

106TH CONGRESS  
2D SESSION

# H. R. 5192

To amend titles XIX and XXI of the Social Security Act to improve the coverage of needy children under the State Children’s Health Insurance Program (SCHIP) and the Medicaid Program.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 2000

Mr. WEYGAND introduced the following bill; which was referred to the Committee on Commerce

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## A BILL

To amend titles XIX and XXI of the Social Security Act to improve the coverage of needy children under the State Children’s Health Insurance Program (SCHIP) and the Medicaid Program.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; REFERENCES IN ACT; TABLE OF**  
4 **CONTENTS.**

5 (a) SHORT TITLE.—This Act may be cited as the  
6 “Medicaid and SCHIP Improvement and Flexibility Act  
7 of 2000”.

1 (b) REFERENCES TO SOCIAL SECURITY ACT.—Ex-  
 2 cept as otherwise expressly provided, whenever in this Act  
 3 an amendment or repeal is expressed in terms of an  
 4 amendment to, or repeal of, a section or other provision,  
 5 the reference shall be considered to be made to a section  
 6 or other provision of the Social Security Act.

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

- Sec. 1. Short title; references in Act; table of contents.
- Sec. 2. Simplified outreach and enrollment.
- Sec. 3. Family friendly coverage and enrollment.
- Sec. 4. Expanded coverage options.
- Sec. 5. Availability of fiscal year 1998 and fiscal year 1999 allotments under SCHIP.
- Sec. 6. Permitting increased share of SCHIP funds to be expended for prevention programs that ensure healthy childhoods and quality prenatal health care.
- Sec. 7. Use of SCHIP funds for enhanced matching rate for coverage of additional children under the medicaid program.

9 **SEC. 2. SIMPLIFIED OUTREACH AND ENROLLMENT.**

10 (a) USE OF UNIFORM APPLICATION AND COORDI-  
 11 NATED ENROLLMENT PROCESS.—

12 (1) SCHIP PROGRAM.—Section 2102 (42  
 13 U.S.C. 1397bb) is amended by adding at the end the  
 14 following new subsection:

15 “(d) DEVELOPMENT AND USE OF UNIFORM APPLI-  
 16 CATION FORMS AND COORDINATED ENROLLMENT PROC-  
 17 ESS.—A State child health plan shall provide, by not later  
 18 than the first day of the first month that begins more than  
 19 6 months after the date of the enactment of this sub-  
 20 section, for—

1           “(1) the development and use of a uniform,  
2           simplified application form which is used both for  
3           purposes of establishing eligibility for benefits under  
4           this title and also under title XIX; and

5           “(2) an enrollment process that is coordinated  
6           with that under title XIX so that a family need only  
7           interact with a single State agency in order to deter-  
8           mine whether a child is eligible for benefits under  
9           this title or title XIX and to apply for such bene-  
10          fits.”.

11           (2) MEDICAID CONFORMING AMENDMENT.—

12           (A) IN GENERAL.—Section 1902(a) (42  
13          U.S.C. 1396a(a)) is amended—

14           (i) by striking the period at the end of  
15          paragraph (65) and inserting “; and”, and

16           (ii) by inserting after paragraph (65)  
17          the following new paragraph:

18           “(66) provide, by not later than the first day of  
19          the first month that begins more than 6 months  
20          after the date of the enactment of this paragraph,  
21          in the case of a State with a State child health plan  
22          under title XXI for—

23           “(A) the development and use of a uni-  
24          form, simplified application form which is used  
25          both for purposes of establishing eligibility for

1 benefits under this title and also under title  
2 XXI; and

3 “(B) establishment and operation of an en-  
4 rollment process that is coordinated with that  
5 under title XXI so that a family need only  
6 interact with a single State agency in order to  
7 determine whether a child is eligible for benefits  
8 under this title or title XXI and to apply for  
9 such benefits.”.

10 (B) EFFECTIVE DATE.—The amendments  
11 made by subparagraph (A) apply to calendar  
12 quarters beginning more than 6 months after  
13 the date of the enactment of this Act.

14 (b) FINANCIAL INCENTIVES TO PROMOTE APPRO-  
15 PRIATE ENROLLMENT.—

16 (1) EXPANDED AVAILABILITY OF FUNDING FOR  
17 ADMINISTRATIVE COSTS RELATED TO OUTREACH  
18 AND ELIGIBILITY DETERMINATIONS.—Section  
19 1931(h) (42 U.S.C. 1396u–1(h)), as amended by  
20 section 602 of the Medicare, Medicaid, and SCHIP  
21 Balanced Budget Refinement Act of 1999 (113 Stat.  
22 1501A–394), as enacted into law by section  
23 1000(a)(6) of Public Law 106–113 is amended—

24 (A) in the matter preceding paragraph (1),  
25 by striking “TRANSITIONAL” and all that fol-

1           lows through “COSTS” and inserting “IN-  
2           CREASED FEDERAL MATCHING RATE FOR AD-  
3           MINISTRATIVE COSTS RELATED TO CERTAIN  
4           OUTREACH AND ELIGIBILITY DETERMINA-  
5           TIONS”;

6                   (B) in paragraph (2), by inserting “either”  
7           after “attributable” and by inserting before the  
8           period at the end the following: “or to adminis-  
9           trative costs of determinations of the eligibility  
10          of children and pregnant women for benefits  
11          under the State plan under this title or title  
12          XXI, outreach to children and pregnant women  
13          likely to be eligible for such benefits, and such  
14          other outreach- and eligibility-related activities  
15          as the Secretary may approve”; and

16                   (C) by adding at the end the following new  
17          paragraph:

18                   “(4) ENCOURAGING USE OF LOCAL AND COM-  
19          MUNITY-BASED ORGANIZATIONS IN OUTREACH AND  
20          ENROLLMENT ACTIVITIES.—The Secretary shall es-  
21          tablish a procedure under which, if States do not  
22          otherwise obligate the amounts made available under  
23          this subsection, local and community-based public or  
24          nonprofit organizations (including local and county  
25          governments, public health departments, community

1 health centers, children’s hospitals, and disproportion-  
2 tionate share hospitals) may seek to have adminis-  
3 trative costs relating to outreach and enrollment of  
4 children and pregnant women under this title and  
5 title XXI be treated and reimbursed as administra-  
6 tive costs of a State described in section 1903(a)(7),  
7 if such organizations have the permission of the  
8 State involved. A State may require such an organi-  
9 zation to provide payment of such amounts as the  
10 State would otherwise be responsible for in order to  
11 obtain payment under this paragraph.”.

12 (2) USE OF 3 PERCENT OF SCHIP FUNDS AT 90  
13 PERCENT FEDERAL MATCH FOR ENROLLMENT AND  
14 OUTREACH ACTIVITIES.—Section 2105(b) (42  
15 U.S.C. 1397ee(b)) is amended—

16 (A) by designating the matter following the  
17 dash as a paragraph (1) with appropriate in-  
18 dentation and with the heading “(1) IN GEN-  
19 ERAL”;

20 (B) by inserting “subject to paragraph  
21 (2)” after “(a)”;

22 (C) by striking “(1)” and “(2)” and in-  
23 serting “(A)” and “(B)”, respectively; and

24 (D) by adding at the end the following  
25 paragraph:

1           “(2) SPECIAL RULE FOR CERTAIN ENROLL-  
2           MENT AND OUTREACH ACTIVITIES.—

3           “(A) IN GENERAL.—For purposes of sub-  
4           section (a), in the case of a State that meets  
5           the requirement of subparagraph (B), and sub-  
6           ject to subparagraph (C), the ‘enhanced FMAP’  
7           is equal to 90 percent with respect to amounts  
8           expended on enrollment and outreach activities.

9           “(B) REQUIREMENTS.—Subparagraph (A)  
10          shall only apply to a State if the State meets  
11          the following requirements:

12          “(i) NO ASSET TEST.—The State does  
13          not impose an asset test for eligibility  
14          under the State child health plan or under  
15          section 1902(l) with respect to children.

16          “(ii) COMPLIANCE WITH  
17          OUTSTATIONING REQUIREMENT.—The Sec-  
18          retary finds that the State is providing for  
19          the receipt and initial processing of appli-  
20          cations of certain individuals at facilities  
21          defined as disproportionate share hospitals  
22          under section 1923(a)(1)(A) and Feder-  
23          ally-qualified health centers described in  
24          section 1905(1)(2)(B) consistent with the  
25          requirements of section 1902(a)(55).

1                   “(iii) COMPLIANCE WITH SIMPLIFIED  
2                   OUTREACH AND ENROLLMENT PROVI-  
3                   SIONS.—The Secretary finds that the State  
4                   is providing for outreach and enrollment  
5                   under this title and title XIX consistent  
6                   with the requirements of sections 2102(e),  
7                   2102(d), and 1902(a)(66).

8                   “(iv) ALLOWING MAIL AND TELE-  
9                   PHONE APPLICATIONS.—The State allows  
10                  applications for children under this title  
11                  and title XIX to be submitted by mail or  
12                  through telephone.

13                  “(C) LIMITATION TO 3 PERCENT OF AN-  
14                  NUAL ALLOTMENT.—Subparagraph (A) shall  
15                  not apply to amounts expended by a State in a  
16                  fiscal year in excess of 3 percent of the amount  
17                  of the amount of its allotment under section  
18                  2104 for that fiscal year.”.

19                  (3) EFFECTIVE DATE.—The amendments made  
20                  by this subsection take effect on the date of the en-  
21                  actment of this Act and apply to expenditures made  
22                  on or after the date of the enactment of this Act.

23                  (d) ADDITIONAL ENTITIES QUALIFIED TO DETER-  
24                  MINE MEDICAID PRESUMPTIVE ELIGIBILITY FOR LOW-IN-

1 COME CHILDREN.—Section 1920A(b)(3)(A)(i) (42 U.S.C.  
2 1396r-1a(b)(3)(A)(i)) is amended—

3 (1) by striking “or (II)” and inserting “, (II)”;

4 and

5 (2) by inserting “eligibility of a child for med-  
6 ical assistance under the State plan under this title,  
7 or eligibility of a child for child health assistance  
8 under the program funded under title XXI, (III) is  
9 an elementary school or secondary school, as such  
10 terms are defined in section 14101 of the Elemen-  
11 tary and Secondary Education Act of 1965 (20  
12 U.S.C. 8801), an elementary or secondary school op-  
13 erated or supported by the Bureau of Indian Affairs,  
14 a State child support enforcement agency, a child  
15 care resource and referral agency, or a State office  
16 or private contractor that accepts applications for or  
17 administers a program funded under part A of title  
18 IV or that determines eligibility for any assistance  
19 or benefits provided under any program of public or  
20 assisted housing that receives Federal funds, includ-  
21 ing the program under section 8 or any other section  
22 of the United States Housing Act of 1937 (42  
23 U.S.C. 1437 et seq.), or (IV) any other entity the  
24 State so deems” before the semicolon.

1 **SEC. 3. FAMILY FRIENDLY COVERAGE AND ENROLLMENT.**

2 (a) PROHIBITION OF WAITING PERIODS.—

3 (1) IN GENERAL.—Section 2102(b)(1)(B) (42  
4 U.S.C. 1397bb(b)(1)(B)) is amended—

5 (A) by striking “and” at the end of clause  
6 (i);

7 (B) by striking the period at the end of  
8 clause (ii) and inserting “; and”; and

9 (C) by adding at the end the following new  
10 clause:

11 “(iii) shall not permit the use of any  
12 mandatory waiting period (including any  
13 such period in order to carry out para-  
14 graph (3)(C)), unless the Secretary finds  
15 that the imposition of such a period would  
16 not be contrary to the provisions of this  
17 title.”.

18 (2) EFFECTIVE DATE.—The amendments made  
19 by paragraph (1) apply to assistance furnished on or  
20 after the date of the enactment of this Act.

21 (b) GRACE PERIOD BEFORE DISENROLLMENT FOR  
22 NONPAYMENT OF PREMIUMS.—

23 (1) IN GENERAL.—Section 2103(e) (42 U.S.C.  
24 1397ee(e)) is amended by adding at the end the fol-  
25 lowing new paragraph:

1           “(5) GOOD CAUSE WAIVER OF DISENROLLMENT  
2           FOR NONPAYMENT OF PREMIUMS.—The State child  
3           health plan shall establish rules allowing waiver for  
4           good cause of termination of enrollment for non-  
5           payment of premiums and shall establish an appeals  
6           process that includes a hearing and a 3-month grace  
7           period prior to termination of coverage and includes  
8           waiver of any late payment penalties when premium  
9           payments are made in full.”.

10           (2) EFFECTIVE DATE.—The amendment made  
11           by paragraph (1) applies to disenrollments occurring  
12           on or after the date that is 30 days after the date  
13           of the enactment of this Act.

14 **SEC. 4. EXPANDED COVERAGE OPTIONS.**

15           (a) AUTOMATIC REASSESSMENT OF ELIGIBILITY FOR  
16           SCHIP AND MEDICAID BENEFITS FOR CHILDREN LOS-  
17           ING MEDICAID OR SCHIP ELIGIBILITY.—

18           (1) LOSS OF MEDICAID ELIGIBILITY.—Section  
19           1902(a)(66) (42 U.S.C. 1396a(a)(66)), as inserted  
20           by section 2(a)(2), is amended—

21                   (A) by striking “and” at the end of sub-  
22                   paragraph (B),

23                   (B) by striking the period at the end of  
24                   subparagraph (C) and inserting “; and”; and

1 (C) by adding at the end the following new  
2 subparagraph:

3 “(D) the automatic assessment, in the case  
4 of a child who loses eligibility for medical assist-  
5 ance under this title on the basis of changes in  
6 income, assets, or age, of whether the child is  
7 eligible for benefits under title XXI.”.

8 (2) LOSS OF SCHIP ELIGIBILITY.—Section  
9 2102(b)(3) (42 U.S.C. 1397bb(b)(3)) is amended by  
10 redesignating subparagraphs (D) and (E) as sub-  
11 paragraphs (E) and (F), respectively, and by insert-  
12 ing after subparagraph (C) the following new sub-  
13 paragraph:

14 “(D) that there is an automatic assess-  
15 ment, in the case of a child who loses eligibility  
16 for child health assistance under this title on  
17 the basis of changes in income, assets, or age,  
18 of whether the child is eligible for medical as-  
19 sistance under title XIX;”.

20 (3) EFFECTIVE DATE.—The amendments made  
21 by paragraphs (1) and (2) apply to children who lose  
22 eligibility under the medicaid program under title  
23 XIX, or under a State child health insurance plan  
24 under title XXI, respectively, of the Social Security

1 Act on or after the date that is 30 days after the  
2 date of the enactment of this Act.

3 (b) OPTIONAL COVERAGE OF LOW-INCOME, UNIN-  
4 SURED PREGNANT WOMEN UNDER A STATE CHILD  
5 HEALTH PLAN.—

6 (1) IN GENERAL.—Title XXI is amended by  
7 adding at the end the following new section:

8 **“SEC. 2111. OPTIONAL COVERAGE OF LOW-INCOME, UNIN-  
9 SURED PREGNANT WOMEN.**

10 “(a) OPTIONAL COVERAGE.—Notwithstanding any  
11 other provision of this title, a State child health plan may  
12 provide for coverage of pregnancy-related assistance for  
13 targeted low-income pregnant women in accordance with  
14 this section, but only if the State has established an in-  
15 come eligibility level under section 1902(l)(2)(A) for  
16 women described in section 1902(l)(1)(A) that is 185 per-  
17 cent of the income official poverty line.

18 “(b) DEFINITIONS.—For purposes of this section:

19 “(1) PREGNANCY-RELATED ASSISTANCE.—The  
20 term ‘pregnancy-related assistance’ has the meaning  
21 given the term child health assistance in section  
22 2110(a) as if any reference to targeted low-income  
23 children were a reference to targeted low-income  
24 pregnant women, except that the assistance shall be  
25 limited to services related to pregnancy (which in-

1       clude prenatal, delivery, and postpartum services)  
2       and to other conditions that may complicate preg-  
3       nancy and shall not include prepregnancy services  
4       and supplies.

5           “(2) TARGETED LOW-INCOME PREGNANT  
6       WOMAN.—The term ‘targeted low-income pregnant  
7       woman’ has the meaning given the term targeted  
8       low-income child in section 2110(b) as if any ref-  
9       erence to a child were deemed a reference to a  
10      woman during pregnancy and through the end of the  
11      month in which the 60-day period (beginning on the  
12      last day of her pregnancy) ends.

13          “(c) REFERENCES TO TERMS AND SPECIAL  
14      RULES.—In the case of, and with respect to, a State pro-  
15      viding for coverage of pregnancy-related assistance to tar-  
16      geted low-income pregnant women under subsection (a),  
17      the following special rules apply:

18           “(1) Any reference in this title (other than sub-  
19      section (b)) to a targeted low income child is deemed  
20      to include a reference to a targeted low-income preg-  
21      nant woman.

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

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

4           “(4) The medicaid applicable income level is  
5 deemed a reference to the income level established  
6 under section 1902(l)(2)(A).

7           “(5) Subsection (a) of section 2103 (relating to  
8 required scope of health insurance coverage) shall  
9 not apply insofar as a State limits coverage to serv-  
10 ices described in subsection (b)(1) and the reference  
11 to such section in section 2105(a)(1) is deemed not  
12 to require, in such case, compliance with the require-  
13 ments of section 2103(a).

14           “(6) There shall be no exclusion of benefits for  
15 services described in subsection (b)(1) based on any  
16 pre-existing condition and no waiting period (includ-  
17 ing any waiting period imposed to carry out section  
18 2102(b)(3)(C)) shall apply.

19           “(d) NO IMPACT ON ALLOTMENTS.—Nothing in this  
20 section shall be construed as affecting the amount of any  
21 initial allotment provided to a State under section  
22 2104(b).

23           “(e) APPLICATION OF FUNDING RESTRICTIONS.—  
24 The coverage under this section (and the funding of such  
25 coverage) is subject to the restrictions of section 2105(c).

1       “(f) AUTOMATIC ENROLLMENT FOR CHILDREN  
2 BORN TO WOMEN RECEIVING PREGNANCY-RELATED AS-  
3 SISTANCE.—Notwithstanding any other provision of this  
4 title or title XIX, if a child is born to a targeted low-in-  
5 come pregnant woman who was receiving pregnancy-re-  
6 lated assistance under this section on the date of the chil-  
7 dren’s birth, the child shall be deemed to have applied for  
8 child health assistance under the State child health plan  
9 and to have been found eligible for such assistance under  
10 such plan (or, in the case of a State that provides such  
11 assistance through the provision of medical assistance  
12 under a plan under title XIX, to have applied for medical  
13 assistance under such title and to have been found eligible  
14 for such assistance under such title) on the date of such  
15 birth and to remain eligible for such assistance until the  
16 child attains 1 year of age so long as the child is a member  
17 of the woman’s household and the woman remains (or  
18 would remain if pregnant) eligible for such assistance.”.

19           (2) STATE OPTION TO USE ENHANCED FMAP  
20 FOR COVERAGE OF ADDITIONAL PREGNANT WOMEN  
21 UNDER THE MEDICAID PROGRAM.—Section 1905 (42  
22 U.S.C. 1396d) is amended—

23           (A) in subsection (b), by inserting “and in  
24 the case of a State plan that meets the condi-  
25 tion described in subsections (u)(1) and

1 (u)(4)(A), with respect to expenditures de-  
2 scribed in subsection (u)(4)(B) for the State for  
3 a fiscal year” after “for a fiscal year,”;

4 (B) by redesignating paragraph (4) of sub-  
5 section (u) as paragraph (5); and

6 (C) by inserting after paragraph (3) of  
7 subsection (u) the following new paragraph:

8 “(4)(A) The condition described in this subparagraph  
9 for a State plan is that the plan has established an income  
10 level under section 1902(l)(2)(A) with respect to individ-  
11 uals described in section 1902(l)(1)(A) that is 185 percent  
12 of the income official poverty line.

13 “(B) For purposes of subsection (b), the expenditures  
14 described in this paragraph are expenditures for medical  
15 assistance for women described in section 1902(l)(1)(A)  
16 whose income exceeds the income level established for such  
17 women under section 1902(l)(2)(A)(i) as of the date of  
18 the enactment of this paragraph but does not exceed 185  
19 percent of the income official poverty line.”.

20 (3) CONFORMING AMENDMENTS.—Section  
21 2102(b)(1)(B) (42 U.S.C. 1397bb(b)(1)(B)) is  
22 amended—

23 (A) by striking “and” at the end of clause  
24 (i);

1 (B) by striking the period at the end of  
2 clause (ii) and inserting “; and”; and

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

5 “(iii) may not apply a waiting period  
6 (including a waiting period to carry out  
7 paragraph (3)(C)) in the case of a targeted  
8 low-income child who is pregnant, if the  
9 State provides for coverage of pregnancy-  
10 related assistance for targeted low-income  
11 pregnant women in accordance section  
12 2111.”.

13 (4) EFFECTIVE DATE.—The amendments made  
14 by this subsection take effect on the date of the en-  
15 actment of this Act and apply to allotments for all  
16 fiscal years.

17 (c) STATE OPTION FOR COVERAGE OF QUALIFIED  
18 ALIEN CHILDREN UNDER MEDICAID AND CHILDREN’S  
19 HEALTH INSURANCE PROGRAMS.—

20 (1) MEDICAID.—

21 (A) CATEGORICALLY NEEDY.—Section  
22 1902(a)(10)(a)(ii) (42 U.S.C.  
23 1396a(a)(10)(A)(ii)) is amended—

24 (i) by striking “or” at the end of sub-  
25 clause (XIII);

1 (ii) by adding “or” at the end of sub-  
2 clause (XIV); and

3 (iii) by adding at the end the fol-  
4 lowing new subclause:

5 “(XV) who are described in sec-  
6 tion 1905(a)(i) and who would be eli-  
7 gible for medical assistance (or for a  
8 greater amount of medical assistance)  
9 under the State plan under this title  
10 but for the provisions of section 403  
11 or section 421 of Public Law 104–  
12 193, but the State may not exercise  
13 the option of providing medical assist-  
14 ance under this subclause with respect  
15 to a subcategory of individuals de-  
16 scribed in this subclause;”.

17 (B) MEDICALLY NEEDY.—Section  
18 1902(a)(10)(C)(i)(I) (42 U.S.C.  
19 1396a(a)(10)(C)(i)(I)) is amended by inserting  
20 “(and such criteria may provide for eligibility of  
21 individuals described in subparagraph  
22 (A)(ii)(XV))” after “medical assistance”.

23 (2) CHILDREN’S HEALTH INSURANCE PRO-  
24 GRAM.—Section 2110(b) (42 U.S.C. 1397jj(b)) is  
25 amended—

1 (A) in paragraph (1)(A), by inserting be-  
2 fore the semicolon “(including, at the option of  
3 the State, a child described in paragraph  
4 (3)(B))”; and

5 (B) in paragraph (3)—

6 (i) by striking “SPECIAL RULE.—”  
7 and inserting “SPECIAL RULES.—

8 “(i) HEALTH INSURANCE COV-  
9 ERAGE.—” by indenting the remainder of  
10 the text accordingly; and

11 (ii) by adding at the end the following  
12 new subparagraph:

13 “(B) ELIGIBILITY FOR QUALIFIED ALIEN  
14 CHILDREN.—For purposes of paragraph (1)(A),  
15 a child is described in this subparagraph if—

16 “(i) the child would be determined eli-  
17 gible for child health assistance under this  
18 title but for any or all of the provisions of  
19 sections 403 and 421 of Public Law 104–  
20 193; and

21 “(ii) the State exercises the option to  
22 provide medical assistance to the category  
23 of individuals described in section  
24 1902(a)(10)(A)(ii)(XV).”.

1           (3) PROHIBITION ON SEEKING SUPPORT FROM  
2 SPONSOR.—Section 213A(b) of the Immigration and  
3 Nationality Act (8 U.S.C. 1183a(b)) is amended by  
4 adding at the end the following new paragraph:

5           “(4) EXCEPTION FOR CHILD MEDICAID OR  
6 SCHIP ASSISTANCE.—The preceding provisions of  
7 this subsection shall not apply to—

8           “(A) medical assistance furnished under  
9 the State plan under title XIX of the Social Se-  
10 curity Act to an individual eligible for such as-  
11 sistance because of subclause (XV) of para-  
12 graph (10)(A)(ii) of section 1902(a) of such Act  
13 (42 U.S.C. 1396a(a)) or because of the ref-  
14 erence to such subclause in paragraph (10)(C)  
15 of such section; or

16           “(B) child health assistance furnished  
17 under the State child health plan under title  
18 XXI of such Act to a child eligible for such as-  
19 sistance because of the provisions of section  
20 2110(b)(3)(B) of such Act (42 U.S.C.  
21 1397jj(b)(3)(B)).”.

22           (d) ELIMINATION OF FUNDING OFFSET FOR EXER-  
23 CISE OF PRESUMPTIVE ELIGIBILITY OPTION.—

24           (1) IN GENERAL.—Section 2104(d) (42 U.S.C.  
25 1397dd(d)) is amended by striking “shall be reduced

1 by the sum of” and all that follows through “(2) the  
2 amount of payments under such section” and insert-  
3 ing “shall be reduced by the amount of payments  
4 under section 1903(a)(1)”.

5 (2) EFFECTIVE DATE.—The amendment made  
6 by paragraph (1) first applies for allotments for fis-  
7 cal year 2001.

8 (f) PROGRAM COORDINATION WITH THE MATERNAL  
9 AND CHILD HEALTH PROGRAM (TITLE V).—

10 (1) IN GENERAL.—Section 2102(b)(3) (42  
11 U.S.C. 1397bb(b)(3)) is amended—

12 (A) by striking “and” at the end of sub-  
13 paragraph (D);

14 (B) by striking the period at the end of  
15 subparagraph (E) and inserting “; and”; and

16 (C) by adding at the end the following new  
17 subparagraph:

18 “(F) that operations and activities under  
19 this title are developed and implemented in con-  
20 sultation and coordination with the program op-  
21 erated by the State under title V in areas in-  
22 cluding outreach and enrollment, benefits and  
23 services, service delivery standards, public  
24 health and social service agency relationships,  
25 and quality assurance and data reporting.”.

1           (2) CONFORMING MEDICAID AMENDMENT.—  
2       Section 1902(a)(11) (42 U.S.C. 1306a(a)(11)) is  
3       amended—

4           (A) by striking “and” before “(C)”; and

5           (B) by inserting before the semicolon at  
6       the end the following: “, and (D) provide that  
7       operations and activities under this title are de-  
8       veloped and implemented in consultation and  
9       coordination with the program operated by the  
10      State under title V in areas including outreach  
11      and enrollment, benefits and services, service  
12      delivery standards, public health and social  
13      service agency relationships, and quality assur-  
14      ance and data reporting”.

15          (3) EFFECTIVE DATE.—The amendments made  
16      by this subsection take effect on January 1, 2001.

17   **SEC. 5. AVAILABILITY OF FISCAL YEAR 1998 AND FISCAL**  
18                   **YEAR 1999 ALLOTMENTS UNDER SCHIP.**

19      Notwithstanding subsection (e) of section 2104 of the  
20      Social Security Act (42 U.S.C. 1397dd), amounts allotted  
21      to a State under that section for each of fiscal years 1998  
22      and 1999 shall remain available through September 30,  
23      2002.

1 **SEC. 6. PERMITTING INCREASED SHARE OF SCHIP FUNDS**  
2 **TO BE EXPENDED FOR PREVENTION PRO-**  
3 **GRAMS THAT ENSURE HEALTHY CHILD-**  
4 **HOODS AND QUALITY PRENATAL HEALTH**  
5 **CARE.**

6 Section 2105(c)(2) (42 U.S.C. 1397ee(c)(2)) is  
7 amended by adding at the end the following new subpara-  
8 graph:

9 “(C) EXCEPTION FOR OUTREACH AND  
10 PREVENTION PROGRAMS IN STATES WITH SUB-  
11 STANTIAL ENROLLMENT AND THAT WOULD NOT  
12 OTHERWISE USE FULL ALLOTMENT.—

13 “(i) IN GENERAL.—In the case of a  
14 State described in clause (ii)—

15 “(I) the limitation under sub-  
16 paragraph (A) on expenditures for  
17 items described in subparagraphs (B)  
18 or (C) of subsection (a)(2) shall not  
19 apply, but only up to 30 percent of  
20 the sum described in subparagraph  
21 (A); and

22 “(II) in applying subparagraph  
23 (B) of subsection (a)(2), activities un-  
24 dertaken by the State in conjunction  
25 with the Centers for Disease Control  
26 and Prevention to carry out activities

1 to promote health pregnancies and  
2 healthy children shall be treated as  
3 expenditures described in such sub-  
4 paragraph, subject to the limitation  
5 under subclause (I) of this clause.

6 “(ii) STATE DESCRIBED.—A State de-  
7 scribed in this clause is a State that estab-  
8 lishes to the satisfaction of the Secretary  
9 that—

10 “(I) the State provides for an in-  
11 come level under section  
12 2110(b)(1)(B)(i)(I) that is not less  
13 than 200 percent of the poverty line;

14 “(II) the State does not provide  
15 for any waiting list for enrollment  
16 under this title;

17 “(III) the State has enrolled  
18 under this title and title XIX at least  
19 70 percent of the children eligible for  
20 enrollment under such titles; and

21 “(IV) without the application of  
22 this subparagraph, the State will not  
23 be able to expend all the funds allot-  
24 ted to it under this title.

1           The Secretary may waive the requirement  
2           of subclause (III) where the State dem-  
3           onstrates to the satisfaction of the Sec-  
4           retary that the State has made all possible  
5           efforts to achieve the enrollment level spec-  
6           ified in the subclause.

7           “(iii) PUBLIC-PRIVATE PARTNER-  
8           SHIPS.—In conducting activities under  
9           clause (i), a State may build partnerships  
10          with outside organization whose primary  
11          goal involves the healthy development of  
12          mothers and children and may act to oth-  
13          erwise eradicate illnesses and environ-  
14          mental factors that impact these groups.

15          “(iv) ADDITIONAL PAYMENTS.—The  
16          provisions of this subparagraph apply in  
17          addition to the expenditures permitted  
18          under subparagraph (A) for items de-  
19          scribed in subparagraphs (B) and (C) of  
20          subsection (a)(2).”.

21 **SEC. 7. USE OF SCHIP FUNDS FOR ENHANCED MATCHING**  
22 **RATE FOR COVERAGE OF ADDITIONAL CHIL-**  
23 **DREN UNDER THE MEDICAID PROGRAM.**

24          (a) IN GENERAL.—Section 1905 (42 U.S.C. 1396d),  
25 as amended by section 4(b)(2), is amended—

1           (1) in subsection (b), by striking “or subsection  
2           (u)(3)” and inserting “, subsection (u)(3), or sub-  
3           section (u)(5)(A)”; and

4           (2) in subsection (u)—

5                 (A) by redesignating paragraph (5) as  
6                 paragraph (6); and

7                 (B) by inserting after paragraph (4) the  
8                 following new paragraph:

9           “(5)(A) For purposes of subsection (b), the expendi-  
10          tures described in this subparagraph are expenditures for  
11          medical assistance for waived low-income children de-  
12          scribed in subparagraph (B) but—

13                 “(i) only in the case of children residing in a  
14                 State described in subparagraph (C); and

15                 “(ii) only to the extent the number of full-year  
16                 equivalent waived low-income children enrolled  
17                 under the State plan under this title for the fiscal  
18                 year exceeds the number of waived low-income  
19                 children described in subparagraph (D)(i) for the  
20                 State for the fiscal year.

21           “(B) For purposes of this paragraph, the term  
22          ‘waived low-income child’ means a child whose family in-  
23          come exceeds the minimum income level required to be es-  
24          tablished for the age of such child under section  
25          1902(l)(2) in order for the child to be eligible for medical

1 assistance under this title, but does not exceed the med-  
2 icaid applicable income level (as defined in section  
3 2110(b)(4) but determined as if ‘June 1, 1997’ were sub-  
4 stituted for ‘March 31, 1997’) for that child.

5 “(C) A State described in this subparagraph is a  
6 State that—

7 “(i) has under a waiver authorized by the Sec-  
8 retary or under section 1902(r)(2) established and is  
9 using a medicaid applicable income level (as defined  
10 in section 2110(b)(4) but determined as if ‘June 1,  
11 1997’ were substituted for ‘March 31, 1997’) for  
12 children under 19 years of age residing in the State  
13 that is at or above 200 percent of the poverty line;  
14 and

15 “(ii) demonstrates to the satisfaction of the  
16 Secretary that the State has taken all of the fol-  
17 lowing actions to reach and enroll children who are  
18 eligible for, but not enrolled under, the State plan:

19 “(I) Eliminating the assets test for eligi-  
20 bility of waived low-income children.

21 “(II) Using shortened and simplified appli-  
22 cations for such children.

23 “(III) Allowing applications for such chil-  
24 dren to be submitted by mail or through tele-  
25 phone.

1           “(IV) Outstationing State eligibility work-  
2           ers at sites that are frequented by families with  
3           children, including schools, child care centers,  
4           churches, centers providing Head Start services,  
5           local offices of the special supplemental food  
6           program for women, infants and young children  
7           (WIC) established under section 17 of the Child  
8           Nutrition Act of 1966, community centers, Job  
9           Corps centers established under part B of title  
10          IV of the Job Training Partnership Act or sub-  
11          title C of title I of the Workforce Investment  
12          Act of 1998, sites offering the recognized equiv-  
13          alent of a secondary school degree, offices of  
14          tribal organizations (as defined in section 4(l)  
15          of the Indian Self-Determination and Education  
16          Assistance Act), and Social Security Adminis-  
17          tration field offices.

18           “(V) Using presumptive eligibility for  
19          waivered low-income children.

20           “(VI) Collaborating with public and private  
21          entities to conduct outreach campaigns to enroll  
22          such children.

23          “(D)(i) For purposes of subparagraph (A)(ii), the  
24          number of waived low-income children for a State de-  
25          scribed in this clause for—

1           “(I) fiscal year 1998, is equal to the number of  
2 full-year equivalent waived low-income children en-  
3 rolled under the State plan under this title for fiscal  
4 year 1997; and

5           “(II) fiscal year 1999 or a succeeding fiscal  
6 year, is equal to the number of waived low-income  
7 children determined under this clause for the pre-  
8 ceding fiscal year increased by the number of per-  
9 centage points determined under clause (ii) for the  
10 State for the fiscal year involved.

11          “(ii) The number of percentage points determined  
12 under this clause for a State for a fiscal year is equal to  
13 the number of percentage points by which—

14           “(I) the arithmetic average of the total number  
15 of children in the State set forth in the 3 most re-  
16 cent March supplements to the Current Population  
17 Survey of the Bureau of the Census before the be-  
18 ginning of the fiscal year; exceeds

19           “(II) the arithmetic average of such total num-  
20 ber set forth in the second, third, and fourth most  
21 recent March supplements to such Survey before the  
22 beginning of the fiscal year.

23          “(E) Each State shall submit to the Secretary such  
24 information, at such time and in such manner, as the Sec-  
25 retary determines is necessary to ensure that the require-

1 ments of this paragraph are satisfied. The Secretary shall  
2 ensure that information is provided under this subsection  
3 in a manner that is consistent with other reporting re-  
4 quirements for information required to be submitted by  
5 a State under this title and title XXI, and avoids duplica-  
6 tion of reporting requirements.

7 “(F) The Secretary shall regularly examine the pay-  
8 ments made to a State for the expenditures described in  
9 subparagraph (A) to confirm that the payments are attrib-  
10 utable to expenditures described in such subparagraph.”.

11 (b) CONFORMING AMENDMENT.—Section  
12 1902(a)(10)(A)(ii)(XIV) (42 U.S.C.  
13 1396a(a)(10)(A)(ii)(XIV)) is amended by striking  
14 “1905(u)(2)(C)” and inserting “1905(u)(2)(B)”.

15 (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall be effective as if included in the enact-  
17 ment of section 4911 of the Balanced Budget Act of 1997  
18 (Public Law 105–33; 111 Stat. 570).

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