

105TH CONGRESS
2D SESSION

H. R. 4767

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.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 9, 1998

Ms. DEGETTE introduced the following bill; which was referred to the Committee on Commerce

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 “Improved Children's Health Coverage Act of 1998”.

7 (b) REFERENCES TO SOCIAL SECURITY ACT.—Ex-
8 cept as otherwise expressly provided, whenever in this Act

1 an amendment or repeal is expressed in terms of an
 2 amendment to, or repeal of, a section or other provision,
 3 the reference shall be considered to be made to a section
 4 or other provision of the Social Security Act.

5 (c) TABLE OF CONTENTS.—The table of contents of
 6 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.

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

8 (a) USE OF UNIFORM APPLICATION AND COORDI-
 9 NATED ENROLLMENT PROCESS.—

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

13 “(d) DEVELOPMENT AND USE OF UNIFORM APPLI-
 14 CATION FORMS AND COORDINATED ENROLLMENT PROC-
 15 ESS.—

16 “(1) IN GENERAL.—A State child health plan
 17 shall provide, by not later than October 1, 1999,
 18 for—

19 “(A) the development and use of a uni-
 20 form, simplified application form which is used
 21 both for purposes of establishing eligibility for
 22 benefits under this title and also under title
 23 XIX;

“(B) an enrollment process that is coordinated with that under title XIX so that a family need only interact with a single agency in order to determine whether a child is eligible for benefits under this title or title XIX; and

“(C) acceptance and timely response to telephone inquiries and other electronic communications received through the national toll-free system established under section 3 of the Improved Children’s Health Coverage Act of 1998.”.

(2) MEDICAID CONFORMING AMENDMENT.—

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

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

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

“(66) provide, by not later than October 1, 1999, in the case of a State with a State child health plan under title XXI for—

“(A) the development and use of a uniform, simplified application form which is used both for purposes of establishing eligibility for

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

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 agency in order to deter-
7 mine whether a child is eligible for benefits
8 under this title or title XXI; and

9 “(C) acceptance and timely response to
10 telephone inquiries and other electronic commu-
11 nications received through the national toll-free
12 system established under section 3 of the Im-
13 proved Children’s Health Coverage Act of
14 1998.”.

15 (B) EFFECTIVE DATE.—The amendments
16 made by subparagraph (A) apply to calendar
17 quarters beginning on or after October 1, 1999.

18 (b) NATIONAL TOLL-FREE INFORMATION LINE.—
19 The Secretary of Health and Human Services shall estab-
20 lish, in coordination with State agencies responsible for
21 administration of State Medicaid and child health insur-
22 ance programs and by not later than October 1, 1999,
23 for a national toll-free telephone number that individuals
24 may access to obtain information on coverage of children
25 under such programs.

1 (c) FINANCIAL INCENTIVES TO PROMOTE APPRO-
2 PRIATE ENROLLMENT.—

3 (1) ELIMINATING LIMITATION ON ADMINISTRA-
4 TIVE EXPENDITURES FOR ENROLLMENT AND OUT-
5 REACH ACTIVITIES.—Section 2105 (42 U.S.C.
6 1397ee) is amended—

7 (A) in subsection (a)(2)(D), by striking the
8 period and inserting the following: “, including
9 costs to administer section 2102(d) regardless
10 of whether such expenditures might also be re-
11 lated to the administration of title XIX.

12 The Secretary shall permit common administrative ex-
13 penditures described in paragraph (2)(D) between this
14 title and title XIX to be paid for under this title.”;

15 (B) in subsection (c)(2)(A), by striking
16 “paragraph (1)” and inserting “paragraphs (1)
17 and (2)(C)”;

18 (C) by adding at the end of subsection
19 (c)(2) the following:

20 “(C) EXCEPTION FOR COORDINATED OUT-
21 REACH AND ENROLLMENT EXPENDITURES.—

22 The limitation under subparagraph (A) on ex-
23 penditures for items described in subsection
24 (a)(2) shall not apply to reasonable administra-
25 tive costs incurred in carrying out section

1 2102(d) or described in the last sentence of
2 subsection (a).”.

3 (2) ADDITIONAL ACTIVITIES TO ASSURE APPRO-
4 PRIATE ENROLLMENT.—Section 2105 is further
5 amended by adding at the end the following new
6 subsection:

7 “(e) AUDITS OF ENROLLMENT PROCESSES; DIS-
8 ALLOWANCE BASED ON SUCH AUDITS.—

9 “(1) PERIODIC AUDITS.—Each State shall pro-
10 vide for periodic independent audits of the enroll-
11 ment practices to determine the extent to which chil-
12 dren provided assistance under this title are eligible
13 for medical assistance under title XIX (and, there-
14 fore, should be provided assistance under that title
15 rather than under this title).

16 “(2) DISALLOWANCE BASED ON EXTRAPO-
17 LATION OF AUDIT RESULTS.—Insofar as an audit
18 under paragraph (1) finds that the proportion of
19 children provided assistance in a State under this
20 title are eligible for medical assistance under title
21 XIX exceeds 5 percent, the Secretary shall provide
22 that the reference to the enhanced FMAP in sub-
23 section (a) shall be treated as a reference to the
24 Federal medical assistance percentage (as defined in
25 the first sentence of section 1905(b)) with respect to

1 expenditures for child health assistance for such ex-
 2 cess proportion of child health assistance.”.

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

7 (d) ADDITIONAL ENTITIES QUALIFIED TO DETER-
 8 MINE MEDICAID PRESUMPTIVE ELIGIBILITY FOR LOW-IN-
 9 COME CHILDREN.—

10 (1) Section 1920A(b)(3)(A)(i) (42 U.S.C.
 11 1396r–1a(b)(3)(A)(i)) is amended—

12 (A) by striking “or (II)” and inserting “,
 13 (II)”; and

14 (B) by inserting “eligibility of a child for
 15 medical assistance under the State plan under
 16 this title, or eligibility of a child for child health
 17 assistance under the program funded under
 18 title XXI, or (III) is an elementary school or
 19 secondary school, as such terms are defined in
 20 section 14101 of the Elementary and Secondary
 21 Education Act of 1965 (20 U.S.C. 8801), an el-
 22 elementary or secondary school operated or sup-
 23 ported by the Bureau of Indian Affairs, a State
 24 child support enforcement agency, a child care
 25 resource and referral agency, or a State office

1 or private contractor that accepts applications
 2 for or administers a program funded under part
 3 A of title IV or that determines eligibility for
 4 any assistance or benefits provided under any
 5 program of public or assisted housing that re-
 6 ceives Federal funds, including the program
 7 under section 8 or any other section of the
 8 United States Housing Act of 1937 (42 U.S.C.
 9 1437 et seq.)” before the semicolon.

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

11 (a) ASSURING COORDINATION OF PEDIATRIC PRO-
 12 VIDERS WITHIN A FAMILY.—

13 (1) IN GENERAL.—Section 2103 (42 U.S.C.
 14 1397cc) is amended by adding at the end the follow-
 15 ing new subsection:

16 “(g) STEPS TAKEN TO COORDINATE PROVISION OF
 17 PEDIATRIC CARE WITHIN A FAMILY.—A State child
 18 health plan—

19 “(1) shall specify methods being used to ensure
 20 that children within a family who are eligible for as-
 21 sistance under the plan (or under a State plan under
 22 title XIX) are allowed to be seen by the same pedia-
 23 trician or group of pediatricians in a manner that
 24 permits the coordinated receipt of care by children
 25 in the same family; and

1 “(2) shall include a description of such methods
 2 in each annual report submitted under section
 3 2108(a).”.

4 (2) EFFECTIVE DATE.—The amendment made
 5 by paragraph (1) applies on the date of the enact-
 6 ment of this Act and to reports submitted for years
 7 beginning with 1999.

8 (b) REDUCTION IN BURDEN OF ADMINISTERING
 9 COST-SHARING PROVISIONS.—

10 (1) STATE RESPONSIBLE FOR ASSURING CAP
 11 ON COST-SHARING NOT EXCEEDED.—Section
 12 2103(e)(3) (42 U.S.C. 1397cc(e)(3)) is amended by
 13 adding at the end the following new subparagraph:

14 “(C) STATE AND CONTRACTORS RESPON-
 15 SIBLE FOR APPLYING LIMITATIONS ON COST-
 16 SHARING.—The State child health plan shall
 17 provide that responsibility for assuring compli-
 18 ance with the limitations on cost-sharing under
 19 this paragraph falls on the State and on its
 20 contractors, and not on beneficiaries and their
 21 families.”.

22 (2) STATE OPTION OF FLAT LIMIT ON OUT-OF-
 23 POCKET EXPENDITURES.—Section 2103(e)(3)(B)
 24 (42 U.S.C. 1397cc(e)(3)(B)) is amended by insert-
 25 ing before the period at the end the following: “(or,

1 at the option of a State, a limiting amount which is
2 not greater than \$500)”.
3

4 (3) EFFECTIVE DATE.—The amendment made
5 by paragraph (1) takes effect on the date that is 30
6 days after the date of the enactment of this Act.

7 (c) PROHIBITION OF WAITING PERIODS.—

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

10 (A) by striking “and” at the end of clause

11 (i);

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

14 (C) by adding at the end the following new
15 clause:

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

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

1 (d) GRACE PERIOD AND PRIOR NOTICE BEFORE
2 DISENROLLMENT FOR NONPAYMENT OF PREMIUMS.—

3 (1) IN GENERAL.—Section 2103(e) (42 U.S.C.
4 1397ee(e)) is amended by adding at the end the fol-
5 lowing new paragraph:

6 “(5) GRACE PERIOD.—Before disenrolling a
7 child under a State child health plan for non-
8 payment of a premium, the plan shall provide for
9 notice in writing to the family involved and a grace
10 period (of not less than 30 days) in which payment
11 may be made without disenrollment.”.

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

16 **SEC. 4. EXPANDED COVERAGE OPTIONS.**

17 (a) AUTOMATIC REASSESSMENT OF ELIGIBILITY FOR
18 SCHIP BENEFITS FOR CHILDREN LOSING MEDICAID
19 ELIGIBILITY.—

20 (1) IN GENERAL.—Section 1902(a)(66) (42
21 U.S.C. 1396a(a)(66)), as inserted by section 2(a)(2),
22 is amended—

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

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

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

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

10 (2) EFFECTIVE DATE.—The amendments made
 11 by paragraph (1) apply to children who lose eligi-
 12 bility under the medicaid program under title XIX
 13 of the Social Security Act on or after the date that
 14 is 30 days after the date of the enactment of this
 15 Act.

16 (b) OPTIONAL COVERAGE OF LOW-INCOME, UNIN-
 17 SURED PREGNANT WOMEN UNDER A STATE CHILD
 18 HEALTH PLAN.—

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

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

23 “(a) OPTIONAL COVERAGE.—Notwithstanding any
 24 other provision of this title, a State child health plan may
 25 provide for coverage of pregnancy-related assistance for

1 targeted low-income pregnant women in accordance with
2 this section.

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

4 “(1) PREGNANCY-RELATED ASSISTANCE.—The
5 term ‘pregnancy-related assistance’ has the meaning
6 given the term child health assistance in section
7 2110(a) as if any reference to targeted low-income
8 children were a reference to targeted low-income
9 pregnant women, except that the assistance shall be
10 limited to services related to pregnancy (which in-
11 clude prenatal, delivery, and postpartum services)
12 and to other conditions that may complicate preg-
13 nancy and shall not include prepregnancy services
14 and supplies.

15 “(2) TARGETED LOW-INCOME PREGNANT
16 WOMAN.—The term ‘targeted low-income pregnant
17 woman’ has the meaning given the term targeted
18 low-income child in section 2110(b) as if any ref-
19 erence to a child were deemed a reference to a
20 woman during pregnancy and through the end of the
21 month in which the 60-day period (beginning on the
22 last day of her pregnancy) ends.

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

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

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

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

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

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

16 “(5) Subsection (a) of section 2103 (relating to
17 required scope of health insurance coverage) shall
18 not apply insofar as a State limits coverage to serv-
19 ices described in subsection (b)(1) and the reference
20 to such section in section 2105(a)(1) is deemed not
21 to require, in such case, compliance with the require-
22 ments of section 2103(a).

23 “(6) There shall be no exclusion of benefits for
24 services described in subsection (b)(1) based on any
25 pre-existing condition.

1 “(d) NO IMPACT ON ALLOTMENTS.—Nothing in this
 2 section shall be construed as affecting the amount of any
 3 initial allotment provided to a State under section
 4 2104(b).

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

8 “(f) DEEMED ELIGIBILITY FOR 1-YEAR FOR CHIL-
 9 DREN BORN TO PRESUMPTIVELY ELIGIBLE TARGETED
 10 PREGNANT WOMEN.—If a child is born to a targeted low-
 11 income pregnant woman who was receiving pregnancy-re-
 12 lated assistance under this section at the time of the birth,
 13 the child shall be deemed, notwithstanding any other pro-
 14 vision of this title, to be a targeted low-income child until
 15 the child attains 1 year of age.”.

16 (2) EFFECTIVE DATE.—The amendment made
 17 by paragraph (1) shall take effect on the date of the
 18 enactment of this Act and shall apply to allotments
 19 for all fiscal years

20 (c) STATE OPTION FOR COVERAGE OF LEGAL IMMI-
 21 GRANTS UNDER THE MEDICAID AND CHILDREN’S
 22 HEALTH INSURANCE PROGRAMS.—

23 (1) MEDICAID.—Section 1902(a)(10)(a)(ii) (42
 24 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

1 (A) by striking “or” at the end of sub-
 2 clause (XIII);

3 (B) by adding “or” at the end of subclause
 4 (XIV); and

5 (C) by adding at the end the following new
 6 subclause:

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

19 (2) CHILDREN’S HEALTH INSURANCE PRO-
 20 GRAM.—Section 2110(b) (42 U.S.C. 1397jj(b)) is
 21 amended—

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

1 (B) in paragraph (3)—

2 (i) by striking “SPECIAL RULE.—”

3 and inserting “SPECIAL RULES.—

4 “(i) HEALTH INSURANCE COV-
5 ERAGE.—” by indenting the remainder of
6 the text accordingly; and

7 (ii) by adding at the end the following
8 new subparagraph:

9 “(B) ELIGIBILITY FOR LEGAL IMMIGRANT
10 CHILDREN.—For purposes of paragraph (1)(A),
11 a child is described in this subparagraph if—

12 “(i) the child would be determined eli-
13 gible for child health assistance under this
14 title but for the provisions of sections 403
15 and 421 of Public Law 104–193; and

16 “(ii) the State exercises the option to
17 provide medical assistance to the category
18 of individuals described in section
19 1902(a)(10)(A)(ii)(XV).”.

20 (d) CLARIFICATION OF COVERAGE UNDER VACCINE
21 FOR CHILDREN PROGRAM.—

22 (1) IN GENERAL.—Section 1928(b)(2)(A)(ii)
23 (42 U.S.C. 1396s(b)(2)(A)(ii)) is amended by insert-
24 ing “, except that for purposes of this paragraph a
25 child who is only insured under title XXI shall be

1 considered as being not insured” after “not in-
2 sured”.

3 (2) EFFECTIVE DATE.—The amendment made
4 by paragraph (1) shall take effect as if included in
5 the enactment of the Balanced Budget Act of 1997.

6 (e) ELIMINATION OF FUNDING OFFSET FOR EXER-
7 CISE OF PRESUMPTIVE ELIGIBILITY OPTION.—

8 (1) IN GENERAL.—Section 2104(d) (42 U.S.C.
9 1397dd(d)) is amended by striking “shall be reduced
10 by the sum of” and all that follows through “(2) the
11 amount of payments under such section” and insert-
12 ing “shall be reduced by the amount of payments
13 under section 1903(a)(1)”.

14 (2) EFFECTIVE DATE.—The amendment made
15 by paragraph (1) first applies for allotments for fis-
16 cal year 1999.

17 (f) PROGRAM COORDINATION WITH THE MATERNAL
18 AND CHILD HEALTH PROGRAM (TITLE V).—

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

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

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

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

3 “(F) that operations and activities under
4 this title are developed and implemented in con-
5 sultation and coordination with the program op-
6 erated by the State under title V in areas in-
7 cluding outreach and enrollment, benefits and
8 services, service delivery standards, public
9 health and social service agency relationships,
10 and quality assurance and data reporting.”.

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

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

15 (B) by inserting before the semicolon at
16 the end the following: “, and (D) provide that
17 operations and activities under this title are de-
18 veloped and implemented in consultation and
19 coordination with the program operated by the
20 State under title V in areas including outreach
21 and enrollment, benefits and services, service
22 delivery standards, public health and social
23 service agency relationships, and quality assur-
24 ance and data reporting;”.

- 1 (3) EFFECTIVE DATE.—The amendments made
2 by this subsection take effect on January 1, 1999.

