by this section shall not apply to any sale or use after December 31, 1999.

''SEC. 4002. 1ST RETAIL SALE; USES, ETC. TREATED AS SALES; DETERMINATION OF PRICE.

''(a) 1ST RETAIL SALE.—For purposes of this subchapter, the term '1st retail sale' means the 1st sale, for a purpose other than resale, after manufacture, production, or importation.

''(b) USE TREATED AS SALE.—

''(1) IN GENERAL.—If any person uses a passenger vehicle (including any use after importation) before the 1st retail sale of such vehicle, then such person shall be liable for tax under this subchapter in the same manner as if such vehicle were sold at retail by him.

''(2) EXEMPTION FOR FURTHER MANUFACTURE.—Paragraph (1) shall not apply to use of a vehicle as material in the manufacture or production of, or as a component part of, another vehicle taxable under this subchapter to be manufactured or produced by him.

''(3) EXEMPTION FOR DEMONSTRATION USE.—Paragraph (1) shall not apply to any use of a passenger vehicle as a demonstrator.

''(4) EXCEPTION FOR USE AFTER IMPORTATION OF CERTAIN VEHICLES.—Paragraph (1) shall not apply to the use of a vehicle after importation if the user or importer establishes to the satisfaction of the Secretary that the 1st use of the vehicle occurred before January 1, 1991, outside the United States.

''(5) COMPUTATION OF TAX.—In the case of any person made liable for tax by paragraph (1), the tax shall be computed on the price at which similar vehicles are sold at retail in the ordinary course of trade, as determined by the Secretary.

''(c) LEASES CONSIDERED AS SALES.—For purposes of this subchapter—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the lease of a vehicle (including any renewal or any extension of a lease or any subsequent lease of such vehicle) by any person shall be considered a sale of such vehicle at retail.

''(2) SPECIAL RULES FOR LONG-TERM LEASES.—

''(A) TAX NOT IMPOSED ON SALE FOR LEASING IN A QUALIFIED LEASE.—The sale of a passenger vehicle to a person engaged in a passenger vehicle leasing or rental trade or business for leasing by such person in a long-term lease shall not be treated as the 1st retail sale of such vehicle.

''(B) LONG-TERM LEASE.—For purposes of subparagraph (A), the term 'long-term lease' means any long-term lease (as defined in section 4052).

''(C) SPECIAL RULES.—In the case of a long-term lease of a vehicle which is treated as the 1st retail sale of such vehicle—

''(i) DETERMINATION OF PRICE.—The tax under this subchapter shall be computed on the lowest price for which the vehicle is sold by retailers in the ordinary course of trade.

''(ii) PAYMENT OF TAX.—Rules similar to the rules of section 4217(e)(2) shall apply.

''(iii) NO TAX WHERE EXEMPT USE BY LESSEE.—No tax shall be imposed on any lease payment under a long-term lease if the lessee's use of the vehicle under such lease is an exempt use (as defined in section 4003(b)) of such vehicle.

''(d) DETERMINATION OF PRICE.—

''(1) IN GENERAL.—In determining price for purposes of this subchapter—

''(A) there shall be included any charge incident to placing the article in condition ready for use,

''(B) there shall be excluded—

''(i) the amount of the tax imposed by this subchapter,

''(ii) if stated as a separate charge, the amount of any retail sales tax imposed by

any State or political subdivision thereof or the District of Columbia, whether the liability for such tax is imposed on the vendor or vendee, and

''(iii) the value of any component of such article if—

''(I) such component is furnished by the 1st user of such article, and

''(II) such component has been used before such furnishing, and

''(C) the price shall be determined without regard to any trade-in.

''(2) OTHER RULES.—Rules similar to the rules of paragraphs (2) and (4) of section 4052(b) shall apply for purposes of this subchapter.

''SEC. 4003. SPECIAL RULES.

''(a) SEPARATE PURCHASE OF VEHICLE AND PARTS AND ACCESSORIES THEREFOR.—Under regulations prescribed by the Secretary—

''(1) IN GENERAL.—Except as provided in paragraph (2), if—

''(A) the owner, lessee, or operator of any passenger vehicle installs (or causes to be installed) any part or accessory on such vehicle, and

''(B) such installation is not later than the date 6 months after the date the vehicle was 1st placed in service,

then there is hereby imposed on such installation a tax equal to 10 percent of the price of such part or accessory and its installation.

''(2) LIMITATION.—The tax imposed by paragraph (1) on the installation of any part or accessory shall not exceed 10 percent of the excess (if any) of—

''(A) the sum of—

''(i) the price of such part or accessory and its installation,

''(ii) the aggregate price of the parts and accessories (and their installation) installed before such part or accessory, plus

''(iii) the price for which the passenger vehicle was sold, over

''(B) $30,000.

''(3) EXCEPTIONS.—Paragraph (1) shall not apply if—

''(A) the part or accessory installed is a replacement part or accessory,

''(B) the part or accessory is installed to enable or assist an individual with a disability to operate the vehicle, or to enter or exit the vehicle, by compensating for the effect of such disability, or

''(C) the aggregate price of the parts and accessories (and their installation) described in paragraph (1) with respect to the vehicle does not exceed $200 (or such other amount or amounts as the Secretary may by regulation prescribe).

The price of any part or accessory (and its installation) to which paragraph (1) does not apply by reason of this paragraph shall not be taken into account under paragraph (2)(A).

''(4) INSTALLERS SECONDARILY LIABLE FOR TAX.—The owners of the trade or business installing the parts or accessories shall be secondarily liable for the tax imposed by this subsection.

''(b) IMPOSITION OF TAX ON SALES, ETC., WITHIN 2 YEARS OF VEHICLES PURCHASED TAX-FREE.—

''(1) IN GENERAL.—If—

''(A) no tax was imposed under this subchapter on the 1st retail sale of any passenger vehicle by reason of its exempt use, and

''(B) within 2 years after the date of such 1st retail sale, such vehicle is resold by the purchaser or such purchaser makes a substantial nonexempt use of such vehicle,

then such sale or use of such vehicle by such purchaser shall be treated as the 1st retail sale of such vehicle for a price equal to its fair market value at the time of such sale or use.

''(2) EXEMPT USE.—For purposes of this subsection, the term 'exempt use' means any use of a vehicle if the 1st retail sale of such vehicle is not taxable under this subchapter by reason of such use.

''(c) PARTS AND ACCESSORIES SOLD WITH TAXABLE ARTICLE.—Parts and accessories sold on, in connection with, or with the sale of any passenger vehicle shall be treated as part of the vehicle.

''(d) PARTIAL PAYMENTS, ETC.—In the case of a contract, sale, or arrangement described in paragraph (2), (3), or (4) of section 4216(c), rules similar to the rules of section 4217(e)(2) shall apply for purposes of this subchapter.''

(b) TECHNICAL AMENDMENTS.—

(1) Subsection (c) of section 4221 is amended by striking ''4002(b), 4003(c), 4004(a)'' and inserting ''4001(d)''.

(5) Subsection (d) of section 4222 is amended by striking ''4002(b), 4003(c), 4004(a)'' and inserting ''4001(d)''.

(3) The table of subchapters for chapter 31 is amended by striking the item relating to subchapter A and inserting the following:

''Subchapter A. Luxury passenger vehicles.''

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1993.

TITLE XIV—BUDGET PROCESS

SEC. 14001. SHORT TITLE.

This title may be cited as the ''Budget Process Improvement Act of 1993''.

SEC. 14002. DISCRETIONARY SPENDING LIMITS FOR FISCAL YEAR 1994-1998.

(a) DISCRETIONARY SPENDING LIMITS.—(1) Section 601(a)(2) of the Congressional Budget Act of 1974 is amended by striking subparagraphs (D) and (E) and by inserting the following new subparagraphs:

''(D) with respect to fiscal year 1994, $472,925,000,000 in new budget authority and $525,415,000,000 in outlays;

''(E) with respect to fiscal year 1995, $472,794,000,000 in new budget authority and $516,824,000,000 in outlays;

''(F) with respect to fiscal year 1996, $481,678 000,000 in new budget authority and $514,782,000,000 in outlays;

''(G) with respect to fiscal year 1997, $495,039,000,000 in new budget authority and $518,205,000,000 in outlays; and

''(H) with respect to fiscal year 1998, $505,825,000,000 in new budget authority and $522,752,000,000 in outlays;''.

(b) POINT OF ORDER IN THE HOUSE.—Section 601(b) of the Congressional Budget Act of 1974 is amended—

(1) in its side heading, by striking ''IN THE SENATE'';

(2) in paragraph (1), by inserting ''or in the House of Representatives'' after ''Senate''; and

(3) in paragraph (3), by inserting ''or of the House of Representatives, as the case may be'' before the period.

(c) CONFORMING AMENDMENTS.—(1) Section 601(b) of the Congressional Budget Act of 1974 is amended—

(A) in its side heading, by striking ''DEFENSE, INTERNATIONAL, AND DOMESTIC''; and

(B) in paragraph (1), by striking ''or 1995'' and inserting ''1995, 1996, 1997, or 1998''.

(2) Section 602(c) of the Congressional Budget Act of 1974 is amended by striking ''1995'' and inserting ''1998''.

(3) Section 602(d) of the Congressional Budget Act of 1974 is amended—

(A) in its side heading, by striking ''1995'' and inserting ''1998''; and

(B) in the first sentence, by striking ''1995'' and inserting ''1998''.

(4) Section 606(c) of the Congressional Budget Act of 1974 is amended—

(A) in subsection (a), by striking ''or 1995'' and inserting ''1995, 1996, 1997, or 1998''; and

(B) in subsection (d), by striking ''and 1995'' and inserting ''1995, 1996, 1997, and 1998''.

(5) Section 607 of the Congressional Budget Act of 1974 is amended by striking ''1995'' and inserting ''1998''.

SEC. 14003. CONFORMING AMENDMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.

Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended as follows:

(1) Section 250(a) is amended by striking ''1995'' and inserting ''1998''.

(2) Section 250(c) is amended—

(A) in paragraph (4), by striking ''(A)'', by striking ''1991, 1992, and 1993'' and inserting ''1991 through 1998'', and by repealing subparagraph (B);

(B) in paragraph (6)(B), by striking ''or 1995,'' and inserting ''1995, 1996, 1997, or 1998,''; and

(C) in paragraph (14), by striking ''1995'' and inserting ''1998''.

(3)(A) The side heading of section 251(a) is amended by striking ''1995'' and inserting ''1998''.

(B) Section 251(b) is amended—

(i) by striking ''or 1995'' and inserting ''1995, 1996, 1997, or 1998'' in the first sentence of paragraph (1), in paragraph (1)(B)(i), in the first sentence of paragraph (2), and in paragraph (2)(D);

(ii) in paragraph (1)(B) by striking clause (ii) and inserting the following new clause:

''(ii) The inflation adjustment factor shall be the ratio of—

''(I) the level of year-over-year inflation measured for the fiscal year immediately preceding the current year, and

''(II) the applicable estimated level for that year set forth below:

For 1993, 1.030.

For 1994, 1.027.

For 1995, 1.025.

Inflation shall be measured by the average of the estimated fixed-weight gross domestic product price index for a fiscal year divided by the average index for the prior fiscal year.'';

(iii) in the first sentence of paragraph (2) by striking ''through 1995'' and inserting ''through 1998''; and

(iv) in paragraph (2)(F) by striking the comma after ''or 1993'' and all that follows and inserting a period.

(4)(A) The side heading of section 252(a) is amended by striking ''1995'' and inserting ''1998''.

(B) Section 252(d) is amended by striking ''1995'' and inserting ''1998'' each place it appears.

(C) Section 252(e) is amended by striking ''or 1995'' and inserting ''1995, 1996, 1997, or 1998'' and by striking ''through 1995'' and inserting ''through 1998''.

(5) Section 253 is amended—

(A) in subsection (g)(1)(B), by inserting ''or any subsequent fiscal year through 1998'' after ''fiscal year 1994'', by striking ''fiscal years 1994 and 1995'' and inserting ''that fiscal year and the subsequent fiscal year (through fiscal year 1998)'', and by striking the second sentence and the last sentence;

(B) in subsection (g)(1)(C), by striking ''or 1995'' and inserting ''1995, 1996, 1997, or 1998''; and

(C) in subsection (h), by striking ''fiscal year 1994 and fiscal year 1995'' both places it appears and inserting ''fiscal year 1994, 1995, 1996, 1997, and 1998''.

(6) Section 254 is amended—

(A) in subsection (c), by striking ''or 1995'' and inserting ''1995, 1996, 1997, or 1998'';

(B) in subsection (d)(2), by striking ''1995'' and inserting ''1998''; and

(C) in paragraphs (2)(A) and (3) of subsection (g), by striking ''1995'' and inserting ''1998''.

(7) Section 275(b) is amended by striking ''1995'' and inserting ''1998''.

SEC. 14004. MISCELLANEOUS NONTECHNICAL AMENDMENTS.

(a) MAKING PAYGO PERMANENT.—Notwithstanding section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the expiration date set forth in that section shall not apply to section 252 or, in the case of any other provisions of that Act, to the extent necessary to carry out that section.

(b) ELIMINATION OF YEAR-TO-YEAR ROLLOVER.—Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new sentence:

''No net deficit decrease in effect at the end of a fiscal year may be carried forward as an offset against future receipts decreases or direct spending increases in any subsequent fiscal year.''

(c) DEFINITION OF EMERGENCY.—Section 250 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new paragraph:

''(22) The term 'emergency requirement', as used in section 251(b)(2)(D) and section 252(e), refers only to an emergency that is sudden, urgent, unforeseen, and not permanent and the expenditure for which is necessary.''.

(d) SCORING RULE FOR EMERGENCIES.—Section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

''(D) EMERGENCIES.—If appropriations for discretionary spending for any fiscal year 1994 through 1998 are enacted that the President designates as emergency requirements and that the Congress so designated in statute, the adjustment shall be the total of such appropriations in discretionary accounts designated as emergency requirements and the outlays flowing in all years from such appropriations.''.

(e) PAYGO SCORECARD.—Section 252(a) is amended by adding at the end the following new sentence: ''The scorecard for purposes of this section shall only include entries resulting from the enactment, after the date of enactment of this Act, of any direct spending or receipts law.''.

(f) LIMITATION ON AMENDMENTS TO RECONCILIATION BILLS.—Section 310(d)(1) of the Congressional Budget Act of 1974 is amended to read as follows:

''(1) It shall not be in order in the House of Representatives to consider any amendment to a reconciliation bill or reconciliation resolution if such amendment would—

''(A) have the effect of increasing any specific budget outlays above the level of such outlays provided in the bill or resolution (for the fiscal years covered by the reconciliation instructions set forth in the most recently agreed to concurrent resolution on the budget), unless such amendment makes at least an equivalent reduction in other specific budget outlays, an equivalent increase in other specific Federal revenues, or an equivalent combination thereof (for such fiscal years); or

''(B) have the effect of reducing any specific Federal revenues below the level of such revenues provided in the bill or resolution (for such fiscal years), unless such amendment makes at least an equivalent reduction in other specific budget outlays, an equivalent reduction in the discretionary spending limit under section 601(a)(2), an equivalent increase in other specific Federal revenues, or an equivalent combination thereof (for such fiscal years),

except that a motion to strike a provision providing new budget authority or new entitlement authority may be in order.''.

(g) SUPERMAJORITY REQUIREMENT IN THE HOUSE FOR WAIVERS OF POINTS OF ORDER.—Section 904(c) of the Congressional Budget Act of 1974 is amended by inserting ''or in the House of Representatives'' after ''in the Senate'' both places it appears.

(h) LEGISLATIVE JURISDICTION OF THE COMMITTEE ON THE BUDGET OF THE HOUSE OF REPRESENTATIVES.—Clause 1(e)(2) of rule X of the Rules of the House of Representatives is amended by inserting ''(A)'' after ''(2)'' and by adding at the end the following:

''(B) The Congressional Budget Act of 1974.

''(C) The Balanced Budget and Emergency Deficit Control Act of 1985.''.

SEC. 14005. JOINT BUDGET RESOLUTIONS.

(a) AMENDMENTS TO THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.—

0 (1) TABLE OF CONTENTS.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking ''concurrent'' each place it occurs therein and by inserting ''joint'' and by striking ''Concurrent'' and by inserting ''Joint'' in the item relating to section 303.

(2) DEFINITIONS.—

(A) Paragraph (4) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking ''concurrent'' each place it occurs and inserting ''joint''.

(B) Paragraph (8) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking ''by the Congress''.

(3) TITLE III OF THE BUDGET ACT.—Title III of the Congressional Budget Act of 1974 is amended by striking ''concurrent'' each place it occurs therein and by inserting ''joint'' and by striking ''Concurrent'' and by inserting ''Joint'' in the heading of section 303.

(4) TITLE IV OF THE BUDGET ACT.—Section 401(b)(2) of the Congressional Budget Act of 1974 is amended by striking ''concurrent'' and by inserting ''joint''.

(5) TITLE IX OF THE BUDGET ACT.—Section 904(d) of the Congressional Budget Act of 1974 is amended by striking ''concurrent'' and by inserting ''joint''.

(b) TECHNICAL AND CONFORMING AMENDMENTS TO THE RULES OF THE HOUSE OF REPRESENTATIVES.—

(1) RULE X.—Clauses 1(e)(2), 4(a)(2), 4(b)(2), 4(g), 4(h), and 4(i) of rule X of the Rules of the House of Representatives are amended by striking ''concurrent'' each place it appears therein and by inserting ''joint''.

(2) RULE XXIII.—Clause 8 of rule XXIII of the Rules of the House of Representatives is amended by striking ''concurrent'' each place it appears therein and by inserting ''joint''.

(3) RULE XLIX.—Rule XLIX of the Rules of the House of Representatives is repealed.

(c) TECHNICAL AND CONFORMING AMENDS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.—

(1) SECTION 254.—Section 254(b)(2)(A) of the Deficit Control Act of 1985 is amended by striking ''concurrent'' and by inserting ''joint''.

(2) SECTION 257.—Section 257(3) of the Deficit Control Act of 1985 is amended by striking ''concurrent'' and by inserting ''joint''.

The CHAIRMAN. Pursuant to the rule, the gentleman from Ohio [Mr. KASICH] will be recognized for 30 minutes and a member opposed will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

MODIFICATIONS OFFERED BY MR. KASICH TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KASICH

Mr. KASICH. Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be modified to reflect the changes at the desk.

Mr. SABO. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman will be protected.

The Clerk will report the modifications.

The Clerk read as follows:

Modifications Offered by Mr. KASICH to the amendment in the nature of a substitute offered by Mr. KASICH: Redesignate section 5064 as section 5065 and after section 5063 insert the following new section:

SEC. 5064. PAYMENTS FOR CLINICAL DIAGNOSTIC LABORATORY TESTS.

(a) LOWER CAP.—Section 1833(h)(4)(B) (42 U.S.C. 1395l(h)(4)(B)) is amended—

(1) by striking ''and'' at the end of clause (iii),

(2) in clause (iv), by inserting ''and before January 1, 1994,'' after ''1990,'',

(3) by striking the period at the end of clause (iv) and inserting '', and'', and

(4) by adding at the end the following:

''(v) after December 31, 1993, is equal to 76 percent of the medium of all the fee schedules established for that test for that laboratory setting under paragraph (1).''.

(b) TWO PERCENT UPDATE FOR 1994 THROUGH 1998.—Section 1833(h)(2)(A)(ii)(III) (42 U.S.C. 1395(h)(2)(A)(ii)(III)) is amended by striking ''1991, 1992, and 1993'' and inserting ''1991 through 1998''.

Conform the table of contents to subtitle A of title V accordingly.

Strike out subchapter C of chapter 3 of subtitle C of title XII (relating to modification of provisions relating to physician ownership and referral).

Redesignate subchapter D of chapter 3 of subtitle C of title XII as subchapter C and conform the table of contents to such subtitle accordingly.

At the end of title XIII insert the following new subtitle:

SUBTITLE D—DISCLOSURE PROVISIONS

SEC. 13131. DISCLOSURE OF RETURN INFORMATION FOR ADMINISTRATION OF CERTAIN VETERANS PROGRAMS

(a) GENERAL RULE.—Subparagraph (D) of section 6103(l)(7) (relating to disclosure of return information to Federal, State, and local agencies administering certain programs) is amended by striking ''September 30, 1997'' in the second sentence following clause (viii) and inserting ''September 30, 1998''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 13132. USE OF RETURN INFORMATION FOR INCOME VERIFICATION UNDER CERTAIN HOUSING ASSISTANCE PROGRAMS.

(a) IN GENERAL.—Subparagraph (D) of section 6103(l)(7) (relating to the disclosure of return information to Federal, State, and local agencies administering certain programs) is amended—

(1) in clause (vii), by striking ''and'' at the end;

(2) in clause (viii), by striking the period at the end and inserting ''; and'';

(3) by inserting after clause (viii) the following new clause:

''(ix) any housing assistance program administered by the Department of Housing and Urban Development that involves initial and periodic review of an applicant's or participant's income, except that return infor-

mation may be disclosed under this clause only on written request by the Secretary of Housing and Urban Development and only for use by officers and employees of the Department of Housing and Urban Development with respect to applicants for and participants in such programs.''; and

(4) by adding at the end thereof the following: ''Clause (ix) shall not apply after September 30, 1998.''

(b) CONFORMING AMENDMENT.—The heading of paragraph (7) of section 6103(l) is amended by inserting after ''CODE'' the following: '', OR CERTAIN HOUSING ASSISTANCE PROGRAMS''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(d) STUDY.—The Secretary of the Treasury or his delegate, in consultation with the Secretary of Housing and Urban Development, shall conduct a study on—

(1) whether the information provided under section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 is being used effectively by the Department of Housing and Urban Development,

(2) such Department's compliance with the requirements of section 6103(p) of such Code, and

(3) the impact on the privacy rights of applicants for and participants in housing assistance programs administered by the Department of Housing and Urban Development.

The report of such study shall be submitted before January 1, 1998, to the Congress.

The amendment made by section 14002(a) to section 601(a)(2) of the Congressional Budget Act of 1974 is amended as follows:

(1) for fiscal year 1994, strike ''$472,925,000,000 and insert ''$468,425,000,000'' and strike ''$525,415,000,000 and insert ''$520,415,000,000'';

(2) for fiscal year 1995, strike ''$472,794,000,000'' and insert ''$468,214,000,000'' and strike ''$516,824,000,000'' and insert ''$511,824,000,000'';

(3) for fiscal year 1996, strike ''$481,678,000,000'' and insert ''$476,898,000,000'' and strike ''$514,782,000,000'' and insert ''$509,782,000,000'';

(4) for fiscal year 1997, strike ''$495,039,000,000'' and insert ''$490,259,000,000'' and strike ''$518,205,000,000'' and insert ''$513,205,000,000''; and

(5) for fiscal year 1998, strike ''$505,825,000,000'' and insert ''$500,975,000,000'' and strike ''$522,752,000,000'' and insert ''$517,752,000,000''.

At the end of title XIV, add the following new sections:

SEC. 14006. DESIGNATION OF AMOUNTS FOR REDUCTION OF PUBLIC DEBT.

(a) IN GENERAL.—Subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to returns and records) is amended by adding at the end the following new part:

''PART IX—DESIGNATION FOR REDUCTION OF PUBLIC DEBT

''Sec. 6097. Designation.

''SEC. 6097. DESIGNATION.

''(a) IN GENERAL.—Every individual with adjusted income tax liability for any taxable year may designate that a portion of such liability (not to exceed 10 percent thereof) shall be used to reduce the public debt.

''(b) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year only at the time of filing the return of tax imposed by chapter 1 for the taxable year. The designation shall be made on the first page of the return or on the page bearing the taxpayer's signature.

''(c) ADJUSTED INCOME TAX LIABILITY.—For purposes of this section, the term 'adjusted income tax liability' means income tax liability (as defined in section 6096(b)) reduced by any amount designated under section 6096 (relating to designation of income tax payments to Presidential Election Campaign Fund).''

(b) CLERICAL AMEDMENT.—The table of parts for such subchapter A is amended by adding at the end the following new item:

''Part IX. Designation for reduction of public debt.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 14007. PUBLIC DEBT REDUCTION TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following section:

''SEC. 9512. PUBLIC DEBT REDUCTION TRUST FUND.

''(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Public Debt Reduction Trust Fund', consisting of any amount appropriated or credited to the Trust Fund as provided in this section or section 9602(b).

''(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Public Debt Reduction Trust Fund amounts equivalent to the amounts designated under section 6097 (relating to designation for public debt reduction).

''(c) EXPENDITURES.—Amounts in the Public Debt Reduction Trust Fund shall be available only for purposes of paying at maturity, or to redeem or buy before maturity, any obligation of the Federal Government included in the public debt. Any obligation which is paid, redeemed, or bought with amounts from such Trust Fund shall be canceled and retired and may not be reissued.''

(b) CLERICAL AMENDEMNT.—The table of sections for such subchapter is amended by adding at the end the following new item:

''Sec. 9512. Public Debt Reduction Trust Fund.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after the date of the enactment of this Act.

SEC. 14008. TAXPAYER-GENERATED SEQUESTRATION OF FEDERAL SPENDING TO REDUCE THE PUBLIC DEBT.

(a) SEQUESTRATION TO REDUCE THE PUBLIC DEBT.—Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding after section 253 the following new section:

''SEC. 253A. SEQUESTRATION TO REDUCE THE PUBLIC DEBT.

''(a) SEQUESTRATION.—Notwithstanding sections 255 and 256, within 15 days after Congress adjourns to end a session, and on the same day as sequestration (if any) under sections 251, 252, and 253, but after any sequestration required by those sections, there shall be a sequestration equivalent to the estimated aggregate amount designated under section 6097 of the Internal Revenue Code of 1986 for the last taxable year ending before the beginning of that session of Congress, as estimated by the Department of the Treasury on May 1 and as modified by the total of (1) any amounts by which net discretionary spending is reduced by legislation below the discretionary spending limits (or, in the absence of such limits, any net deficit change from the baseline amount calculated under section 257, except that such baseline for fiscal year 1996 and thereafter shall be based upon fiscal year 1995 enacted appropriations less any 1995 sequesters) and (2) the net deficit change that has resulted from direct spending legislation.

''(b) APPLICABILITY.—

''(1) IN GENERAL.—Except as provided by paragraph (2), each account of the United States shall be reduced by a dollar amount calculated by multiplying the level of budgetary resources in that account at that time by the uniform percentage necessary to carry out subsection (a). All obligational authority reduced under this section shall be done in a manner that makes such reductions permanent.

''(2) EXEMPT ACCOUNTS.—No order issued under this part may—

''(A) reduce benefits payable the old-age, survivors, and disability insurance program established under title II of the Social Security Act;

''(B) reduce payments for net interest (all of major functional category 900); or

''(C) make any reduction in the following accounts:

''Federal Deposit Insurance Corporation, Bank Insurance Fund;

''Federal Deposit Insurance Corporation, FSLIC Resolution Fund;

''Federal Deposit Insurance Corporation, Savings Association Insurance Fund;

''National Credit Union Administration, credit union share insurance fund; or ''Resolution Trust Corporation.''.

(b) REPORTS.—Section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (a), by inserting before the item relating to August 10 the following:

''May 1 . . . Department of Treasury report to Congress estimating amount of income tax designated pursuant to section 6097 of the Internal Revenue Code of 1986.'';

(2) in subsection (d)(1), by inserting '', and sequestration to reduce the public debt,'';

(3) in subsection (d), by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

''(5) SEQUESTRATION TO REDUCE THE PUBLIC DEBT REPORTS.—The preview reports shall set forth for the budget year estimates for each of the following:

''(A) The aggregate amount designated under section 6097 of the Internal Revenue Code of 1986 for the last taxable year ending before the budget year.

''(B) The amount of reductions required under section 253A and the deficit remaining after those reductions have been made.

''(C) The sequestration percentage necessary to achieve the required reduction in accounts under section 253A(b).''; and

(4) in subsection (g), by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

''(4) SEQUESTRATION TO REDUCE THE PUBLIC DEBT REPORTS.—The final reports shall contain all of the information contained in the public debt taxation designation report required on May 1.''.

(c) EFFECTIVE DATE.—Notwithstanding section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the expiration date set forth in that section shall not apply to the amendments made by this section. The amendments made by this section shall cease to have any effect after the first fiscal year during which there is no public debt.

It was decided in the negative ..... { Yeas ..... 138 / Nays 295

¶63.14 [Roll No. 198]

AYES—138

Armey	Barton	Bunning
Bachus (AL)	Bilirakis	Buyer
Baker (CA)	Bliley	Calvert
Baker (LA)	Blute	Camp
Ballenger	Boehner	Castle
Bartlett	Bonilla	Clinger