

105TH CONGRESS
1ST SESSION

S. 1293

To improve the performance outcomes of the child support enforcement program in order to increase the financial stability and well-being of children and families.

IN THE SENATE OF THE UNITED STATES

OCTOBER 9, 1997

Mr. ROCKEFELLER (for himself and Ms. SNOWE) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To improve the performance outcomes of the child support enforcement program in order to increase the financial stability and well-being of children and families.

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.**

4 This Act may be cited as the “Child Support Per-
5 formance Improvement Act of 1997”.

6 **SEC. 2. INCENTIVE PAYMENTS TO STATES.**

7 (a) IN GENERAL.—Part D of title IV of the Social
8 Security Act (42 U.S.C. 651–669) is amended by inserting
9 after section 458 the following:

1 **“SEC. 458A. INCENTIVE PAYMENTS TO STATES.**

2 “(a) IN GENERAL.—In addition to any other pay-
 3 ment under this part, the Secretary shall, subject to sub-
 4 section (f), make an incentive payment to each State for
 5 each fiscal year in an amount determined under subsection
 6 (b).

7 “(b) AMOUNT OF INCENTIVE PAYMENT.—

8 “(1) IN GENERAL.—The incentive payment for
 9 a State for a fiscal year is equal to the sum of the
 10 applicable percentages (determined in accordance
 11 with paragraph (3)) of the maximum incentive
 12 amount for the State for the fiscal year, with respect
 13 to each of the following measures of State perform-
 14 ance for the fiscal year:

15 “(A) The paternity establishment perform-
 16 ance level.

17 “(B) The support order performance level.

18 “(C) The current payment performance
 19 level.

20 “(D) The arrearage payment performance
 21 level.

22 “(E) The cost-effectiveness performance
 23 level.

24 “(F) Subject to section 2(d)(2)(C) of the
 25 Child Support Performance Improvement Act of
 26 1997, the medical support performance level.

1 “(2) MAXIMUM INCENTIVE AMOUNT.—

2 “(A) IN GENERAL.—For purposes of para-
3 graph (1), the maximum incentive amount for
4 a State for a fiscal year is—

5 “(i) subject to subsection (e)(2), with
6 respect to the performance measures de-
7 scribed in subparagraphs (A), (B), and (C)
8 of paragraph (1), 0.49 percent of the State
9 collections base for the fiscal year;

10 “(ii) subject to subsection (e)(2), with
11 respect to the performance measures de-
12 scribed in subparagraphs (D) and (E) of
13 paragraph (1), 0.37 percent of the State
14 collections base for the fiscal year; and

15 “(iii) with respect to the performance
16 measure described in subparagraph (F),
17 such percentage of the State collections
18 base for the fiscal year as the Secretary by
19 regulation may determine in accordance
20 with subsection (e)(2).

21 “(B) STATE COLLECTIONS BASE.—For
22 purposes of subparagraph (A), the State collec-
23 tions base for a fiscal year is equal to the sum
24 of—

25 “(i) 2 times the sum of—

1 “(I) the total amount of support
 2 collected during the fiscal year under
 3 the State plan approved under this
 4 part in cases in which the support ob-
 5 ligation involved is required to be as-
 6 signed to the State pursuant to part
 7 A or E of this title or title XIX; and

8 “(II) the total amount of support
 9 collected during the fiscal year under
 10 the State plan approved under this
 11 part in cases in which the support ob-
 12 ligation involved was so assigned but,
 13 at the time of collection, is not re-
 14 quired to be so assigned; and

15 “(ii) the total amount of support col-
 16 lected during the fiscal year under the
 17 State plan approved under this part in all
 18 other cases.

19 “(3) DETERMINATION OF APPLICABLE PER-
 20 CENTAGES BASED ON PERFORMANCE LEVELS.—

21 “(A) PATERNITY ESTABLISHMENT.—

22 “(i) DETERMINATION OF PATERNITY
 23 ESTABLISHMENT PERFORMANCE LEVEL.—

24 The paternity establishment performance
 25 level for a State for a fiscal year is, at the

1 option of the State, the IV–D paternity es-
 2 tablishment percentage determined under
 3 section 452(g)(2)(A) or the statewide pa-
 4 ternity establishment percentage deter-
 5 mined under section 452(g)(2)(B).

6 “(ii) DETERMINATION OF APPLICABLE
 7 PERCENTAGE.—The applicable percentage
 8 with respect to a State’s paternity estab-
 9 lishment performance level is as follows:

“If the paternity establishment performance level is:		The applicable percentage is:
At least:	But less than:	
80% .....	.....	100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60

“If the paternity establishment performance level is:		The applicable percentage is:
At least:	But less than:	
0%	50%	0.

1 Notwithstanding the preceding sentence, if
2 the paternity establishment performance
3 level of a State for a fiscal year is less
4 than 50 percent but exceeds by at least 10
5 percentage points the paternity establish-
6 ment performance level of the State for the
7 immediately preceding fiscal year, then the
8 applicable percentage with respect to the
9 State’s paternity establishment perform-
10 ance level is 50 percent.

11 “(B) ESTABLISHMENT OF CHILD SUPPORT
12 ORDERS.—

13 “(i) DETERMINATION OF SUPPORT
14 ORDER PERFORMANCE LEVEL.—The sup-
15 port order performance level for a State
16 for a fiscal year is the percentage of the
17 total number of cases under the State plan
18 approved under this part in which there is
19 a support order during the fiscal year.

20 “(ii) DETERMINATION OF APPLICABLE
21 PERCENTAGE.—The applicable percentage

1 with respect to a State's support order per-
 2 formance level is as follows:

"If the support order performance level is:		The applicable percentage is:
At least:	But less than:	
80% .....	.....	100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
0%	50%	0.

3 Notwithstanding the preceding sentence, if
 4 the support order performance level of a
 5 State for a fiscal year is less than 50 per-
 6 cent but exceeds by at least 5 percentage
 7 points the support order performance level
 8 of the State for the immediately preceding

1 fiscal year, then the applicable percentage
 2 with respect to the State’s support order
 3 performance level is 50 percent.

4 “(C) COLLECTIONS ON CURRENT CHILD
 5 SUPPORT DUE.—

6 “(i) DETERMINATION OF CURRENT
 7 PAYMENT PERFORMANCE LEVEL.—The
 8 current payment performance level for a
 9 State for a fiscal year is equal to the total
 10 amount of current support collected during
 11 the fiscal year under the State plan ap-
 12 proved under this part divided by the total
 13 amount of current support owed during the
 14 fiscal year in all cases under the State
 15 plan, expressed as a percentage.

16 “(ii) DETERMINATION OF APPLICABLE
 17 PERCENTAGE.—The applicable percentage
 18 with respect to a State’s current payment
 19 performance level is as follows:

“If the current payment performance level is:		The applicable percentage is:
At least:	But less than:	
80% .....	.....	100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82

“If the current payment performance level is:		The applicable percentage is:
At least:	But less than:	
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
49%	50%	59
48%	49%	58
47%	48%	57
46%	47%	56
45%	46%	55
44%	45%	54
43%	44%	53
42%	43%	52
41%	42%	51
40%	41%	50
0%	40%	0.

1 Notwithstanding the preceding sentence, if
2 the current payment performance level of a
3 State for a fiscal year is less than 40 per-
4 cent but exceeds by at least 5 percentage
5 points the current payment performance
6 level of the State for the immediately pre-
7 ceding fiscal year, then the applicable per-
8 centage with respect to the State’s current
9 payment performance level is 50 percent.

1 “(D) COLLECTIONS ON CHILD SUPPORT
2 ARREARAGES.—

3 “(i) DETERMINATION OF ARREARAGE
4 PAYMENT PERFORMANCE LEVEL.—The ar-
5 rearage payment performance level for a
6 State for a fiscal year is equal to the total
7 number of cases under the State plan ap-
8 proved under this part in which payments
9 of past-due child support were received
10 during the fiscal year and part or all of the
11 payments were distributed to the family to
12 whom the past-due child support was owed
13 (or, if all past-due child support owed to
14 the family was, at the time of receipt, sub-
15 ject to an assignment to the State, part or
16 all of the payments were retained by the
17 State) divided by the total number of cases
18 under the State plan in which there is
19 past-due child support, expressed as a per-
20 centage.

21 “(ii) DETERMINATION OF APPLICABLE
22 PERCENTAGE.—The applicable percentage
23 with respect to a State’s arrearage pay-
24 ment performance level is as follows:

“If the arrearage payment performance level is:		The applicable percentage is:
At least:	But less than:	
80% .....	.....	100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
49%	50%	59
48%	49%	58
47%	48%	57
46%	47%	56
45%	46%	55
44%	45%	54
43%	44%	53
42%	43%	52
41%	42%	51
40%	41%	50
0%	40%	0.

1 Notwithstanding the preceding sentence, if
2 the arrearage payment performance level
3 of a State for a fiscal year is less than 40
4 percent but exceeds by at least 5 percent-

age points the arrearage payment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's arrearage payment performance level is 50 percent.

“(E) COST-EFFECTIVENESS.—

“(i) DETERMINATION OF COST-EFFECTIVENESS PERFORMANCE LEVEL.—The cost-effectiveness performance level for a State for a fiscal year is equal to the total amount collected during the fiscal year under the State plan approved under this part divided by the total amount expended during the fiscal year under the State plan, expressed as a ratio.

“(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's cost-effectiveness performance level is as follows:

“If the cost-effectiveness performance level is:		The applicable percentage is:
At least:	But less than:	
5.00 .....	.....	100
4.50	4.99	90
4.00	4.50	80
3.50	4.00	70
3.00	3.50	60
2.50	3.00	50
2.00	2.50	40

“If the cost-effectiveness performance level is:		The applicable percentage is:
At least:	But less than:	
0.00	2.00	0.

1 “(F) MEDICAL SUPPORT.—Subject to sec-
2 tion 2(d)(2)(C) of the Child Support Perform-
3 ance Improvement Act of 1997, the medical
4 support performance level for a State for a fis-
5 cal year, and the applicable percentage for a
6 State with respect to such level, shall be deter-
7 mined in accordance with regulations imple-
8 menting the recommendations required to be in-
9 cluded in the report submitted under section
10 2(d)(2)(B) of such Act.

11 “(c) TREATMENT OF INTERSTATE COLLECTIONS.—
12 In computing incentive payments under this section, sup-
13 port which is collected by a State at the request of another
14 State shall be treated as having been collected in full by
15 both States, and any amounts expended by a State in car-
16 rying out a special project assisted under section 455(e)
17 shall be excluded.

18 “(d) ADMINISTRATIVE PROVISIONS.—The amounts
19 of the incentive payments to be made to the States under
20 this section for a fiscal year shall be estimated by the Sec-
21 retary at or before the beginning of the fiscal year on the
22 basis of the best information available, as obtained in ac-
23 cordance with section 452(a)(12). The Secretary shall

1 make the payments for the fiscal year, on a quarterly basis
2 (with each quarterly payment being made not later than
3 the beginning of the quarter involved), in the amounts so
4 estimated, reduced, or increased to the extent of any over-
5 payments or underpayments which the Secretary deter-
6 mines were made under this section to the States involved
7 for prior periods and with respect to which adjustment has
8 not already been made under this subsection. Upon the
9 making of any estimate by the Secretary under the preced-
10 ing sentence, any appropriations available for payments
11 under this section are deemed obligated.

12 “(e) REGULATIONS.—

13 “(1) IN GENERAL.—The Secretary shall pre-
14 scribe such regulations as may be necessary govern-
15 ing the calculation of incentive payments under this
16 section, including directions for excluding from the
17 calculations certain closed cases and cases over
18 which the States do not have jurisdiction, and regu-
19 lations excluding from the calculations of the current
20 payment performance level and the arrearage pay-
21 ment performance level any case in which the State
22 used State funds to make such payments for the pri-
23 mary purpose of increasing the State’s performance
24 levels in such areas.

1 “(2) REGULATIONS IMPLEMENTING THE MEDI-
2 CAL SUPPORT PERFORMANCE LEVEL.—Subject to
3 section 2(d)(2)(C) of the Child Support Performance
4 Improvement Act of 1997, the Secretary shall pre-
5 scribe regulations implementing the recommenda-
6 tions required to be included in the report submitted
7 under section 2(d)(2)(B) of such Act. To the extent
8 necessary to ensure that the implementation of such
9 recommendations does not result in total Federal ex-
10 penditures under this section in excess of the
11 amount of such expenditures in the absence of such
12 implementation, such regulations may increase or
13 decrease the percentages specified in clauses (i) and
14 (ii) of subsection (b)(2)(A).

15 “(f) REINVESTMENT.—

16 “(1) IN GENERAL.—Until such time as the
17 State qualifies for the maximum incentive amount
18 possible, as determined under subsection (b)(2), pay-
19 ments under this section and section 458 shall sup-
20 plement, not supplant, State child support expendi-
21 tures under the State program under this part to
22 the extent that such expenditures were funded by
23 the State in fiscal year 1996.

24 “(2) PENALTY.—Failure to satisfy the require-
25 ment of paragraph (1) shall result in a proportionate

1 reduction, determined by the Secretary, of future
2 payments to the State under this section and section
3 458.”.

4 (b) PAYMENTS DURING TRANSITION PERIOD.—Not-
5 withstanding section 458A of the Social Security Act (42
6 U.S.C. 658A), as added by subsection (a), the amount of
7 an incentive payment for a State under such section shall
8 not be—

9 (1) in the case of fiscal year 2000, less than 80
10 percent or greater than 120 percent of the incentive
11 payment for the State determined under section 458
12 of the Social Security Act (42 U.S.C. 658) for fiscal
13 year 1999 (as such section was in effect for such fis-
14 cal year);

15 (2) in the case of fiscal year 2001, less than 60
16 percent or greater than 140 percent of the incentive
17 payment for the State (as so determined);

18 (3) in the case of fiscal year 2002, less than 40
19 percent or greater than 160 percent of the incentive
20 payment for the State (as so determined); and

21 (4) in the case of fiscal year 2003, less than 20
22 percent or greater than 180 percent of the incentive
23 payment for the State (as so determined).

24 (c) REGULATIONS.—Within 9 months after the date
25 of enactment of this section, the Secretary of Health and

1 Human Services shall prescribe regulations governing the
 2 implementation of section 458A of the Social Security Act,
 3 when such section takes effect, and the implementation
 4 of subsection (b) of this section.

5 (d) STUDIES.—

6 (1) GENERAL REVIEW OF NEW INCENTIVE PAY-
 7 MENT SYSTEM.—

8 (A) IN GENERAL.—The Secretary of
 9 Health and Human Services (in this subsection
 10 referred to as the “Secretary”) shall conduct a
 11 study of the implementation of the incentive
 12 payment system established by section 458A of
 13 the Social Security Act, in order to identify the
 14 problems and successes of the system.

15 (B) REPORTS TO CONGRESS.—

16 (i) REPORT ON VARIATIONS IN STATE
 17 PERFORMANCE ATTRIBUTABLE TO DEMO-
 18 GRAPHIC VARIABLES.—Not later than Oc-
 19 tober 1, 2000, the Secretary shall submit
 20 to Congress a report that identifies any de-
 21 mographic or economic variables that ac-
 22 count for differences in the performance
 23 levels achieved by the States with respect
 24 to the performance measures used in the
 25 system, and contains the recommendations

1 of the Secretary for such adjustments to
 2 the system as may be necessary to ensure
 3 that the relative performance of States is
 4 measured from a baseline that takes ac-
 5 count of any such variables.

6 (ii) INTERIM REPORT.—Not later than
 7 March 1, 2001, the Secretary shall submit
 8 to Congress an interim report that con-
 9 tains the findings of the study required by
 10 subparagraph (A).

11 (iii) FINAL REPORT.—Not later than
 12 October 1, 2003, the Secretary shall sub-
 13 mit to Congress a final report that con-
 14 tains the final findings of the study re-
 15 quired by subparagraph (A). The report
 16 shall include any recommendations for
 17 changes in the system that the Secretary
 18 determines would improve the operation of
 19 the child support enforcement program.

20 (2) DEVELOPMENT OF MEDICAL SUPPORT IN-
 21 CENTIVE.—

22 (A) IN GENERAL.—The Secretary, in con-
 23 sultation with State directors of programs oper-
 24 ated under part D of title IV of the Social Se-
 25 curity Act and representatives of children po-

1 tentially eligible for medical support, such as
2 child advocacy organizations, shall develop a
3 new medical support performance measure
4 based on the effectiveness of States in establish-
5 ing and enforcing medical support obligations,
6 and shall make recommendations for the incor-
7 poration of the measure, in a revenue neutral
8 manner, into the incentive payment system es-
9 tablished by section 458A of the Social Security
10 Act.

11 (B) REPORT.—Not later than October 1,
12 1998, the Secretary shall submit to the Com-
13 mittee on Ways and Means of the House of
14 Representatives and the Committee on Finance
15 of the Senate, a report that describes the per-
16 formance measure and contains the rec-
17 ommendations required under subparagraph
18 (A).

19 (C) CONGRESSIONAL DISAPPROVAL RE-
20 QUIRED.—

21 (i) IN GENERAL.—The Secretary
22 shall, by regulation, implement the rec-
23 ommendations required to be included in
24 the report submitted under subparagraph
25 (B) unless a joint resolution is enacted, in

1 accordance with subparagraph (D), dis-
 2 approving such recommendations before
 3 the end of the 1-year period that begins
 4 on the date on which the Secretary sub-
 5 mits such report.

6 (ii) EXCLUSION OF CERTAIN DAYS.—

7 For purposes of clause (i) and subpara-
 8 graph (D), the days on which either House
 9 of Congress is not in session because of an
 10 adjournment of more than 3 days to a day
 11 certain shall be excluded from the com-
 12 putation of the period.

13 (D) CONGRESSIONAL CONSIDERATION.—

14 (i) TERMS OF THE RESOLUTION.—

15 For purposes of subparagraph (C)(i), the
 16 term “joint resolution” means only a joint
 17 resolution that is introduced within the 1-
 18 year period described in such subpara-
 19 graph and—

20 (I) that does not have a pre-
 21 amble;

22 (II) the matter after the resolv-
 23 ing clause of which is as follows:
 24 “That Congress disapproves the rec-
 25 ommendations of the Secretary of

1 Health and Human Services regarding
2 the implementation of a medical sup-
3 port performance measure submitted
4 on _____”, the blank space being filled
5 in with the appropriate date; and

6 (III) the title of which is as fol-
7 lows: “Joint resolution disapproving
8 the recommendations of the Secretary
9 of Health and Human Services re-
10 garding the implementation of a medi-
11 cal support performance measure.”.

12 (ii) REFERRAL.—A resolution de-
13 scribed in clause (i) that is introduced—

14 (I) in the House of Representa-
15 tives, shall be referred to the Commit-
16 tee on Ways and Means; and

17 (II) in the Senate, shall be re-
18 ferred to the Committee on Finance.

19 (iii) DISCHARGE.—If a committee to
20 which a resolution described in clause (i) is
21 referred has not reported such resolution
22 by the end of the 20-day period beginning
23 on the date on which the Secretary sub-
24 mits the report required under subpara-
25 graph (B), such committee shall be, at the

1 end of such period, discharged from fur-
 2 ther consideration of such resolution, and
 3 such resolution shall be placed on the ap-
 4 propriate calendar of the House involved.

5 (iv) CONSIDERATION.—On or after
 6 the third day after the date on which the
 7 committee to which a resolution described
 8 in clause (i) has reported, or has been dis-
 9 charged from further consideration of such
 10 resolution, such resolution shall be consid-
 11 ered in the same manner as a resolution is
 12 considered under subsections (d), (e), and
 13 (f) of section 2908 of the Defense Base
 14 Closure and Realignment Act of 1990 (10
 15 U.S.C. 2687 note).

16 (e) TECHNICAL AMENDMENTS.—

17 (1) IN GENERAL.—Section 341 of the Personal
 18 Responsibility and Work Opportunity Reconciliation
 19 Act of 1996 (42 U.S.C. 658 note) is amended—

20 (A) by striking subsection (a) and redesign-
 21 nating subsections (b), (c), and (d) as sub-
 22 sections (a), (b), and (c), respectively; and

23 (B) in subsection (c) (as so redesign-
 24 nated)—

1 (i) by striking paragraph (1) and in-
 2 serting the following:

3 “(1) CONFORMING AMENDMENTS TO PRESENT
 4 SYSTEM.—The amendments made by subsection (a)
 5 of this section shall become effective with respect to
 6 a State as of the date the amendments made by sec-
 7 tion 103(a) (without regard to section 116(a)(2))
 8 first apply to the State.”; and

9 (ii) in paragraph (2), by striking
 10 “(c)” and inserting “(b)”.

11 (2) EFFECTIVE DATE.—The amendments made
 12 by this subsection shall take effect as if included in
 13 the enactment of section 341 of the Personal Re-
 14 sponsibility and Work Opportunity Reconciliation
 15 Act of 1996.

16 (f) ELIMINATION OF PREDECESSOR INCENTIVE PAY-
 17 MENT SYSTEM.—

18 (1) REPEAL.—Section 458 of the Social Secu-
 19 rity Act (42 U.S.C. 658) is repealed.

20 (2) CONFORMING AMENDMENTS.—

21 (A) Section 458A of the Social Security
 22 Act (42 U.S.C. 658a) is redesignated as section
 23 458.

1 (B) Paragraphs (1) and (2) of section
 2 458(f) (as so redesignated) are each amended
 3 by striking “and section 458”.

4 (3) EFFECTIVE DATE.—The amendments made
 5 by this subsection shall take effect on October 1,
 6 2003.

7 (g) GENERAL EFFECTIVE DATE.—Except as other-
 8 wise provided in this section, the amendments made by
 9 this section shall take effect on October 1, 1999.

10 **SEC. 3. DATA INTEGRITY.**

11 (a) DUTY OF THE SECRETARY TO ENSURE RELI-
 12 ABLE DATA.—Section 452(a) of the Social Security Act
 13 (42 U.S.C. 652(a)) is amended—

14 (1) in paragraph (10), by striking “and” at the
 15 end;

16 (2) in paragraph (11), by striking the period
 17 and inserting “; and”; and

18 (3) by adding at the end the following:

19 “(12) ensure that data required for the oper-
 20 ation of State programs is complete and reliable by
 21 providing Federal guidance, technical assistance,
 22 and monitoring.”.

23 (b) DENYING INCENTIVE PAYMENTS WHEN FED-
 24 ERAL AUDITS FIND THAT CLAIMS ARE BASED ON INCOM-
 25 PLETE OR UNRELIABLE DATA.—Section 409(a)(8)(A) of

1 the Social Security Act (42 U.S.C. 609(a)(8)(A)) is
2 amended by striking the period and inserting the follow-
3 ing: “, and, in addition to the reductions specified in sub-
4 paragraph (B), no State shall be eligible for incentive pay-
5 ments pursuant to section 458 or 458A for any fiscal year
6 in which its claim is based on data found to be incomplete
7 or unreliable pursuant to an audit or audits conducted
8 under section 452(a)(4)(C).”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall take effect on October 1, 1999.

○