

105TH CONGRESS
1ST SESSION

S. 674

To amend title XIX of the Social Security Act to encourage States to expand health coverage of low income children and pregnant women and to provide funds to promote outreach efforts to enroll eligible children under health insurance programs.

IN THE SENATE OF THE UNITED STATES

APRIL 30, 1997

Mr. CHAFEE (for himself, Mr. ROCKEFELLER, Mr. JEFFORDS, Mr. BREAU, Ms. COLLINS, Ms. SNOWE, Mr. BINGAMAN, Mr. HATCH, Mr. KENNEDY, Mr. KERREY, Mr. DODD, Mr. KERRY, Mr. D'AMATO, Mr. BRYAN, Mr. BAUCUS, Mr. ROBB, Mr. HUTCHINSON, Mr. INOUE, Mr. SPECTER, Mr. DASCHLE, Ms. MOSELEY-BRAUN, and Mr. MOYNIHAN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XIX of the Social Security Act to encourage States to expand health coverage of low income children and pregnant women and to provide funds to promote outreach efforts to enroll eligible children under health insurance programs.

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 “Children’s Health In-
5 surance Provides Security (CHIPS) Act of 1997”.

1 **SEC. 2. ENCOURAGING STATES THROUGH INCREASED FED-**
2 **ERAL MEDICAL ASSISTANCE PERCENTAGE**
3 **(FMAP) TO EXPAND MEDICAID COVERAGE OF**
4 **CHILDREN AND PREGNANT WOMEN.**

5 (a) INCREASED FMAP FOR MEDICAL ASSISTANCE
6 FOR CERTAIN INDIVIDUALS.—Section 1905 of the Social
7 Security Act (42 U.S.C. 1396d) is amended—

8 (1) in subsection (b), by adding at the end the
9 following new sentence: “Notwithstanding the first
10 sentence of this subsection, in the case of a State
11 plan that meets the conditions described in sub-
12 section (t)(1), with respect to expenditures for medi-
13 cal assistance for individuals within an optional cov-
14 erage group (as defined in subsection (t)(2)) the
15 Federal medical assistance percentage is equal to the
16 enhanced medical assistance percentage described in
17 subsection (t)(3).”; and

18 (2) by adding at the end the following new sub-
19 section:

20 “(t)(1) The conditions described in this paragraph for
21 a State plan are as follows:

22 “(A) The plan provides (either through exercise
23 of the option under section 1902(l)(1)(D) or author-
24 ity under section 1902(r)(2)) for coverage under sec-
25 tion 1902(l)(1)(D) of individuals under 19 years of
26 age, regardless of date of birth.

1 “(B) The plan provides under section
 2 1902(e)(12) for continuous eligibility for a period of
 3 12 months (under subparagraph (A) of such section)
 4 of all individuals under 19 years of age who are de-
 5 termined to be eligible for benefits under a State
 6 plan approved under this title under section
 7 1902(a)(10)(A).

8 “(2) For purposes of subsection (b), the term ‘op-
 9 tional coverage group’ means individuals described in each
 10 of the following subparagraphs:

11 “(A) PREGNANT WOMEN WITH FAMILY INCOME
 12 BETWEEN 133 PERCENT AND 150 PERCENT OF POV-
 13 ERTY LINE.—Women described in subparagraph (A)
 14 of section 1902(l)(1) whose family income exceeds
 15 133 percent, but does not exceed 150 percent, of the
 16 poverty line for a family of the size involved.

17 “(B) INFANTS WITH FAMILY INCOME BETWEEN
 18 133 PERCENT AND 150 PERCENT OF POVERTY
 19 LINE.—Infants described in subparagraph (B) of
 20 section 1902(l)(1) whose family income exceeds 133
 21 percent, but does not exceed 150 percent, of the pov-
 22 erty line for a family of the size involved.

23 “(C) CHILDREN UNDER 6 YEARS OF AGE WITH
 24 FAMILY INCOME BETWEEN 133 PERCENT AND 150
 25 PERCENT OF POVERTY LINE.—Children described in

1 subparagraph (C) of section 1902(l)(1) whose family
 2 income exceeds 133 percent, but does not exceed
 3 150 percent, of the poverty line for a family of the
 4 size involved.

5 “(D) OLDER CHILDREN WITH FAMILY INCOME
 6 BETWEEN 100 PERCENT AND 150 PERCENT OF POV-
 7 ERTY LINE.—Children described in subparagraph
 8 (D) of section 1902(l)(1), who are not described in
 9 any of subclauses (I) through (III) of section
 10 1902(a)(10)(A)(i), and whose family income exceeds
 11 100 percent, but does not exceed 150 percent, of the
 12 poverty line for a family of the size involved.

13 “(3) The enhanced medical assistance percentage de-
 14 scribed in this paragraph for a State is equal to the Fed-
 15 eral medical assistance percentage (as defined in the first
 16 sentence of subsection (b)) for the State increased (but
 17 not above 90 percent) by the number of percentage points
 18 equal to 30 percent of the number of percentage points
 19 by which (A) such Federal medical assistance percentage
 20 for the State, is less than (B) 100 percent.”.

21 (b) STATE OPTION TO EXPAND ELIGIBILITY TO 150
 22 PERCENT OF POVERTY LINE FOR CHILDREN OVER 1
 23 YEAR OF AGE.—Section 1902(l)(2) of such Act (42
 24 U.S.C. 1396a(l)(2)) is amended—

1 (1) in subparagraph (B), by striking “equal to
2 133 percent” and inserting “a percentage (specified
3 by the State and not less than 133 percent and not
4 more than 150 percent)”, and

5 (2) in subparagraph (C), by striking “equal to
6 100 percent” and inserting “a percentage (specified
7 by the State and not less than 100 percent and not
8 more than 150 percent)”.

9 (c) CLARIFICATION OF STATE OPTION TO COVER
10 ALL CHILDREN UNDER 19 YEARS OF AGE.—Section
11 1902(l)(1)(D) of such Act (42 U.S.C. 1396a(l)(1)(D)) is
12 amended by inserting “(or, at the option of a State, after
13 any earlier date)” after “children born after September
14 30, 1983”.

15 (d) STATE OPTION OF CONTINUOUS ELIGIBILITY
16 FOR 12 MONTHS.—Section 1902(e) of such Act (42
17 U.S.C. 1396a(e)) is amended by adding at the end the
18 following new paragraph:

19 “(12) At the option of the State, the plan may pro-
20 vide that an individual who is under an age specified by
21 the State (not to exceed 19 years of age) and who is deter-
22 mined to be eligible for benefits under a State plan ap-
23 proved under this title under subsection (a)(10)(A) shall
24 remain eligible for those benefits until the earlier of—

1 “(A) the end of a period (not to exceed 12
2 months) following the determination; or

3 “(B) the time that the individual exceeds that
4 age.”.

5 (e) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to medical assistance for items and
7 services furnished on or after January 1, 1998.

8 **SEC. 3. EMPLOYER CONTRIBUTIONS TO PREMIUMS.**

9 (a) GENERAL RULE.—Any employer which elects to
10 make employer contributions on behalf of an individual
11 who is an employee of such employer, or who is a depend-
12 ent of such employee, for health insurance coverage shall
13 not condition, or vary, such contributions with respect to
14 any such individual by reason of such individual’s status
15 as an individual eligible for medical assistance under a
16 State plan under title XIX of the Social Security Act (42
17 U.S.C. 1396 et seq.).

18 (b) ELIMINATION OF CONTRIBUTIONS.—An employer
19 shall not be treated as failing to meet the requirements
20 of subsection (a) if the employer ceases to make employer
21 contributions for health insurance coverage for all its em-
22 ployees.

23 (c) ENFORCEMENT.—The enforcement provisions ap-
24 plicable to group health insurance coverage under the
25 amendments made by section 101(e)(2) of the Health In-

1 insurance Portability and Accountability Act of 1996 (Pub-
 2 lic Law 104–191; 110 Stat. 1952) shall apply with respect
 3 to an employer that violates the provisions of this section
 4 in the same manner as such provisions apply to employers
 5 under such amendments.

6 **SEC. 4. GRANT PROGRAM TO PROMOTE OUTREACH EF-**
 7 **FORTS.**

8 (a) **AUTHORIZATION OF APPROPRIATIONS.**—There
 9 are authorized to be appropriated, for each fiscal year be-
 10 ginning with fiscal year 1998 to the Secretary of Health
 11 and Human Services, \$25,000,000 for grants to States,
 12 localities, and nonprofit entities to promote outreach ef-
 13 forts to enroll eligible children under the medicaid pro-
 14 gram under title XIX of the Social Security Act (42
 15 U.S.C. 1396 et seq.) and related programs.

16 (b) **USE OF FUNDS.**—Funds under this section may
 17 be used to reimburse States, localities, and nonprofit enti-
 18 ties for additional training and administrative costs associ-
 19 ated with outreach activities. Such activities include the
 20 following:

21 (1) **USE OF A COMMON APPLICATION FORM FOR**
 22 **FEDERAL CHILD ASSISTANCE PROGRAMS.**—Imple-
 23 menting use of a single application form (established
 24 by the Secretary and based on the model application
 25 forms developed under subsections (a) and (b) of

1 section 6506 of the Omnibus Budget Reconciliation
2 Act of 1989 (42 U.S.C. 701 note; 1396a note)) to
3 determine the eligibility of a child or the child's fam-
4 ily (as applicable) for assistance or benefits under
5 the medicaid program and under other Federal child
6 assistance programs (such as the temporary assist-
7 ance for needy families program under part A of
8 title IV of the Social Security Act (42 U.S.C. 601
9 et seq.), the food stamp program, as defined in sec-
10 tion 3(h) of the Food Stamp Act of 1977 (7 U.S.C.
11 2012(h)), and the State program for foster care
12 maintenance payments and adoption assistance pay-
13 ments under part E of title IV of the Social Security
14 Act (42 U.S.C. 670 et seq.)).

15 (2) EXPANDING OUTSTATIONING OF ELIGI-
16 BILITY PERSONNEL.—Providing for the stationing of
17 eligibility workers at sites, such as hospitals and
18 health clinics, at which children receive health care
19 or related services.

20 (c) APPLICATION, ETC.—Funding shall be made
21 available under this section only upon the approval of an
22 application by a State, locality, or nonprofit entity for such
23 funding and only upon such terms and conditions as the
24 Secretary specifies.

1 (d) ADMINISTRATION.—The Secretary may admin-
2 ister the grant program under this section through the
3 identifiable administrative unit designated under section
4 509(a) of the Social Security Act (42 U.S.C. 709(a)) to
5 promote coordination of medicaid and maternal and child
6 health activities and other child health related activities.

○